



Fortress Minerals Limited

1Q FY2021 Results Presentation

Malaysia



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01

Fortress, at a glance
Bukit Besi Mine Overview

Company Profile

Malaysia's Leading High-Grade Iron Ore Concentrate Mine

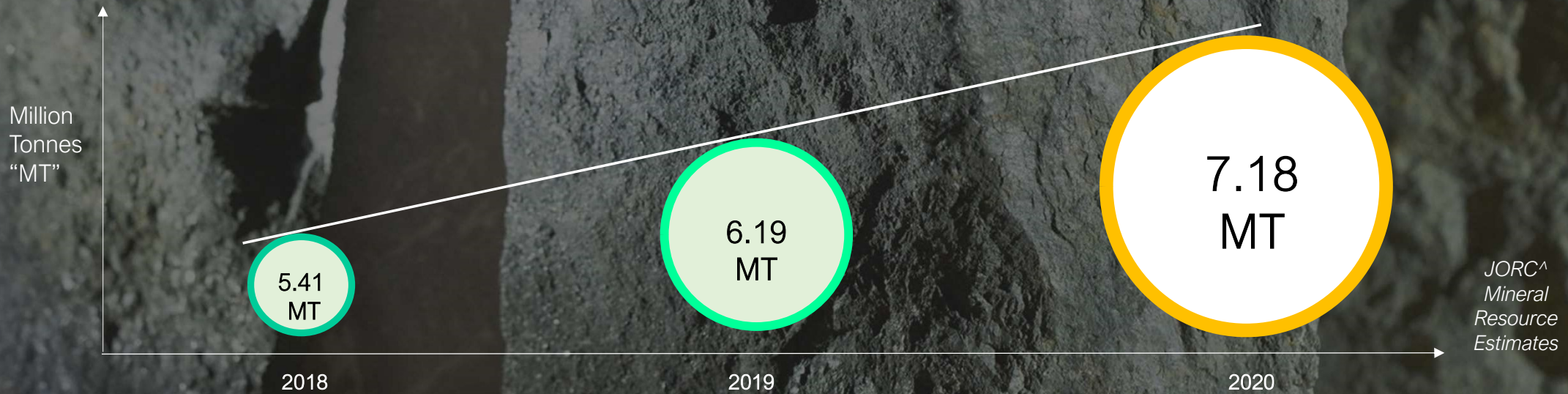


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- We are an iron ore producer and exporter headquartered in Malaysia.
- Our principal business activities include exploration, mining, production and sale of iron ore concentrate.
- Currently producing high-grade iron ore concentrate from East, Valley and West Deposits in Bukit Besi mine.
- We are focused on production of high-grade iron ore concentrate.

Significant milestone



[^] JORC denotes Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

Management team

Talents whom responsible for the stewardship and long-term sustainable success of the Group



Dato' Sri Ivan Chee

- Responsible for overall management and operations of the Group, including formulating, implementing and monitoring the Group's strategic directions, growth plans, financial and risk management.
- Extensive experience in civil and structural engineering and mining industry.

Executive Director & Chief
Executive Officer



Ng Mun Fey

- Responsible for the overall management and day-to-day operations of the Bukit Besi Mine, including heading the Group's marketing, geology, mining, processing and other supporting divisions.

Executive Director & Chief
Operating Officer



Fionne Chua

- Responsible for all finance and accounting operations of the Group.
- Coordinates and directs the preparation of the budget, financial forecast, reports and financial statements and coordinates the preparation of regulatory reporting.
- A Chartered Accountant with more than 10 years of relevant experience.

Financial Controller

Bukit Besi Mine Strategic Location supported with Good Infrastructure

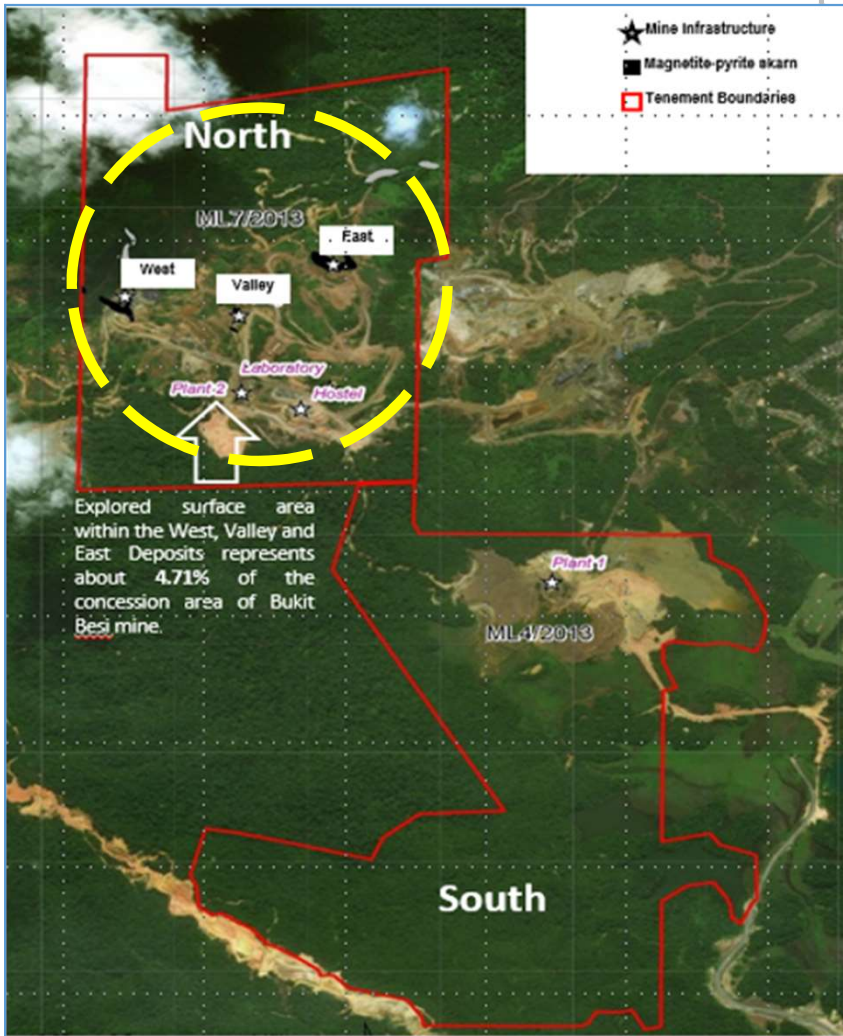


Mineral Resource – A closer look

Growing resource base and Overall Fe increases despite yearly depletion



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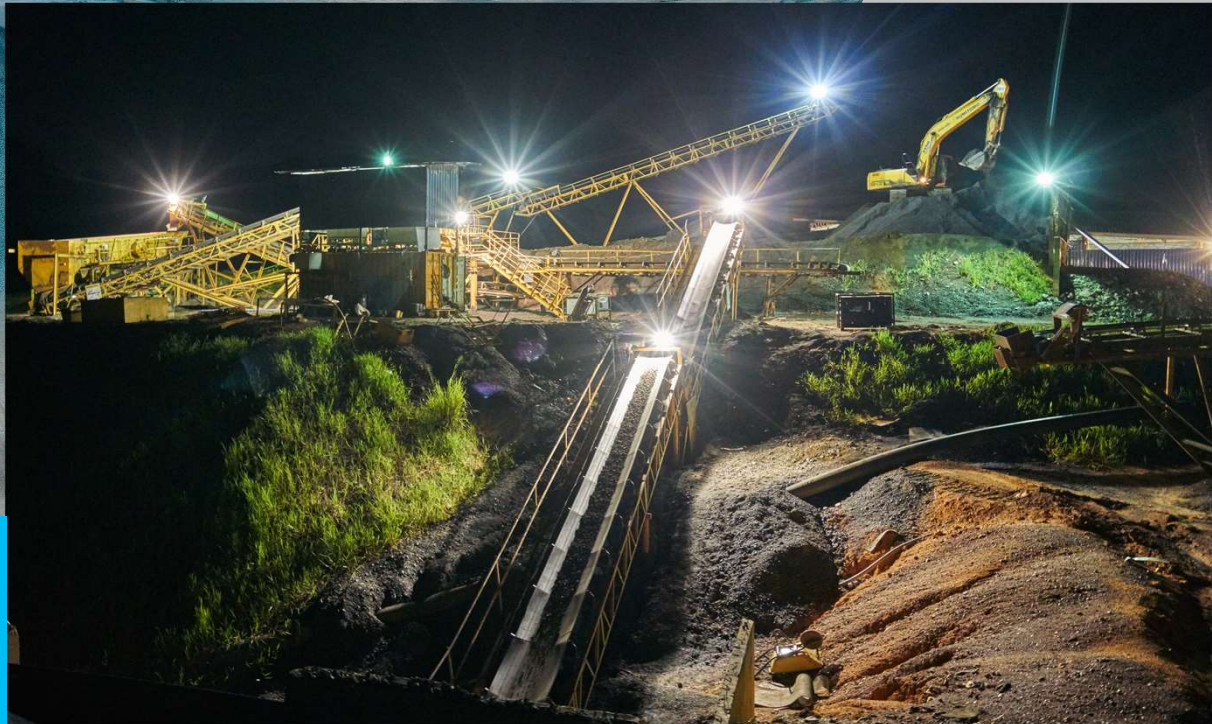
RESOURCE SUMMARY:

West, Valley and East Deposits are <5% of total concession area (526.2 ha)

Deposit Area	Resource Category	7 Aug 2018		28 Feb 2019		29 Feb 2020	
		Net Attributable to the Group					
		Tonnes (Mt)*	Grade (% Fe)	Tonnes (Mt)*	Grade (% Fe)	Tonnes (Mt)*	Grade (% Fe)
West	Indicated	0.37	42.20	0.34	41.44	0.36	40.74
West	Inferred	2.55	39.60	2.42	39.33	2.25	38.99
Valley	Inferred	1.36	46.40	2.24	46.33	3.61	46.67
East	Inferred	1.13	40.70	1.18	41.05	0.96	41.29
Total		5.41	41.70	6.19	42.31	7.18	43.25

*Mt denotes million tonnes

Processing
Plants
and
Mine
Infrastructure



“Resilience productivity capable to operate on 24-hour shift”



Integrated
Processing Plants

*“Daily trucks to
customers’
stockyards”*

02

Financial results



Delivering Strong margin

Continued low cost reduction

Snapshot
1Q FY2021

+ 21.4% US\$ 1.3M
Revenue

-16.6% US\$ (4.96)/WMT
Average unit cost

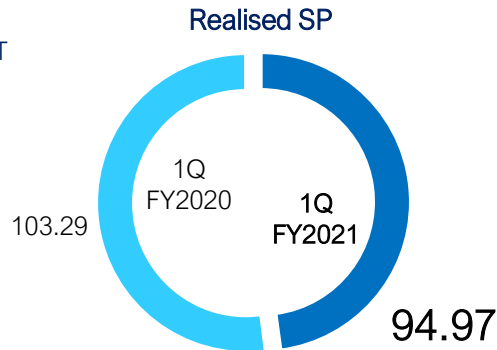
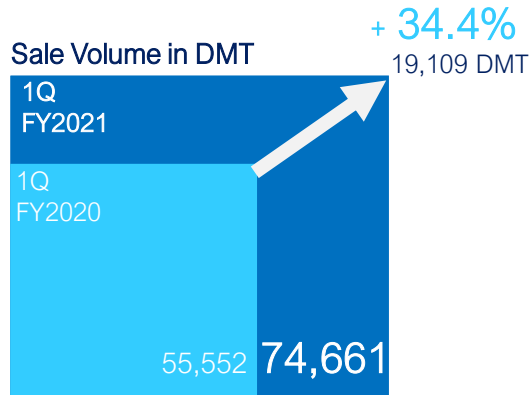
+ 25.8% US\$ 1.0M
Gross Profit



71.1%
Gross Profit Margin
(1Q FY2021: 68.6%)

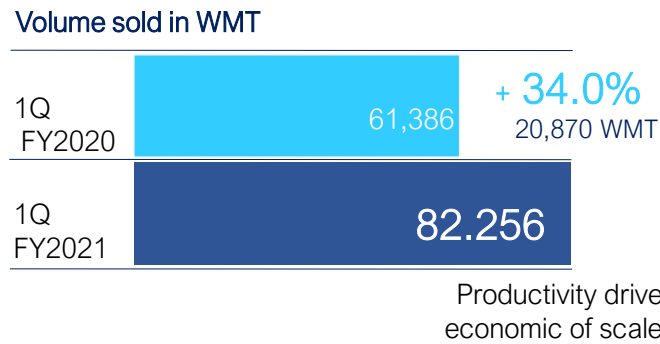
Revenue

Robust sales volume masked by low price

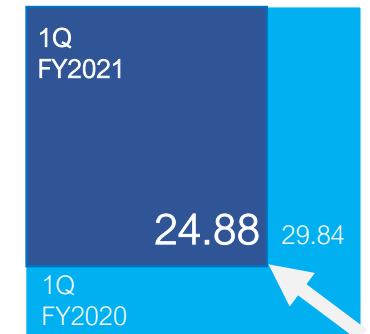


COS

Sustainable low-cost producer

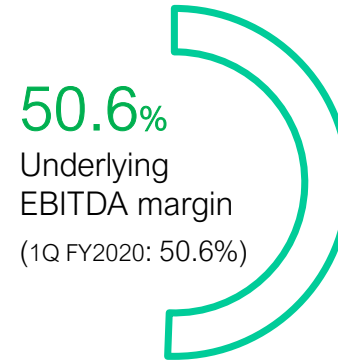
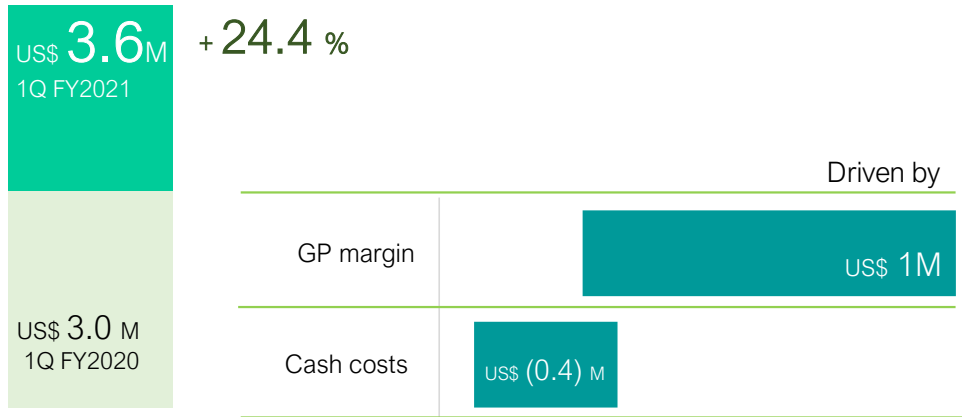


Average unit cost



Solid earnings translate into strong cash flow

Solid underlying EBITDA driven by continued GP growth



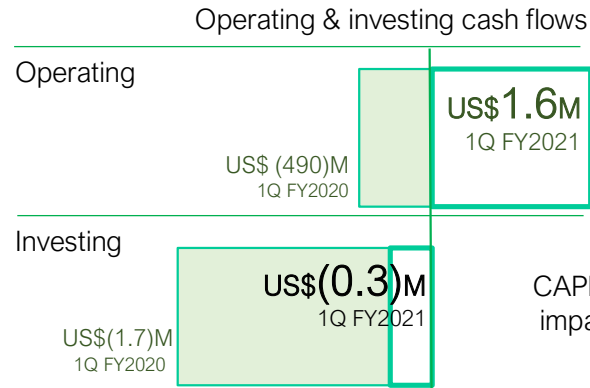
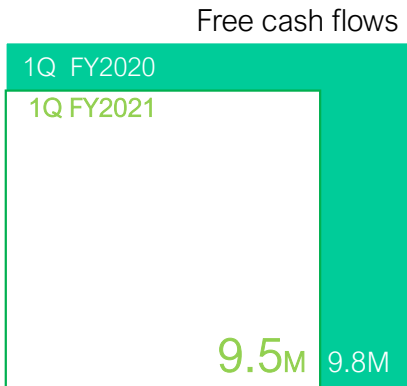
Snapshot
1Q FY2021

+24.4%
+ US\$ 0.6M
EBITDA

+87.0%
+ US 0.20¢
EPS

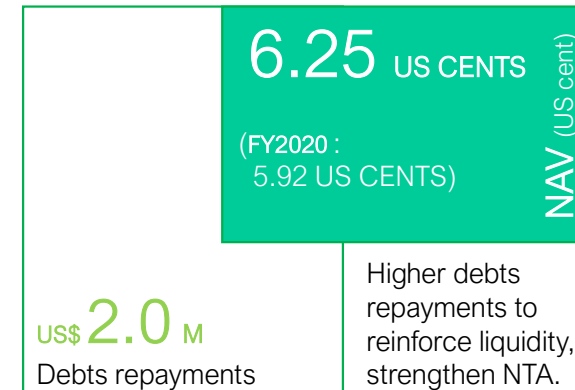
Strong cash flow generation

High operating cash flow ; reduce net debts & reinforce liquidity.



Strong earnings driven by record sales

CAPEX investment impacted by MCO

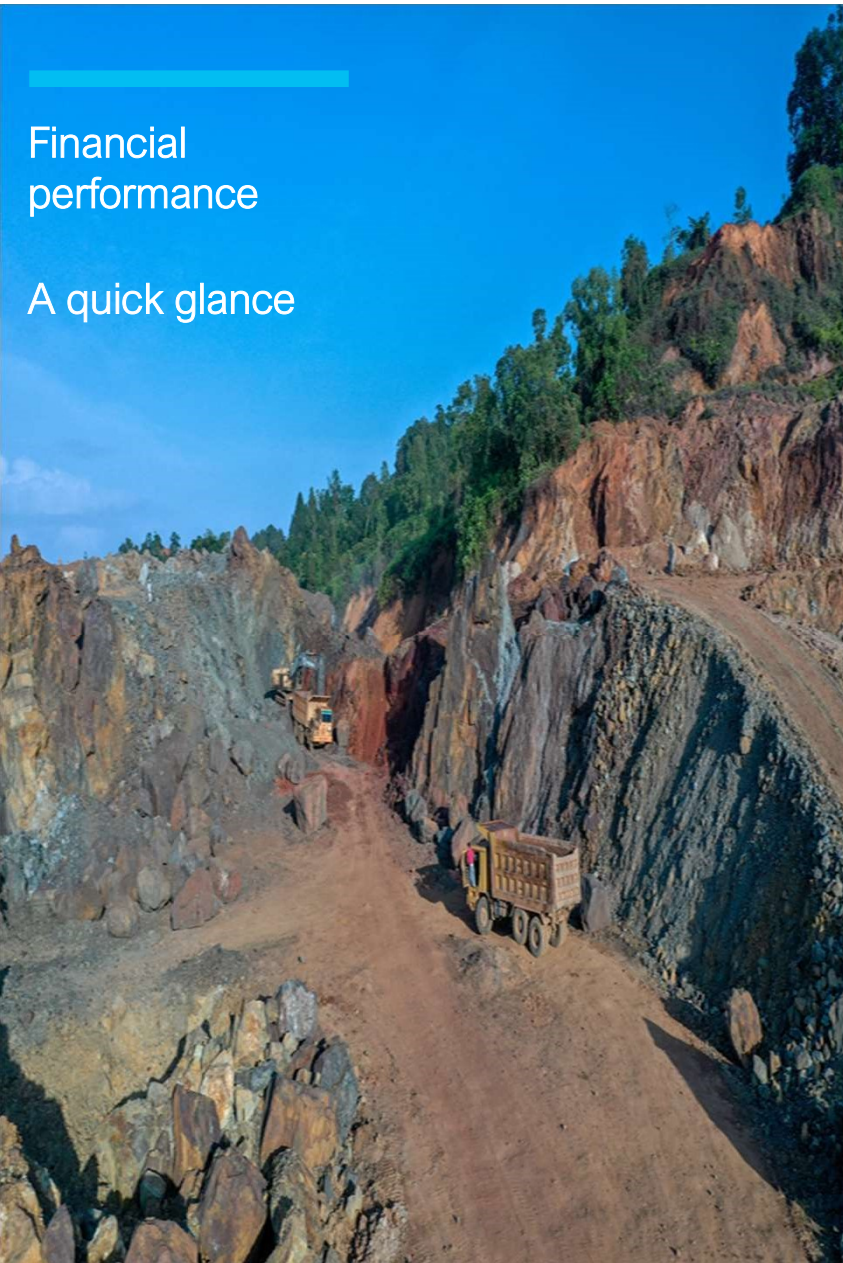


Higher debts repayments to reinforce liquidity, strengthen NTA.

+ 5.6%
+ US 0.30¢
NAV

-19.0%
US\$ (1.6)M
Net debts*

* Excluding deferred tax



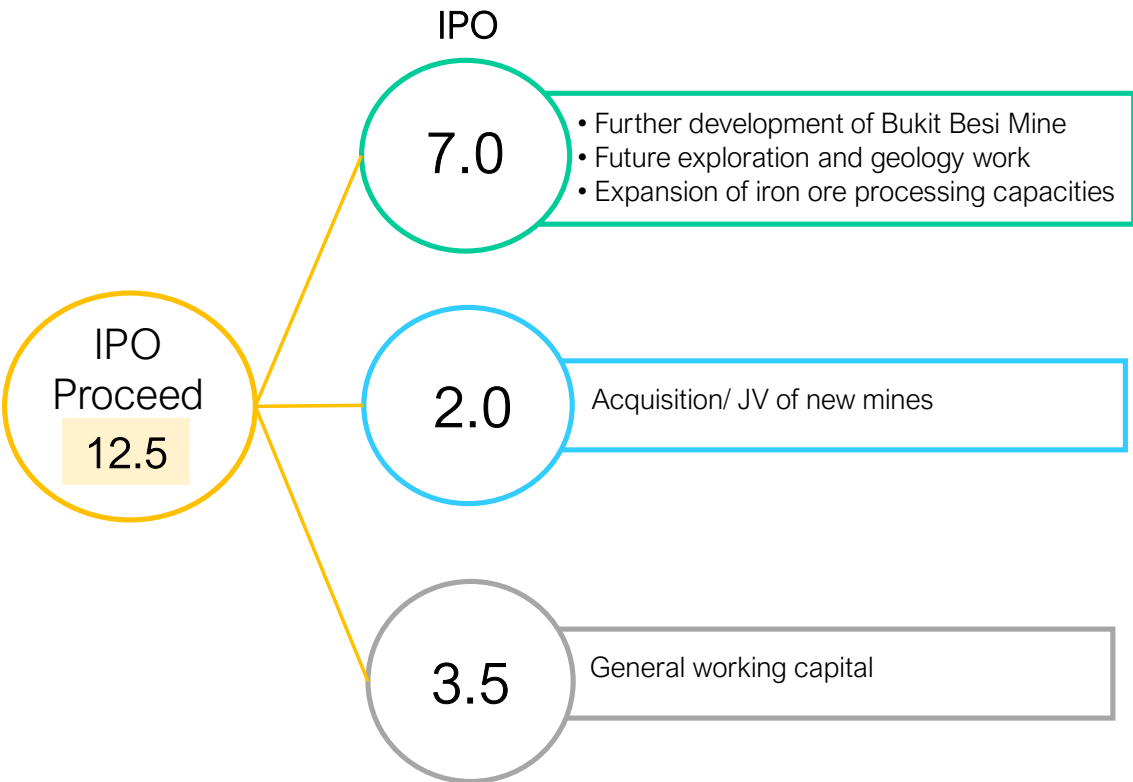
Financial performance

A quick glance

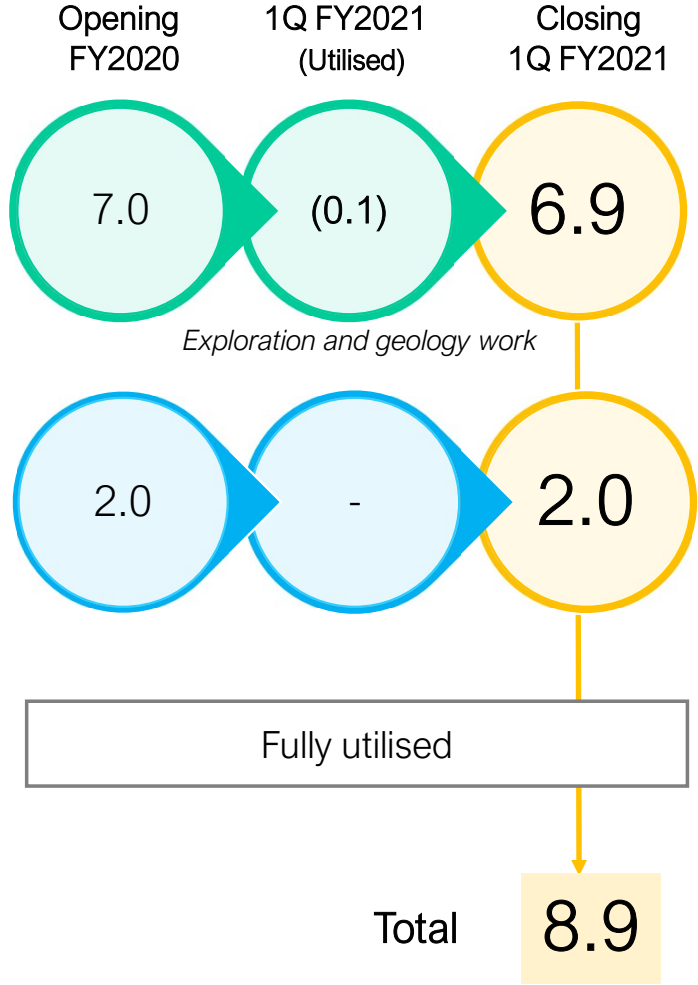
	1Q		2Q	3Q	Full year
	FY2021	FY2020	FY2020	FY2020	FY2020
Operating metrics					
Average realised price/ DMT	94.97	103.29	102.95	84.65	95.93
Sales volume (DMT)	74,661	55,552	76,334	48,121	269,615
Average unit cost/WMT	24.88	29.84	27.78	32.30	28.81
Volume sold (WMT)	82,256	61,386	85,739	53,815	300,053
Financial metrics					
	US"000	US"000	US"000	US"000	US"000
Revenue	7,090	5,841	7,783	4,106	25,925
Gross profit	5,044	4,010	5,401	2,368	17,279
Gross profit margin	71.1%	68.6%	69.4%	57.7%	66.7%
EBITDA	3,591	2,957	4,017	928	12,965
Net profit after tax	2,158	1,091	2,518	751	6,497
Group Balance Sheet					
	US"000	US"000	US"000	US"000	US"000
Non-current assets	21,843	22,694	21,704	23,155	22,694
Current assets	17,550	16,643	19,380	15,482	16,643
Total assets	39,393	39,337	41,084	38,637	39,337
Current Liabilities	1,526	1,652	3,575	2,639	8,110
Non-current Liabilities	6,634	8,110	9,820	8,175	1,652
Total liabilities	8,160	9,762	13,395	10,814	9,762
<i>Net assets</i>					
Equity attributable to owners	31,233	29,575	27,689	27,823	29,575
Group Cash Flows					
	US"000	US"000	US"000	US"000	US"000
Net cash flows from/(used in)					
Operating activities	1,606	490	8,181	1,585	9,188
Investing activities	- 281	- 1,703	- 2,236	- 1,863	- 6,177
Financing activities	- 2,018	9,914	52	- 2,672	5,537
Cash and cash equivalent	9,488	9,850	15,437	12,510	10,243

Use of IPO proceeds – Status in FY2021

Amount denominated in **SGD' million**



- 01
- 02
- 03



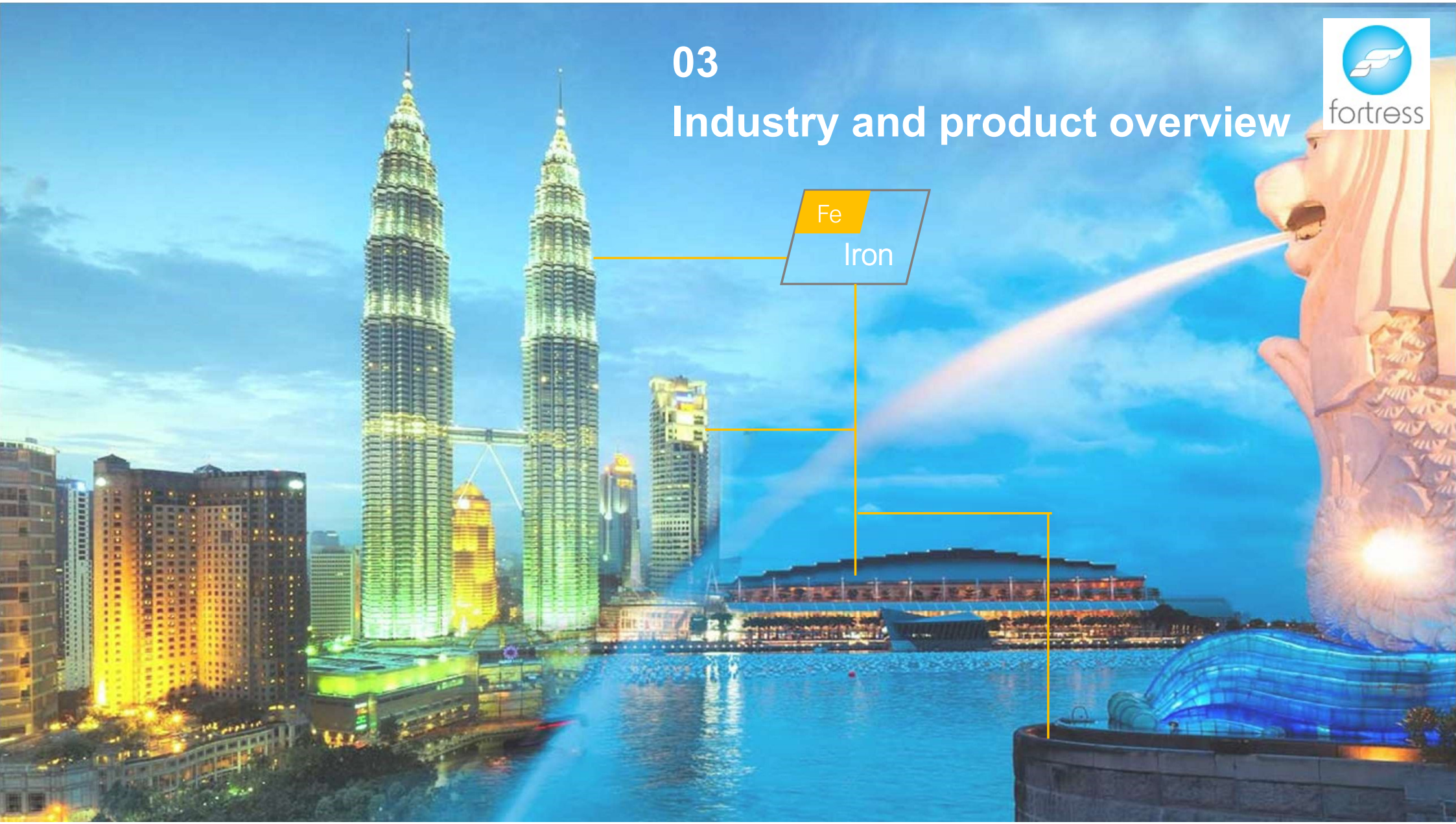
03

Industry and product overview



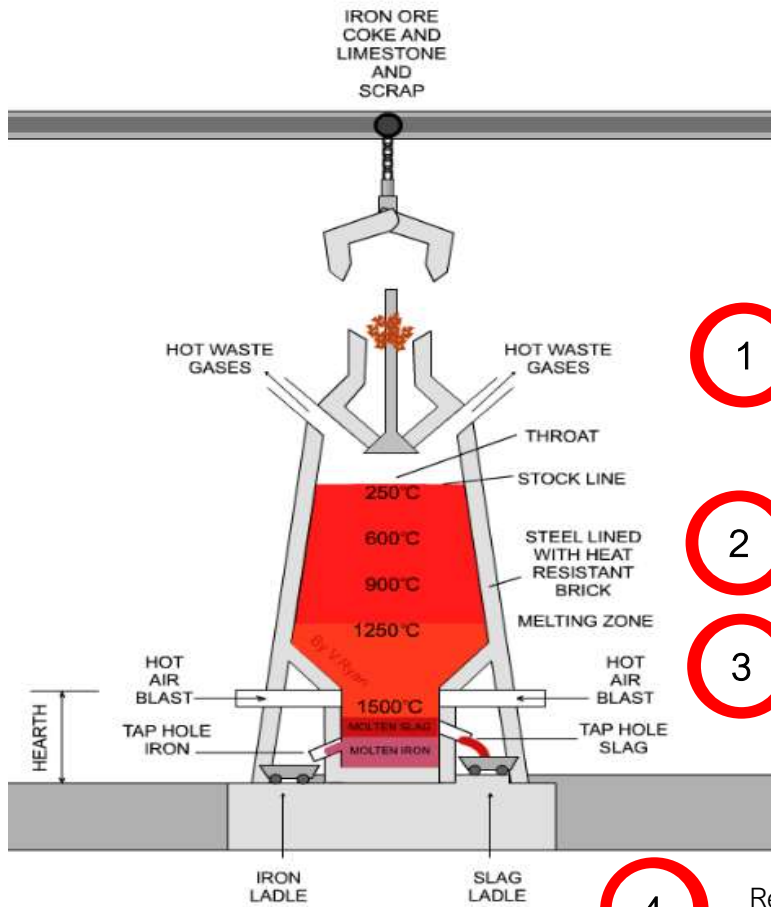
Fe

Iron



High-grade Iron ore: Unique and Essential

High Fe content with low gangue ⁽¹⁾ lower level of Phosphorus ⁽²⁾ preferred by steel mills:



1 Decrease CO₂
Environmentally friendly

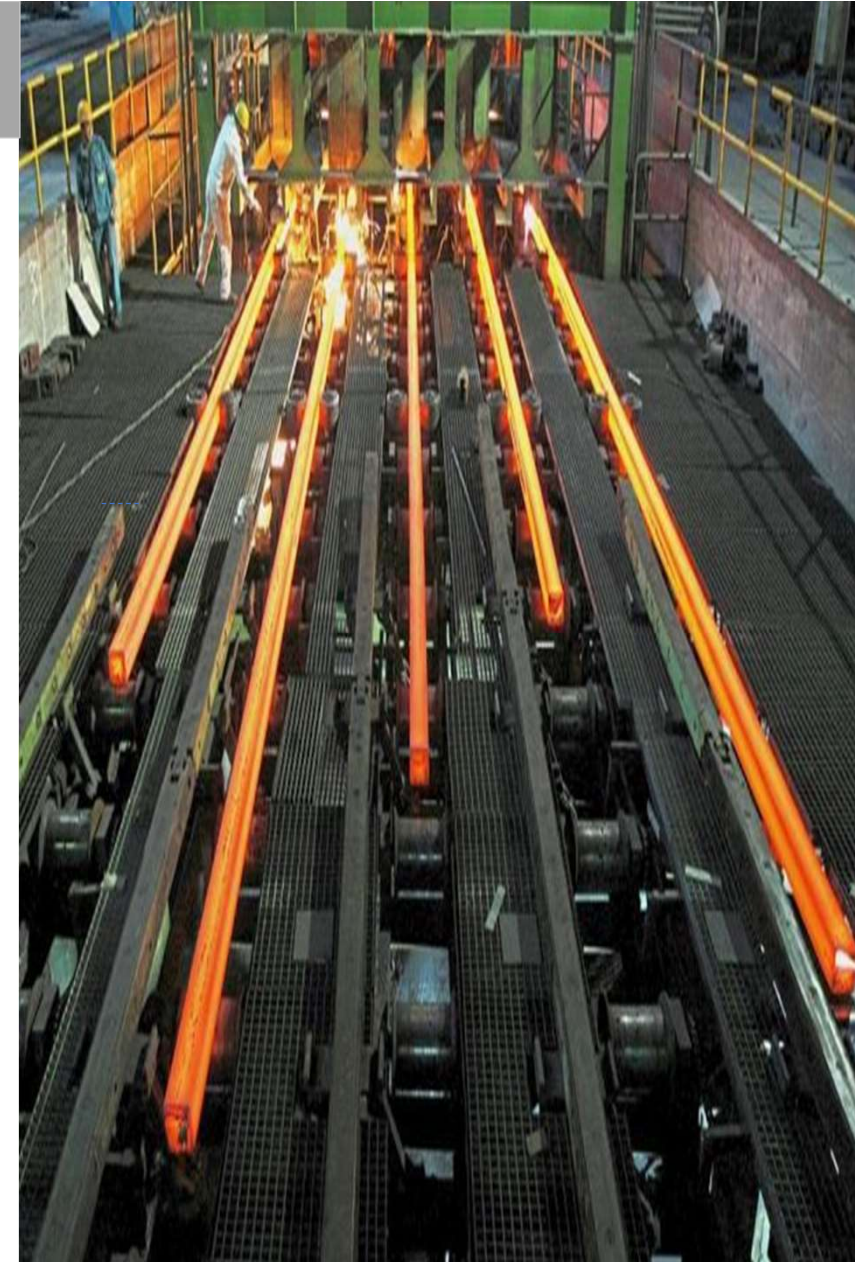
2 *Decrease in steel sintering* ⁽³⁾ productivity.

3 *Reduction cost* and *increase in steel yield*

4 Reduce the slag ⁽⁴⁾ volume;
Increase productivity in blast furnace.

Reference

1. Commercially worthless materials that surrounds or impurities
2. High level of Phosphorus "P" could impact the strength of low-alloy steel
3. Process for impurities separation from raw ore
4. Shaping process to form solid mass of materials with extremely high melting points





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