



Fortress Minerals Limited

Results Presentation

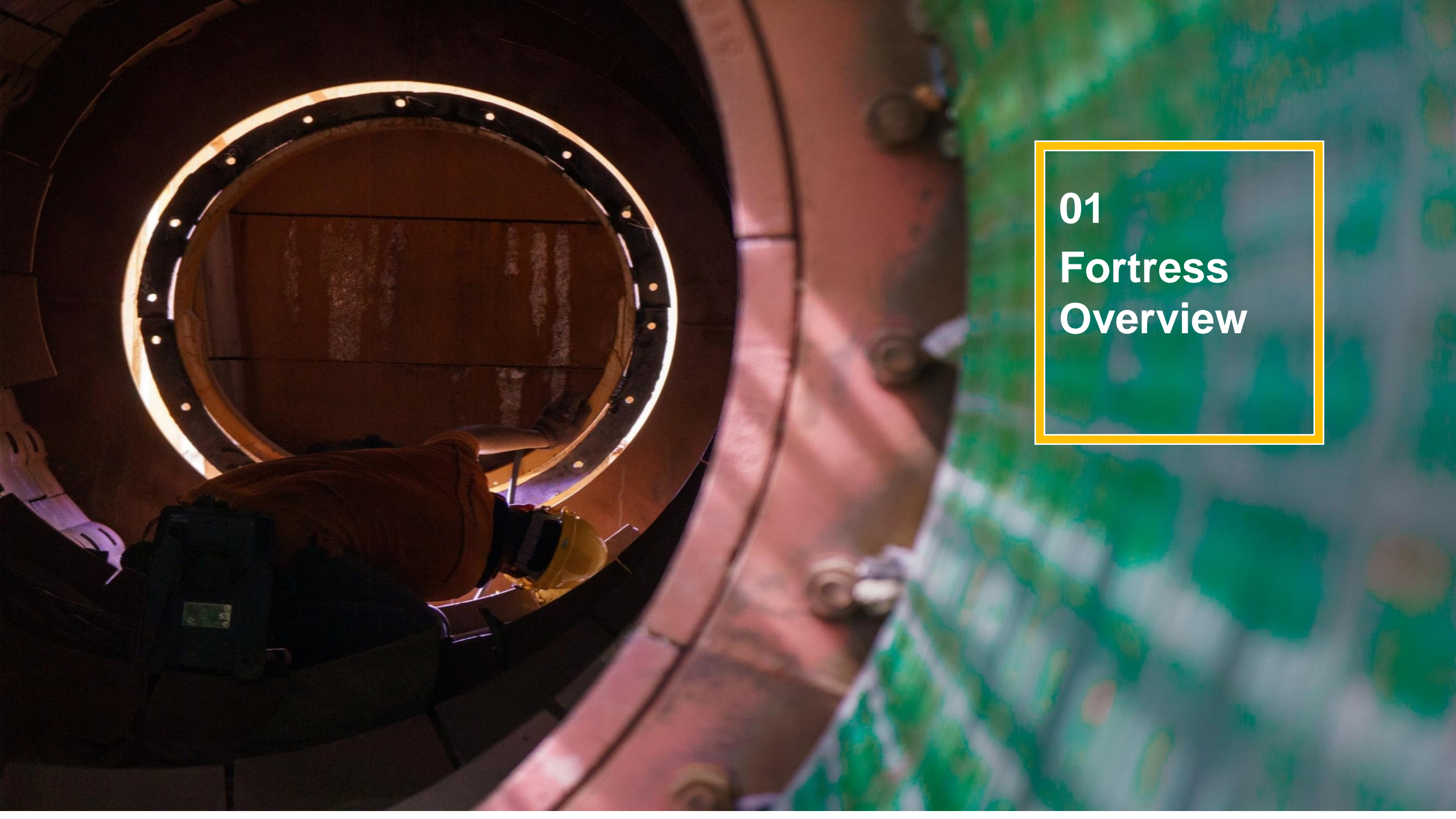
1Q FY2024

Malaysia - Singapore



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01
Fortress
Overview

Fortress at a glance



1ST

iron ore company listed on Catalist Board of SGX-ST on 27 March 2019

We are a producer and exporter of marketable and high-grade iron ore



We employ over

400

employees and contractors



Our Location



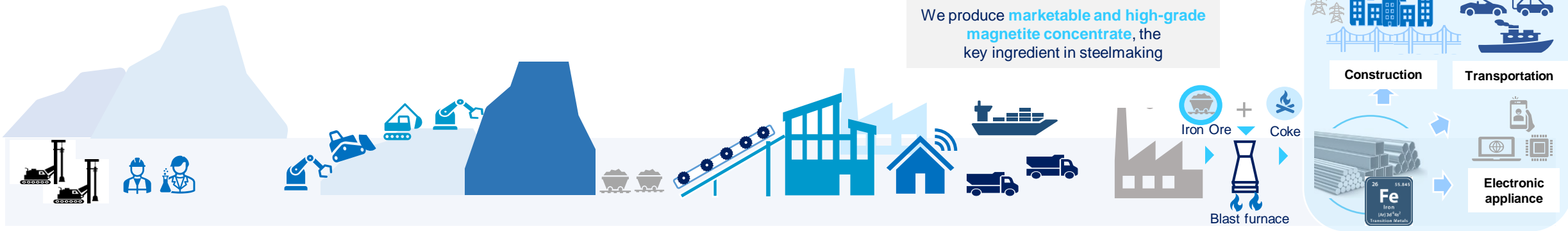
Fortress operation and product

1 Exploration and evaluation

2 Infrastructure and development

3 Processing and production

4 Marketing and commercial



We produce marketable and high-grade magnetite concentrate, the key ingredient in steelmaking

Exploration: Unlocking resources

Experienced in-house team in resource prospecting, exploration and mining.

Considerable exploration upside potential within our mines' covered tenements' areas of:

- Bukit Besi: **526.2 hectare**
- Fortress Mengapur: **951.68 hectare**

Extracting value from resources

We evaluate, plan and invest in infrastructure through disciplined capital investment.

Latent capacity and cost efficiency

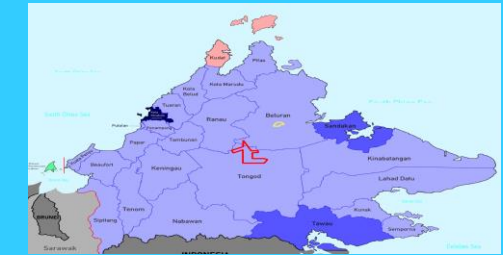
- Steady-state processing capability
- Favourable geological conditions and cost advantage
- Access to good public infrastructure

Manage market risk, maximising value

- Close proximity to steel mills customers in Malaysia
- Our **high-grade** magnetite concentrate
 - **Reduces greenhouse gas emissions**
 - **Raises blast furnace productivity**



FY2024



TWO NEW EXPLORATION LICENSES IN SABAH

- Commenced exploration in May 2023
- Opportunity to grow commodities profile and diversify revenue streams

SHAREHOLDERS' APPROVAL TO DIVERSIFY INTO NEW MINERALS

- Obtained approval to mine and trade new minerals on 28 June 2023

COMMISSIONING & COMMENCEMENT OF PRODUCTION AT CASB MINE

- Commissioning of CASB mine and commencement of production; realise synergies by leveraging expertise & downstream distribution

RECORD VOLUME SOLD

- Volume sold for FY2023 reached the highest level since the Group's inception, increasing 52.8% yoy to 546,076 DMT
- Final dividend FY2023 of S\$4.2 million, a 25.2% dividend payout ratio

Management team

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



Dato' Sri Ivan Chee

- Responsible for the 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 the 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

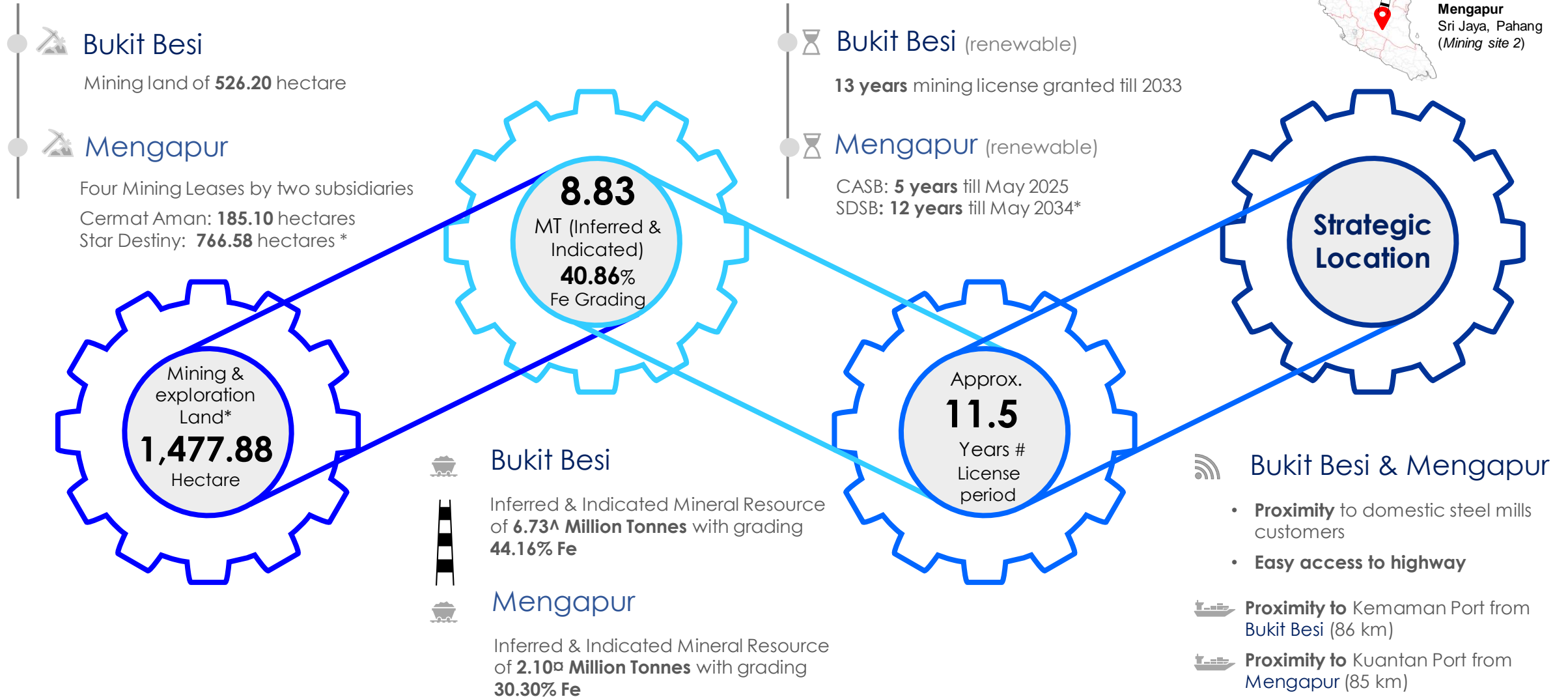


02

**Our strategic
assets**

**Mining project
overview**

At a glance: Producing assets of Fortress Minerals



* Included exploration lands of Star Destiny which comprises Compartment 110 and part of compartments 108, 109, 111, 112 of Hutan Simpan Berkelah at Bukit Mengapur Mukim Hulu Lepar, District of Kuantan, State of Pahang, Malaysia. The Mining Lease Approvals on this exploration land have been obtained on 15 October 2020 and have been formally endorsed and issued by Pejabat Pengarah Tanah dan Galian Pahang ("PTG") on 19 May 2022 upon payment of the relevant tenement fees imposed under the ML Approvals.

[^] Million Tonnes ("MT") As of 28 February 2023. Please refer to Slide 10 for further details.

[□] Million Tonnes ("MT") As of 28 February 2023. Please refer to Slide 11 for further details.

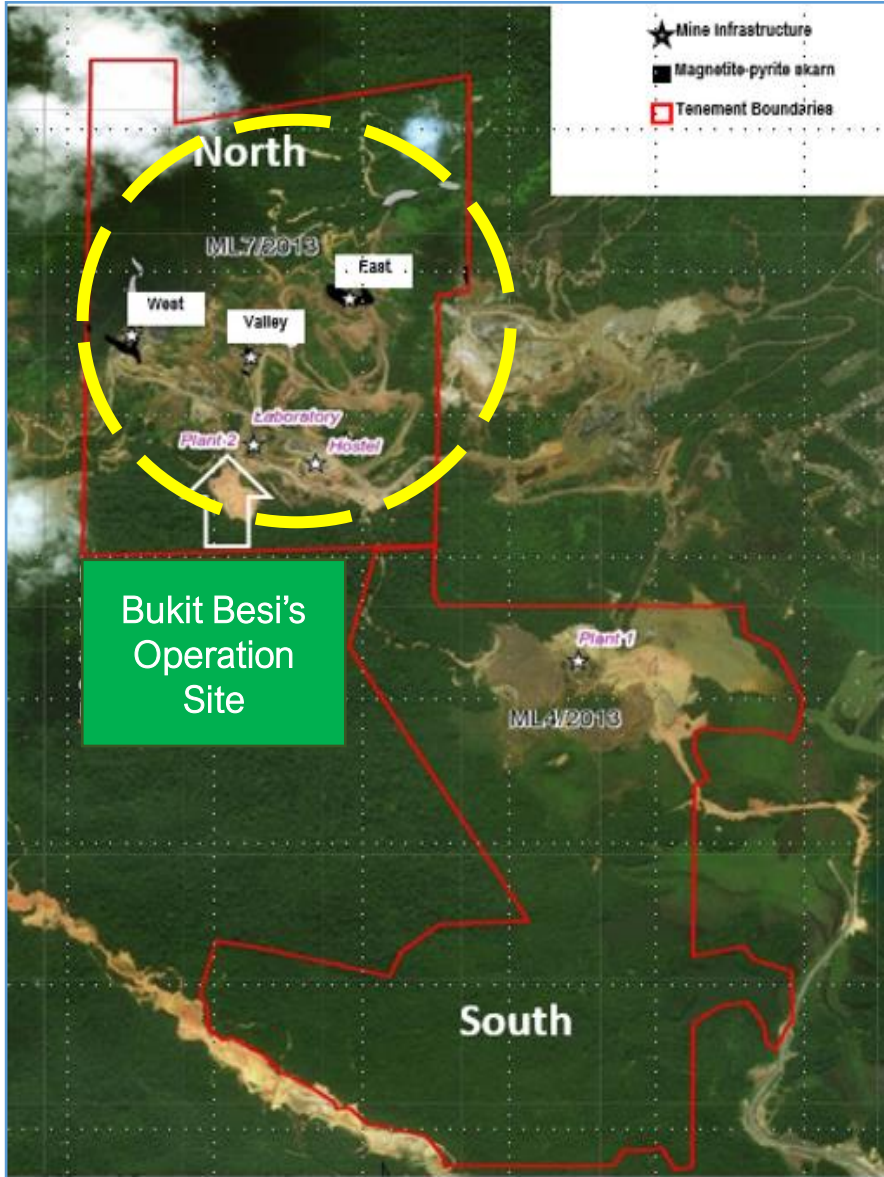
[#] Based on weighted average basis as computed based on license period relative to the size of mining / exploration land.

Bukit Besi Mine Strategic location supported by good Infrastructure



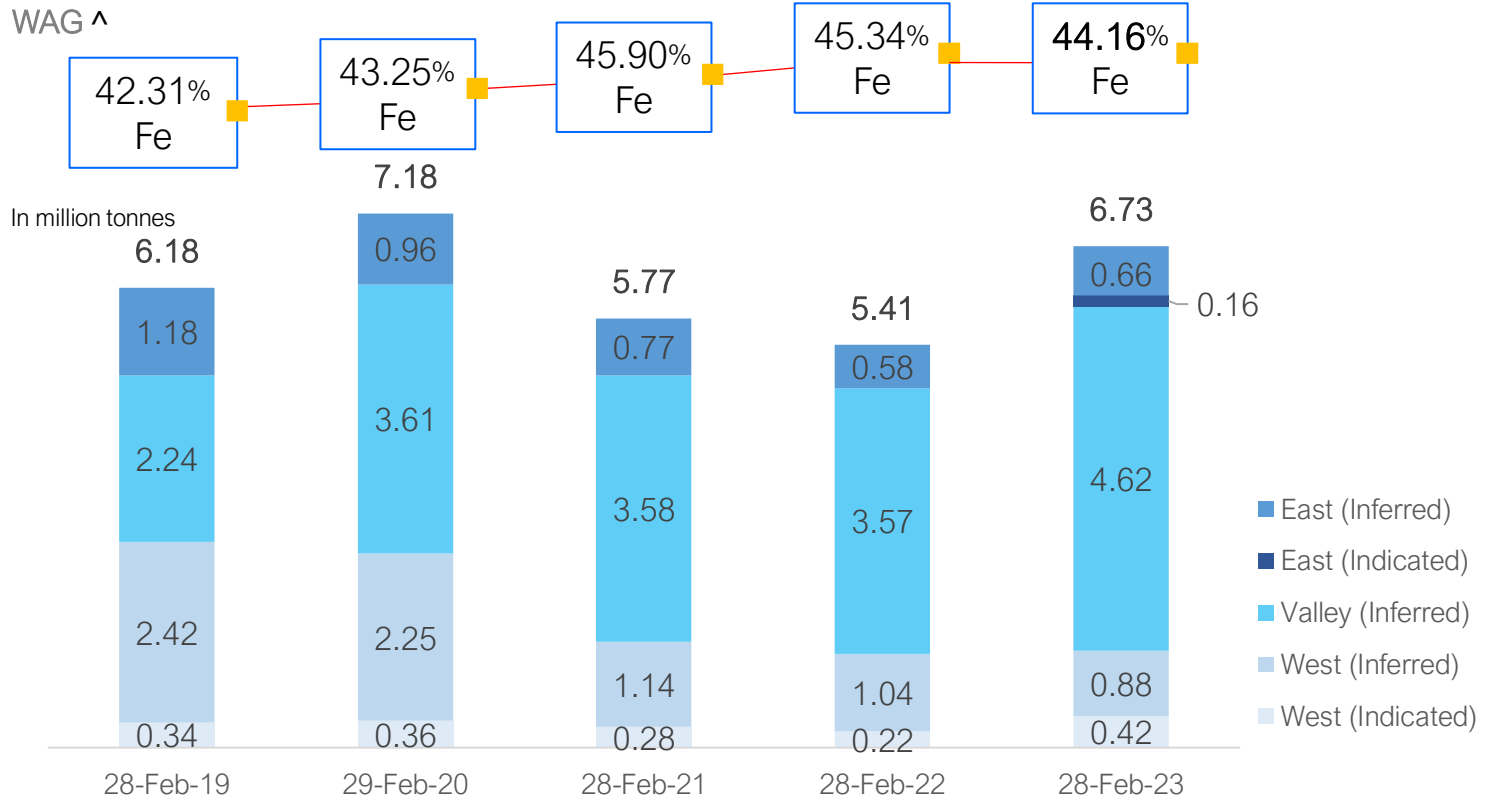
Bukit Besi Mineral Resource

A closer look



RESOURCE SUMMARY:

West, Valley and East Deposits (Bukit Besi) *



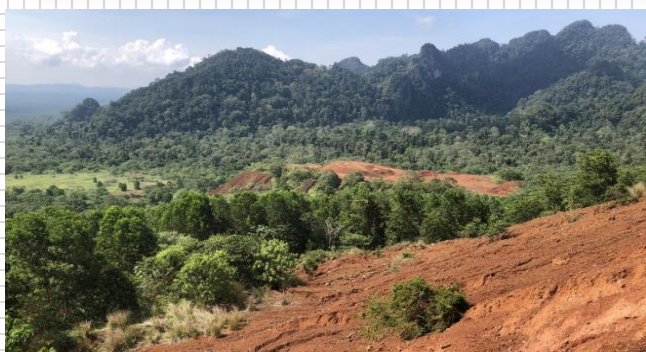
Note:
 The Bukit Besi Mineral Resource update (with reporting date of 28 February 2023) was announced in the FY2023 results on the SGXNET on 26 April 2023.

* Based on a block cut-off grade of 10% Fe and magnetic susceptibility greater than 100 and sulphur less than 10%.
 ^ WAG denotes Weighted average grade



fortress

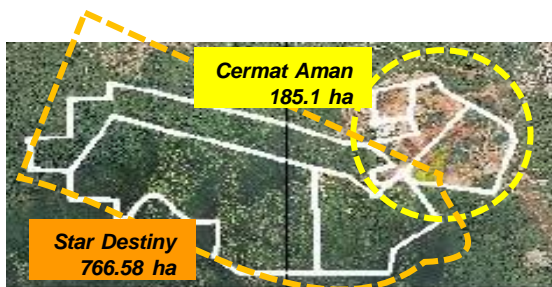
Quick Snapshot & Introduction



Mengapur

The Mengapur Project covers 951.68 ha with skarn-hosted

(Iron) Fe- (Copper) Cu-(Gold) Au ± (Silver) Ag ± (Sulphur) S mineralisation



① Mengapur
Larger & Ready for development

Bk Besi 526.2ha

Sri Jaya 172 km

Mengapur - Sri Jaya 951.68 ha

77.7%
Larger area than Bukit Besi tenement

Shorten delivery lead time

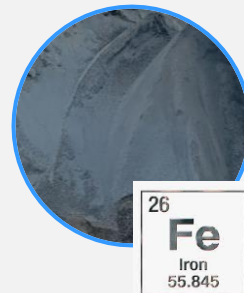


Seamless export shipment



Easy access to highways
Seamless transportation flows

② Mengapur
Mineral Resource Type and Estimate



Primary focus:
Magnetite iron ore
2.10
Million tonnes (Inferred & Indicated)

Other minerals
If encountered, will be stockpiled for future processing



Copper
35.89
Million Tonnes (Inferred & Indicated)



Copper coil for EV vehicle

Mengapur Mineral Resource Estimate - 28 Feb 2023

Classification	Cut-off grade	Mineralisation	Gross Attributable to Licences						Nett Attributable to Fortress					Change from previous update	Remarks	
			Tonnes	Grade	Grade	Grade	Grade	Grade	Tonnes	Grade	Grade	Grade	Grade			Grade
				Fe	Cu	Au	Ag	S		Fe	Cu	Au	Ag			S
			Mt	%	%	g/t	g/t	%	Mt	%	%	g/t	g/t	%		
Indicated	0.3% Cu	Skarn Cu	20.30	20.76	0.41	0.12	7.26	4.60	20.30	20.76	0.41	0.12	7.26	4.60	N/A	1
		Pyrrhotite Cu	0.70	29.11	0.55	0.28	3.48	14.14	0.70	29.11	0.55	0.28	3.48	14.14		
		Sub Total	21.00	21.03	0.42	0.13	7.13	4.92	21.00	21.03	0.42	0.13	7.13	4.92		
	25% Fe	Skarn Magnetite	0.34	27.66	0.13	0.09	1.52	6.23	0.34	27.66	0.13	0.09	1.52	6.23		
			0.01	46.28	0.21	0.23	5.66	0.13	0.01	46.28	0.21	0.23	5.66	0.13		
			0.34	28.01	0.13	0.09	1.60	6.12	0.34	28.01	0.13	0.09	1.60	6.12		
Inferred	0.3% Cu	Skarn Cu	7.93	22.39	0.41	0.13	8.42	4.62	7.93	22.39	0.41	0.13	8.42	4.62	-8%	2
		Pyrrhotite Cu	6.96	29.26	0.60	0.27	3.56	13.75	6.96	29.26	0.60	0.27	3.56	13.75	13%	
		Sub Total	14.89	25.60	0.50	0.19	6.15	8.89	14.89	25.60	0.50	0.19	6.15	8.89	0%	
	25% Fe	Skarn Magnetite	1.38	27.80	0.13	0.12	1.35	5.89	1.38	27.80	0.13	0.12	1.35	5.89	-74%	
			0.38	41.51	0.20	0.17	6.04	0.19	0.38	41.51	0.20	0.17	6.04	0.19	-93%	3
			1.76	30.75	0.14	0.13	2.36	4.67	1.76	30.75	0.14	0.13	2.36	4.67	-84%	
Total	0.3% Cu	Total Cu	35.89	22.93	0.45	0.16	6.72	6.56	35.89	22.93	0.45	0.16	6.72	6.56	143%	1, 2
	25% Fe	Total Magnetite	2.10	30.30	0.14	0.13	2.24	4.90	2.10	30.30	0.14	0.13	2.24	4.90	-80%	1, 3

- 1 - No Indicated previously reported.
- 2 - Change in cut-off grade from 0.5% Cu to 0.3% Cu, which accounts for the increase in the copper resource.
- 3 - The reduction in the magnetite resource is a reflection of the reporting the resource within the optimised pit shell based on the copper mineralisation.
- 4 - The Mineral Resource is limited to within the CASB and SDSB mining lease boundaries and is also constrained within an optimised pit shell based on the recovery of copper only, no value was attributed to iron hosted by the magnetite units or the gold and silver or any other materials present on the mining leases.

At a glance: Exploration assets of Fortress Minerals



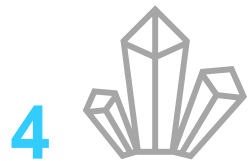
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New prospecting licenses issued by East Malaysia by the Land and Surveys Department State of Sabah



2

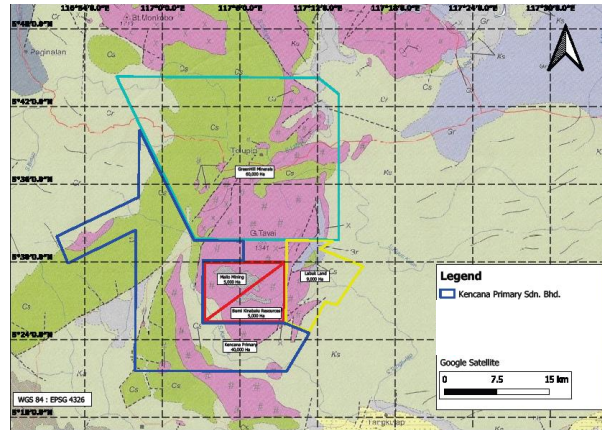
Year period for prospecting at both concession areas



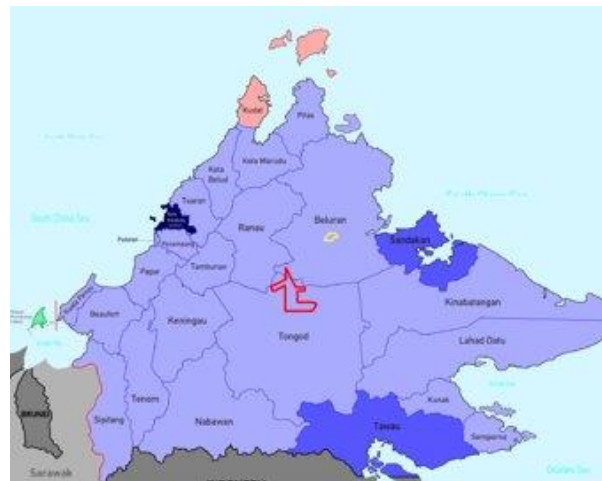
4

Types of key minerals present namely copper, iron ore, nickel, cobalt

Telupid Project



Tongod Project



Company Name	Saga Mineral Sdn. Bhd.
Acquisition date	20-Sep-2022
Shareholders	Fortress Cu Sdn. Bhd. (65%) Aston Solutions Sdn. Bhd. (35%)
License period	15 December 2022 to 14 December 2024
Type of Minerals	Copper
License location	40km ² at Hutan Simpan Bidu-Bidu, Telupid, Sabah, Malaysia.
Estimated commitment	RM14,780,000

Company Name	Kencana Primary Sdn. Bhd.
Acquisition date	10-Dec-2022
Shareholders	Fortress Ni Sdn. Bhd. (51%) Majestic Islands Sdn. Bhd. (35%) Ophir Metal Sdn. Bhd. (14%)
License period	19 December 2022 to 18 December 2024
Type of Minerals	Nickel Copper Cobalt
License location	400km ² at Hutan Simpan Pinangah & Tangkulap, Tongod, Sabah, Malaysia.
Estimated commitment	RM15,460,000



03
Operational
Updates

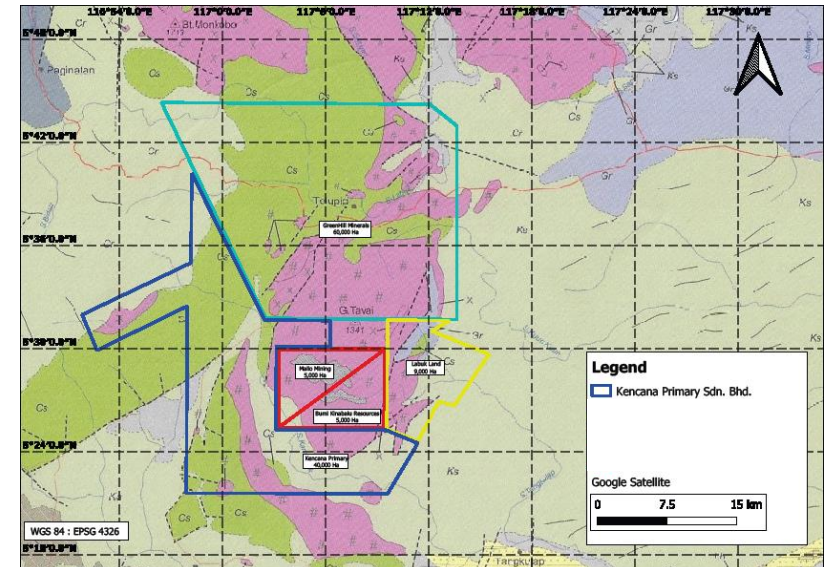
Mengapur

- The Group is building up its production capabilities at the CASB mine, which commenced production in July 2022.
- Looking to build new integrated processing plant which will enhance production capability at the CASB mine and enable the Group to produce **high grade iron ore, copper and pyrrhotite concentrate**.
- The Group will continue to update shareholders as and when there are material developments.



Telupid and Tongod

- The Group had commenced exploration at the Telupid and Tongod Projects in May 2023.
- We are entering Phase 1 of our exploration plan by performing Geological Mapping, Geochem and Geophysical Survey.
- The Group will continue to update shareholders as and when there are material developments.



Completion of placement of 23,316,100 Placement Shares at S\$0.386 per Placement Share on 10 April 2023.

- **60% of net placement proceeds** - Fund the Company's efforts to build up its production capabilities at the CASB Mine located at Mengapur, which commenced production in July 2022.
 - The Company intends to build a new integrated processing plant which will enhance production capabilities at the CASB Mine and enabling the Company to produce high grade iron ore, copper and pyrrhotite concentrate as part of the effort to grow business top lines.
 - These initiatives will continue to propel the Company's pipeline growth and support sustainability of earnings in the long term.
- **40% of net placement proceeds** - Partially fund the Group's exploration efforts in Sabah arising from the receipt of the two prospecting licenses announced by the Company on 6 March 2023.
 - In addition to the strong iron ore producing assets at the Company's Bukit Besi mine, the exploration of new geographies and minerals provides the potential to diversify the Group's revenue streams and bolster sustainable growth for the long term.
 - The Group's strategic growth plan is to venture into new mining opportunities and enhance long term shareholder value, thereby expanding the Group's commodities profile.



04
Financial
Results

Financial results for 1Q FY2024

Solid earnings supported by strategic growth efforts

Financial performance

Revenue

US\$ **13.3** Million
Gross Revenue ↓9.2%^

Margin

62.5%
Gross Profit Margin ↓8.1ppt^

Earnings

US\$ **4.1** Million
Underlying EBITDA ↓39.8%^

Balance sheet

Operating cash flow

US\$ **0.5** Million
Operating cash flow ↓91.3%^

Liquidity

US\$ **4.8** Million
Cash and bank balances

NAV (Group basis)

13.30 US cents
Net asset value/share

Value creation

CAPEX (Group basis)

US\$ **1.2** Million
Cash investment in CAPEX on plants and mine infrastructure

EPS

0.48 US cent
Earning per share

ROCE

20.4 %
Return of capital employed

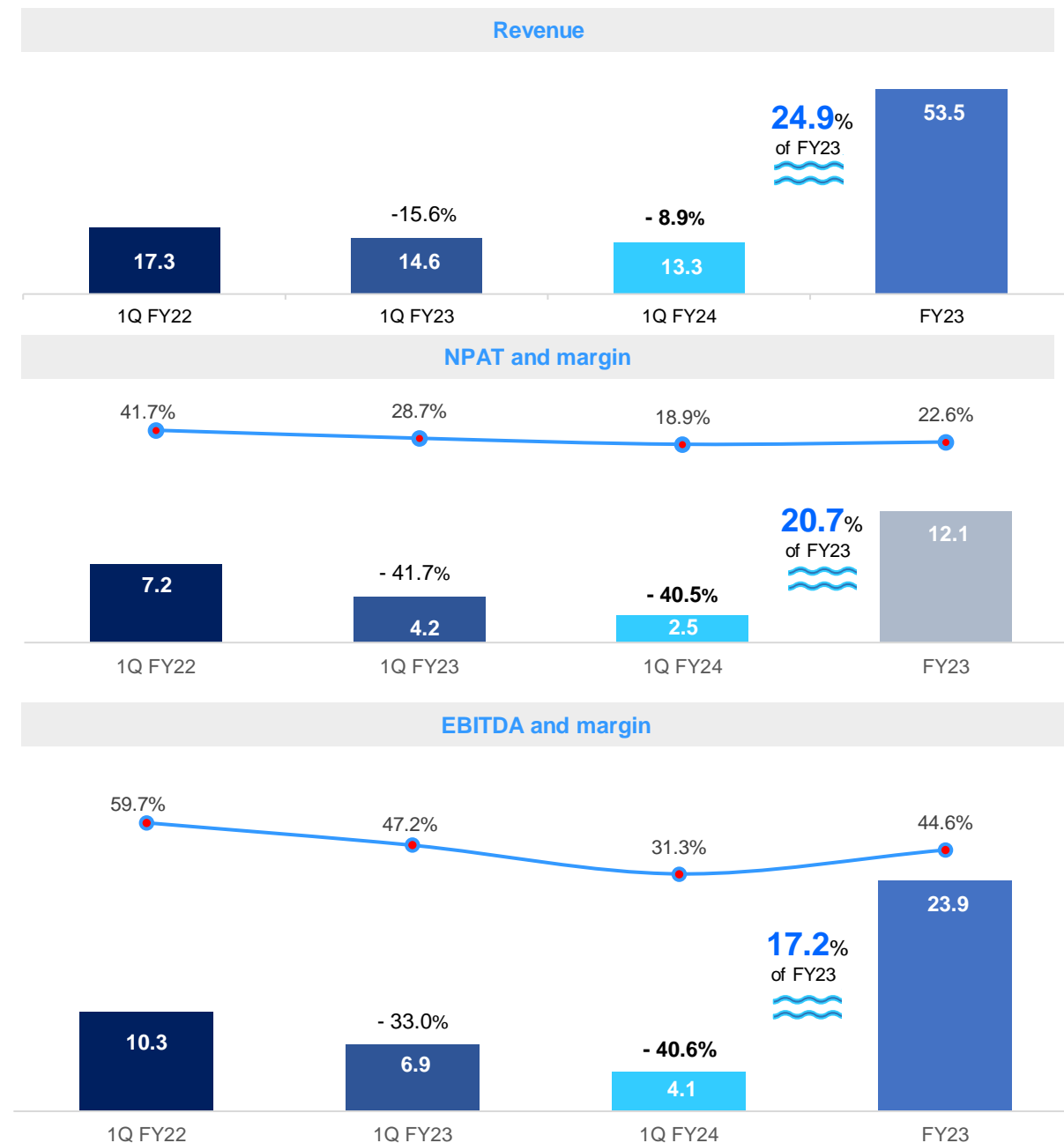
ROCE = EBITDA / Capital Employed., whereby EBITDA is annualised and Capital Employed = Total Assets – Current Liabilities
^ As compared to 1QFY2023



Financial highlights

Strategic growth efforts support firm operating revenue

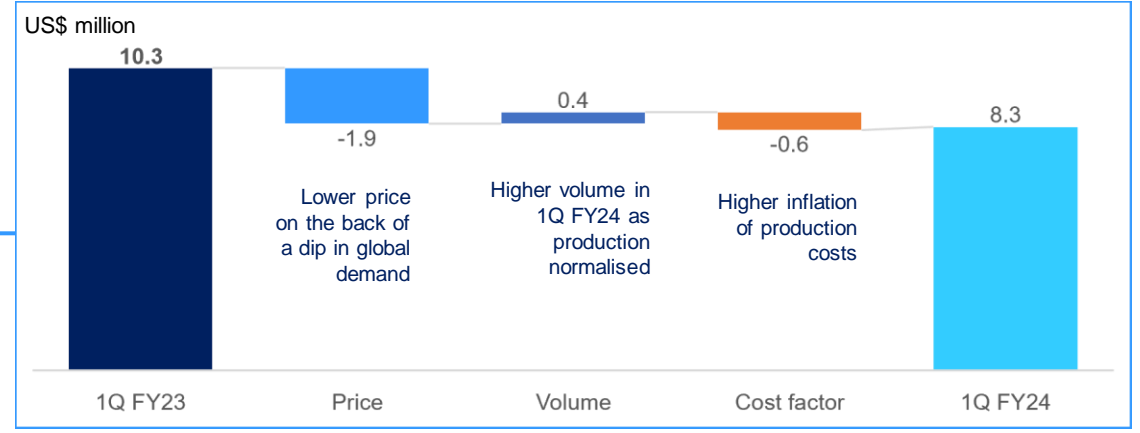
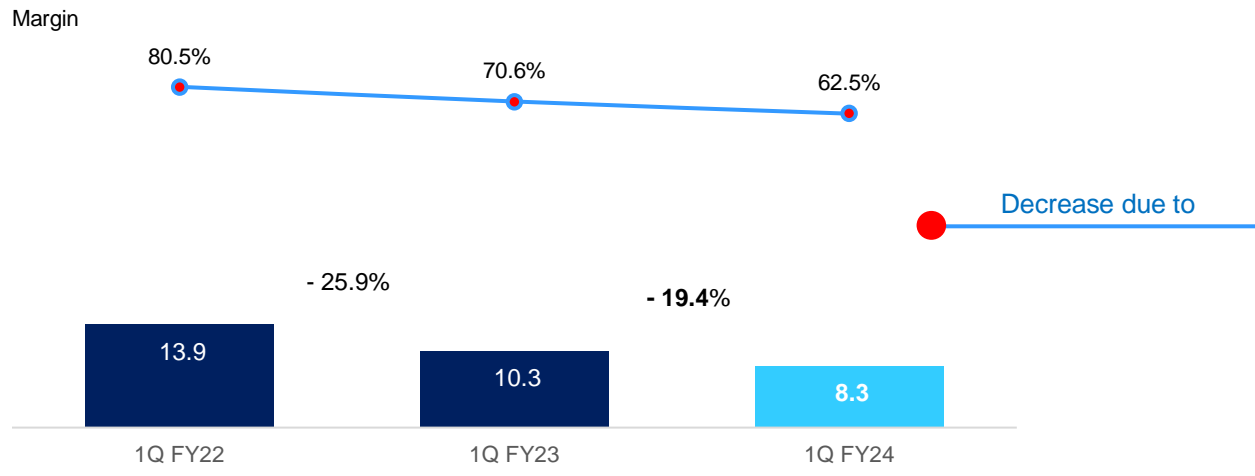
Financial metrics US\$' million	1Q FY2022	1Q FY2023	1Q FY2024	FY2023
Revenue	17.3	14.6	13.3	53.5
Gross profit	13.9	10.3	8.3	37.8
Gross profit margin	80.5%	70.6%	62.5%	70.5%
NPAT	7.2	4.2	2.5	12.1
Net profit margin	41.7%	28.7%	18.9%	22.6%
EBITDA	10.3	6.9	4.1	23.9
EBITDA margin	59.7%	47.2%	31.3%	44.6%
Operating cash flows	9.3	5.9	0.5	22.5



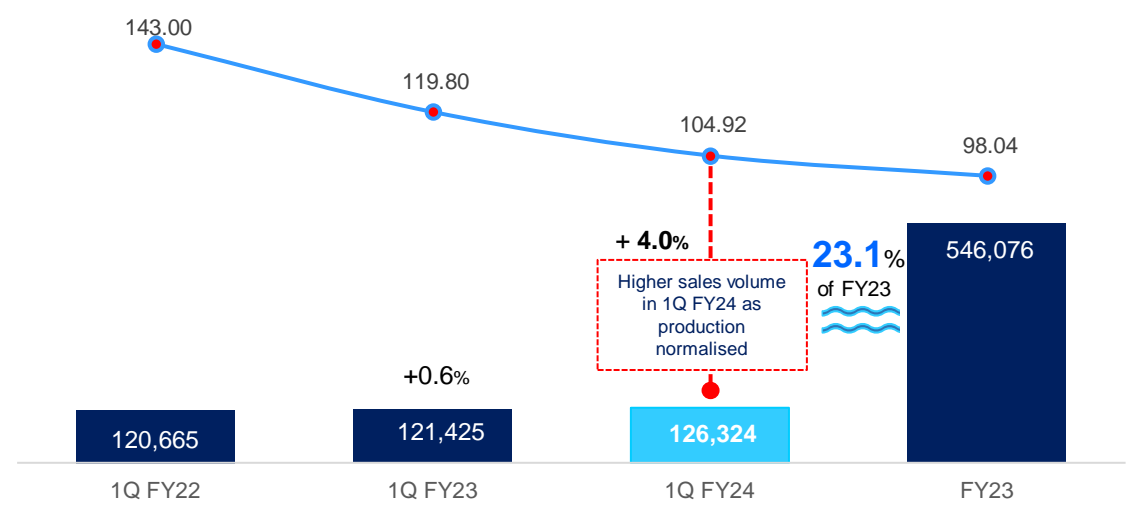
Resilient gross profit margin

Driven by stable unit cost and high sales volume

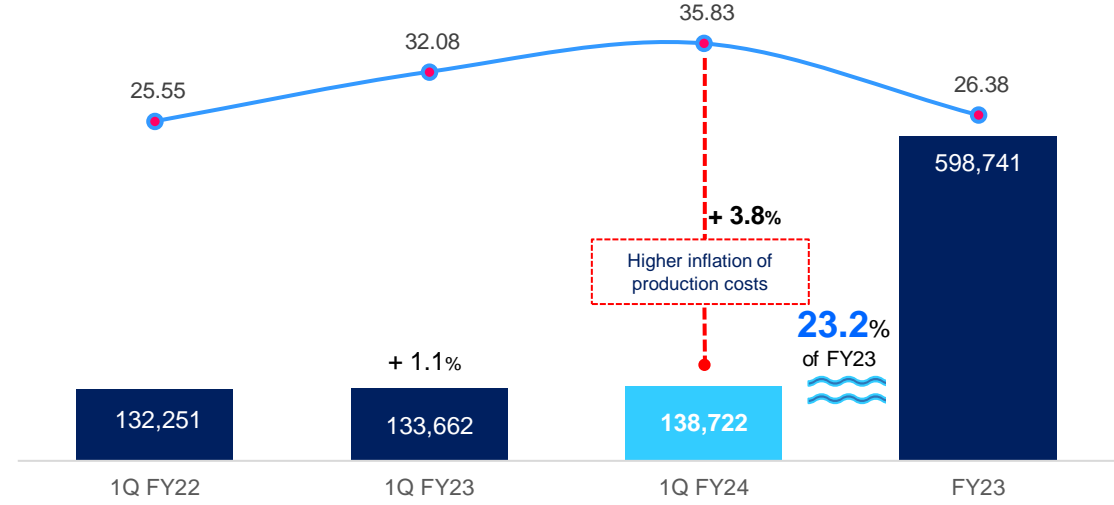
GROSS PROFIT (US\$ Million) and **Gross Profit Margin** (%)



SALES: Average selling price (US\$/DMT) and Sales Volume (DMT*)



PRODUCTIVITY: Average unit cost (US\$/WMT) and Volume (WMT#)



* DMT denotes Dry metric tonnes # WMT denotes Wet metric tonnes

Financial performance

A quick glance

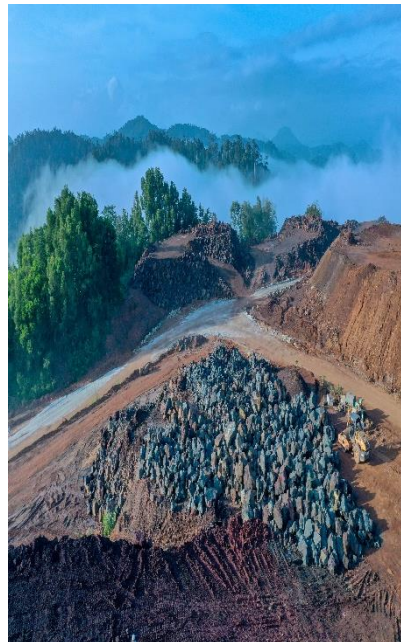
Operating metrics	Full year				1Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY2023	FY2022	FY2021	FY2020	FY2024	FY2023	FY2023	FY2023	FY2023	FY2022	FY2022	FY2022	FY2022
Average realised price/ DMT	98.04	121.27	105.43	95.93	104.92	119.80	97.05	85.81	91.48	143.00	141.82	87.44	126.63
Sales volume (DMT)	546,076	357,446	452,756	269,615	126,324	121,425	160,185	131,539	132,927	120,665	69,182	126,131	41,417
Average unit cost/WMT	26.38	25.46	22.62	28.81	35.83	32.08	24.91	24.84	24.46	25.55	24.55	20.22	42.77
Volume sold (WMT)	598,741	392,230	497,369	300,053	138,722	133,662	175,330	144,262	145,487	132,251	75,860	138,771	45,347
Financial metrics	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000
Revenue	53,547	43,366	47,718	25,925	13,252	14,598	15,518	11,253	12,179	17,283	9,985	10,864	5,234
Gross profit	37,752	33,381	36,466	17,279	8,282	10,310	11,151	7,670	8,621	13,905	8,123	8,059	3,294
Gross profit margin	70.5%	77.0%	76.4%	66.7%	62.5%	70.6%	71.9%	68.2%	70.8%	80.5%	81.4%	74.6%	62.9%
EBITDA	23,868	23,479	26,560	12,222	4,149	6,896	8,084	5,223	3,487	10,335	5,289	5,310	2,545
Net profit after tax	12,095	13,881	18,245	6,497	2,503	4,192	4,861	2,942	891	7,200	3,281	2,832	568
Group Balance Sheet	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000
Non-current assets	73,236	74,264	26,285	22,694	72,267	75,406	74,662	74,658	74,566	56,738	68,909	71,899	74,264
Current assets	20,454	17,771	33,577	16,643	25,426	19,317	19,263	19,386	20,129	27,875	21,682	22,410	17,771
Total assets	93,690	92,035	59,862	39,337	97,693	94,723	93,925	94,044	94,695	84,613	90,591	94,309	92,035
Current Liabilities	17,861	15,046	8,732	8,110	11,658	17,973	18,369	18,016	17,860	15,169	15,154	15,977	15,046
Non-current Liabilities	13,614	20,204	2,722	1,652	16,459	18,074	16,047	13,525	13,579	18,344	21,269	21,147	20,204
Total liabilities	31,475	35,250	11,454	9,762	28,117	36,047	34,416	31,541	31,439	33,513	36,423	37,124	35,250
Equity attributable to owners	62,240	56,805	48,417	29,575	69,603	58,705	59,526	62,524	63,281	51,109	54,182	57,211	56,805
Non-controlling interest	(25)	(21)	(9)	-	(27)	(29)	(17)	21	(25)	(9)	(15)	(26)	(21)
Total equity	62,215	56,784	48,408	29,575	69,576	58,676	59,509	62,503	63,256	51,100	54,167	57,185	56,784
Group Cash Flows	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000	US'000
Net cash flows from/(used in)													
Operating activities	22,506	22,698	15,785	9,188	509	5,857	9,007	5,473	2,494	9,296	6,337	6,456	609
Investing activities	(10,154)	(36,119)	(12,698)	(6,177)	(5,251)	(4,758)	(1,780)	(1,002)	(3,266)	(21,151)	(10,211)	(1,905)	(2,852)
Financing activities	(13,396)	10,362	(5,906)	5,537	3,886	(2,137)	(5,148)	(3,512)	(2,599)	16,866	(2,761)	(820)	(2,923)
Cash and cash equivalent	3,668 #,^	4,910 #	7,800 @	10,243	2,768 #,^	3,943 #	5,924 #	7,007 #	3,668 #,^	12,828	6,281	10,157	4,910 #

* Amount less than US\$1,000

@ After accounted for consideration paid in relation to acquisition of Fortress Mengapur amounting to US\$9.0 million.

Excluding deposit pledged to a financial institution of US\$2.0 million to finance part of the acquisition cost of Fortress Mengapur.

^ Excluding short-term money market fund.



THANK YOU

Stay in touch with us



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