

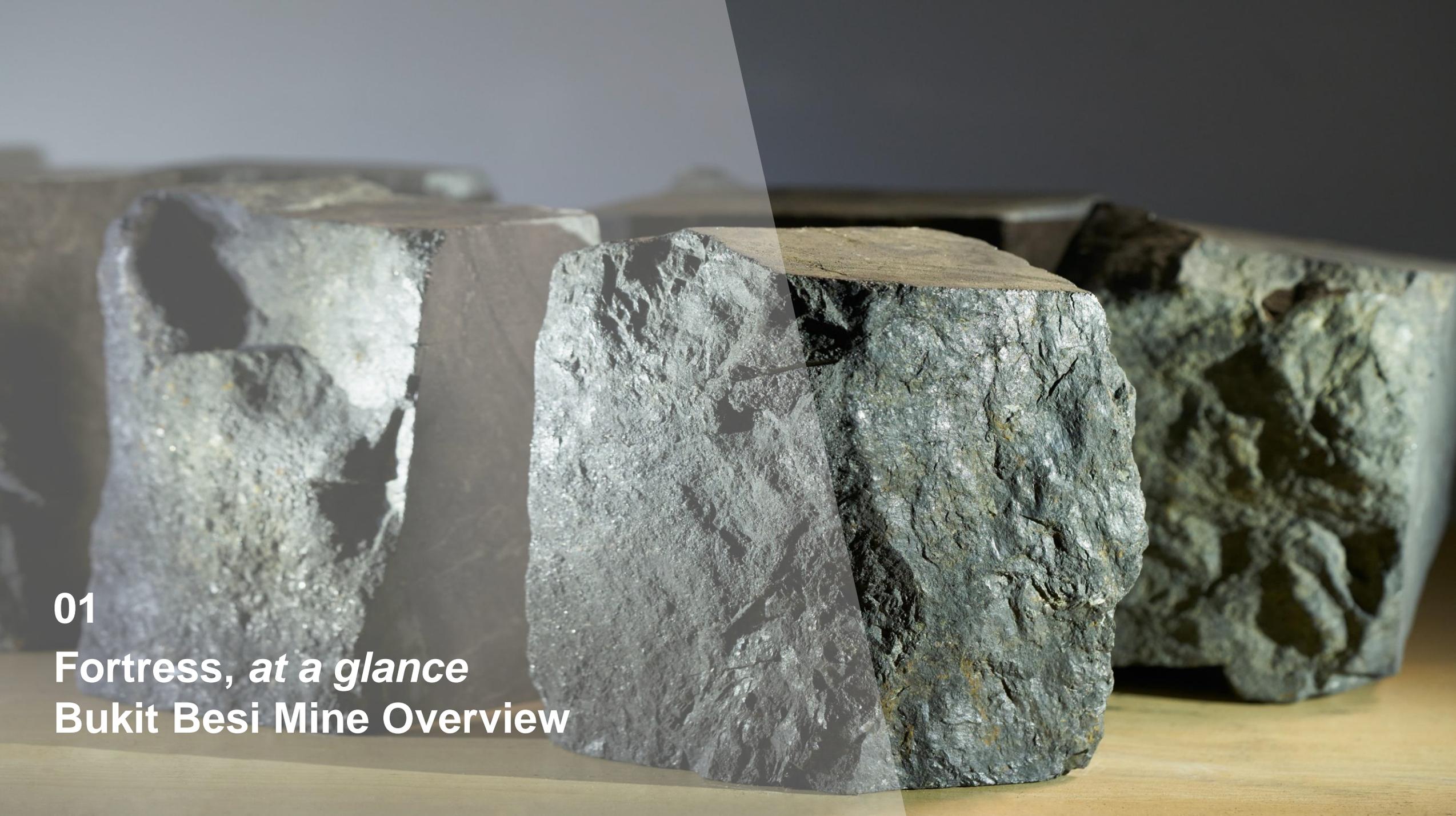
Fortress Minerals Limited

Result Presentation for 2Q & 1H FY2021

Malaysia

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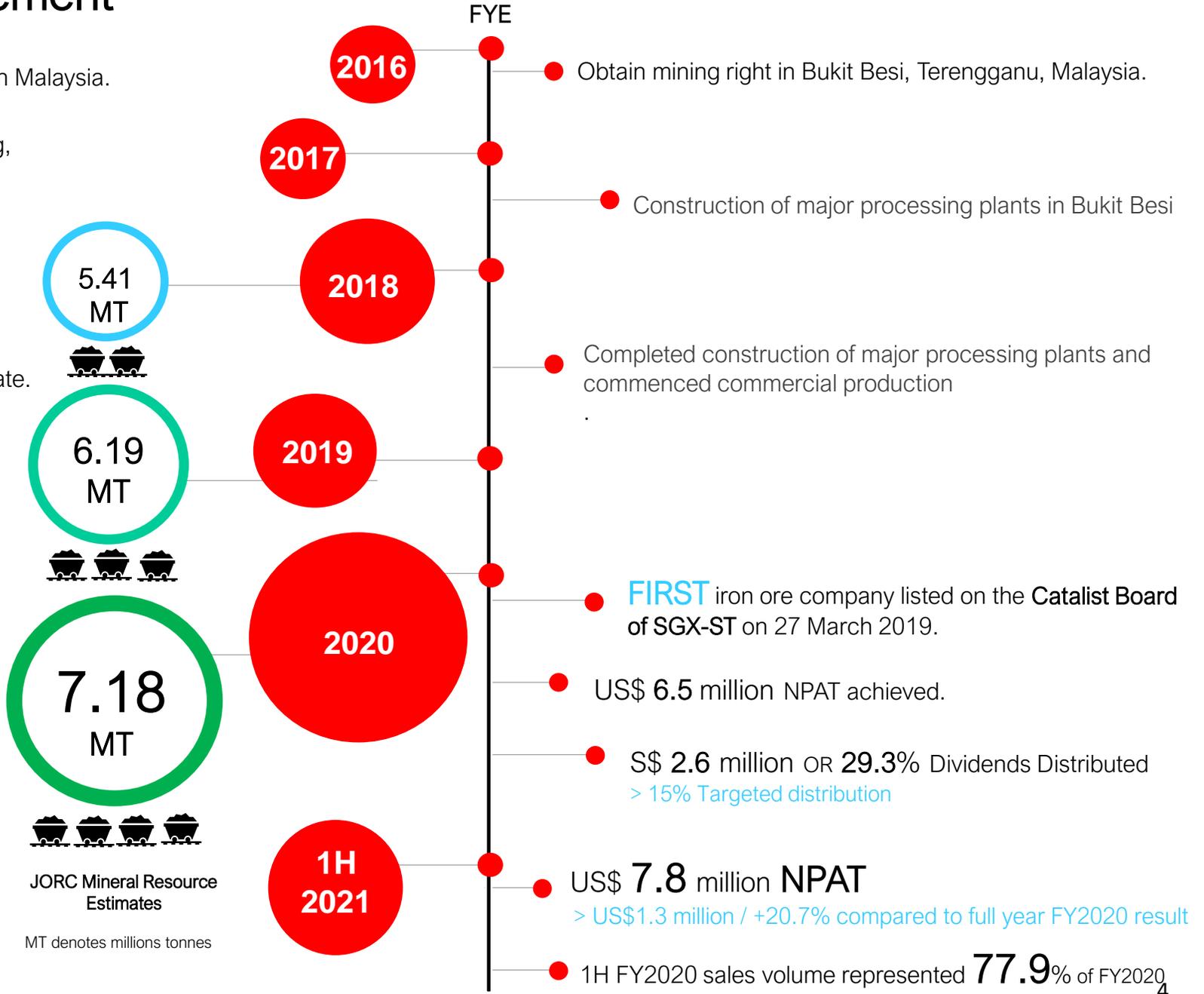


01

Fortress, *at a glance*
Bukit Besi Mine Overview

Corporate overview and achievement

- ✓ 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 focused on production of high-grade iron ore concentrate.



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



1

Daily trucking to Customers' stockyards

 **Bukit Besi**
Area 526.2 h



2

 **Airport 1.5 hour**

Mobility convenience



3

E8 **LEBUHRAYA PANTAI TIMUR**

LEBUHRAYA BERMULA

Easy access to highways
Seamless transportation flows

Domestic customers 

4

Proximity to customers' stockyards



5

 **Bukit Besi Kemaman Port**
86 KM

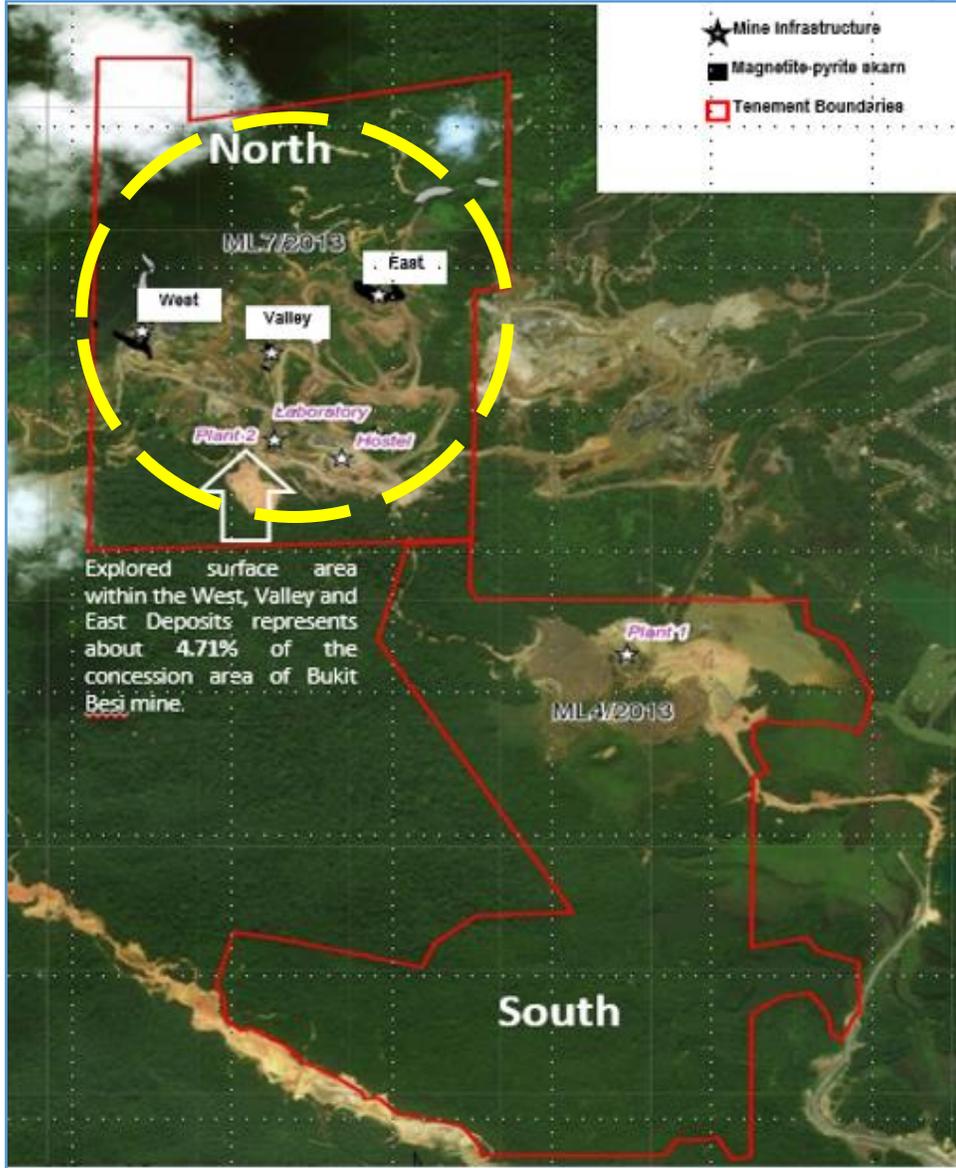
Proximity to Port
Shorten delivery lead time for export shipment

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”

A long-exposure photograph of a tunnel. The tunnel's interior is illuminated by a series of bright, circular lights along the ceiling, creating a rhythmic pattern of light and shadow. The walls are lined with a grid of metal supports. The floor is dark asphalt with white lane markings. Multiple streaks of light, primarily in shades of red and white, trail across the road, indicating the movement of vehicles over time. The perspective is from the side of the road, looking down the length of the tunnel.

02

Financial results

A strong performance in 1H FY2021

A very resilient financial performance supported by strong underlying profitability

Financial performance

US\$ 20.1 million

210,143 DMT

Group Revenue/
Sales volume

231,007 WMT

Production sold

US\$15.1 million

Gross profit

75.3%

Gross profit margin

US\$7.8 million

Net profit after tax

Balance Sheet

US\$ 4.4 million

Net debt* reductions

Value creation

US\$ 1.2 million

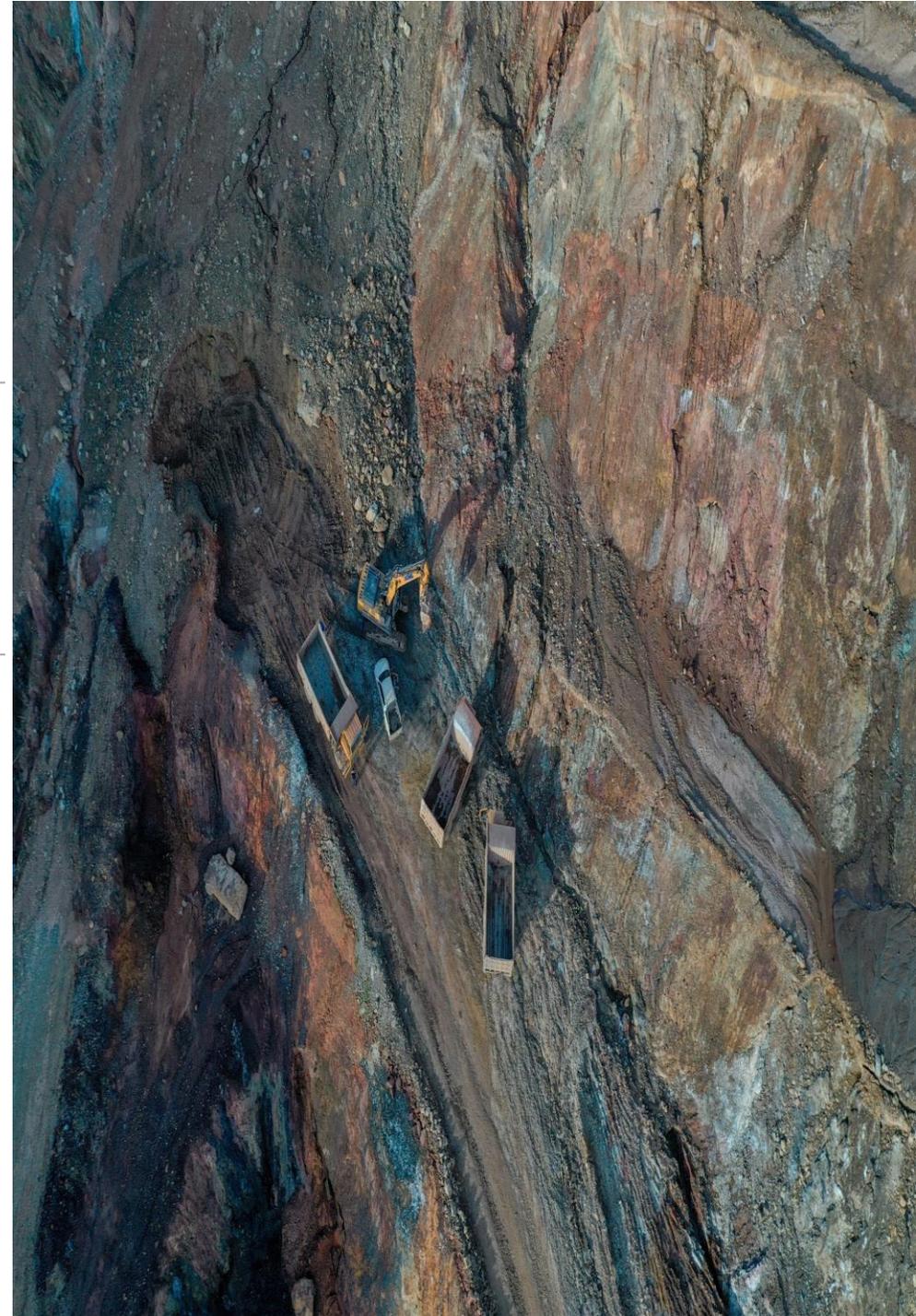
Capital assets invested

US\$ 1.0 million

Plants and equipment

US\$ 0.2 million

Exploration and evaluation assets



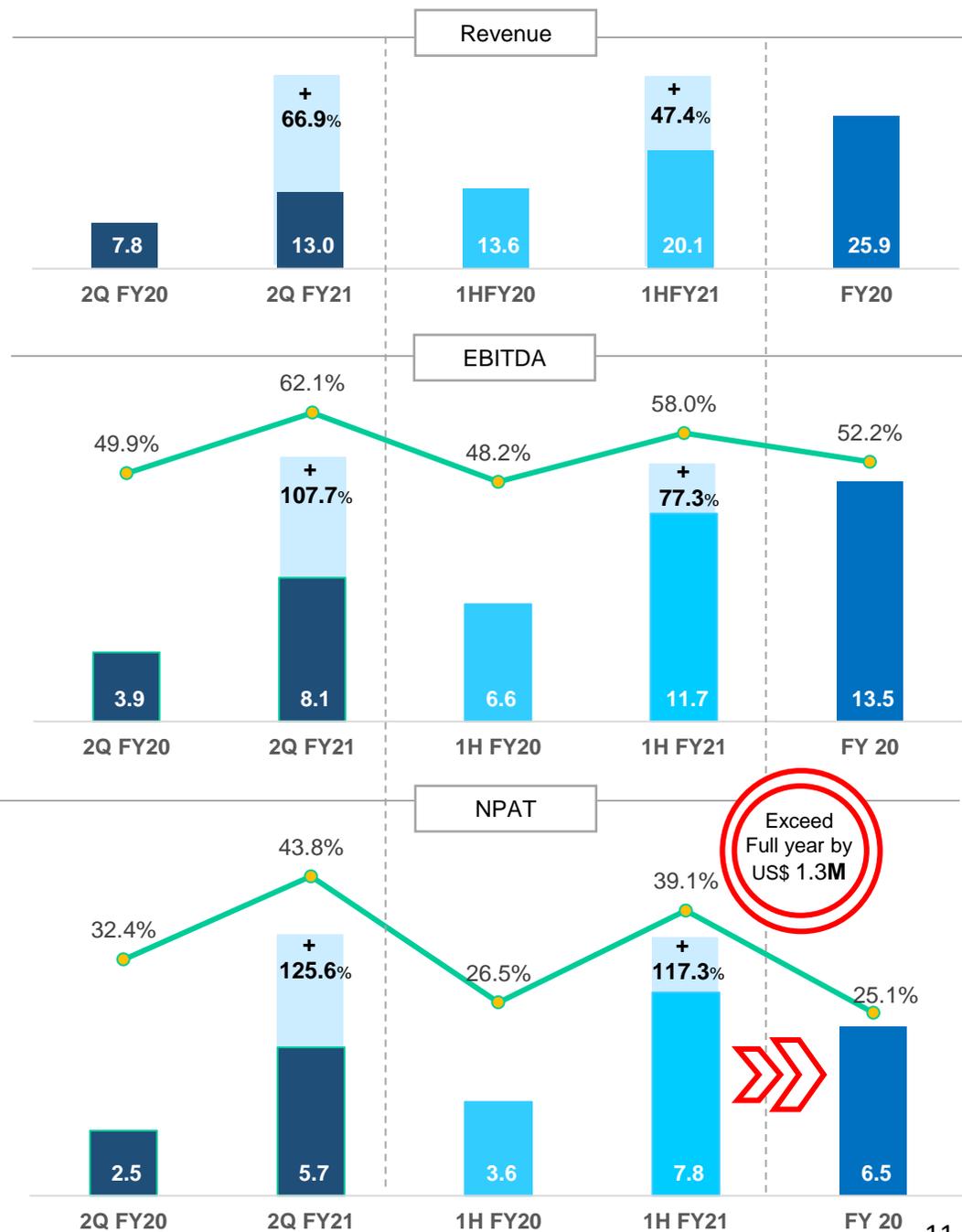
* Comprising lease liabilities, banks borrowings and amounts owing to shareholders

Financial Highlights

1H FY2021: NPAT exceed full year FY2020

Financial metrics
US\$ million

	2Q 2020	2Q 2021	1H 2020	1H 2021	2020 Audited
Revenue	7.8	13.0	13.6	20.1	25.9
Gross profit	5.4	10.1	9.4	15.1	17.3
Gross profit margin	69.4%	77.5%	69.1%	75.3%	66.7%
EBITDA	3.9	8.1	6.6	11.7	13.5
EBITDA margin	49.9%	62.1%	48.2%	58.0%	52.2%
NPAT	2.5	5.7	3.6	7.8	6.5
Net profit margin	32.4%	43.8%	26.5%	39.1%	25.1%
Basic and diluted EPS (US cents)	0.50	1.14	0.74	1.57	1.31



Robust Gross Profit Margin

Driven by

High Volume and Lower unit cost



Sales and volume

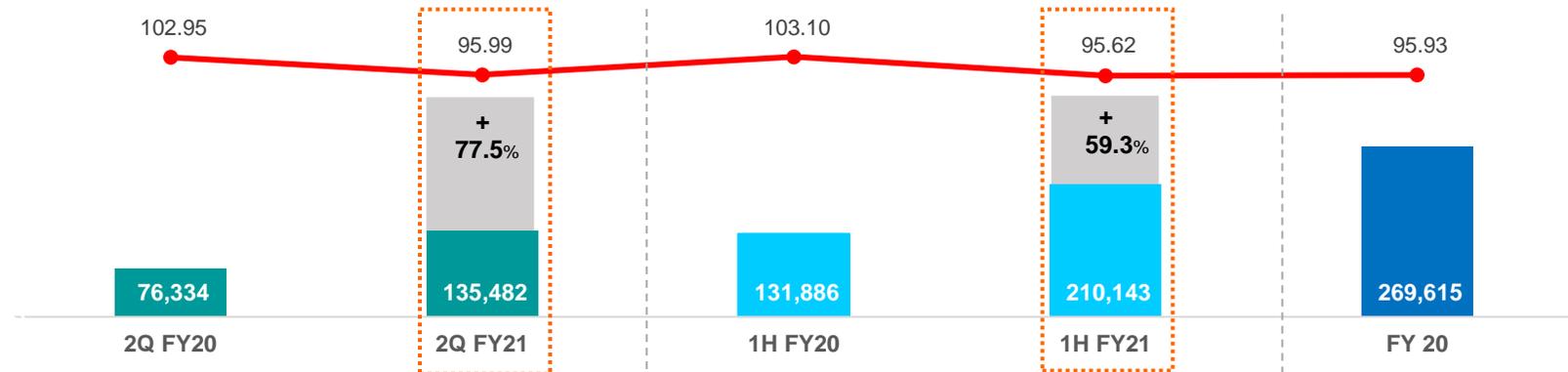


Productivity

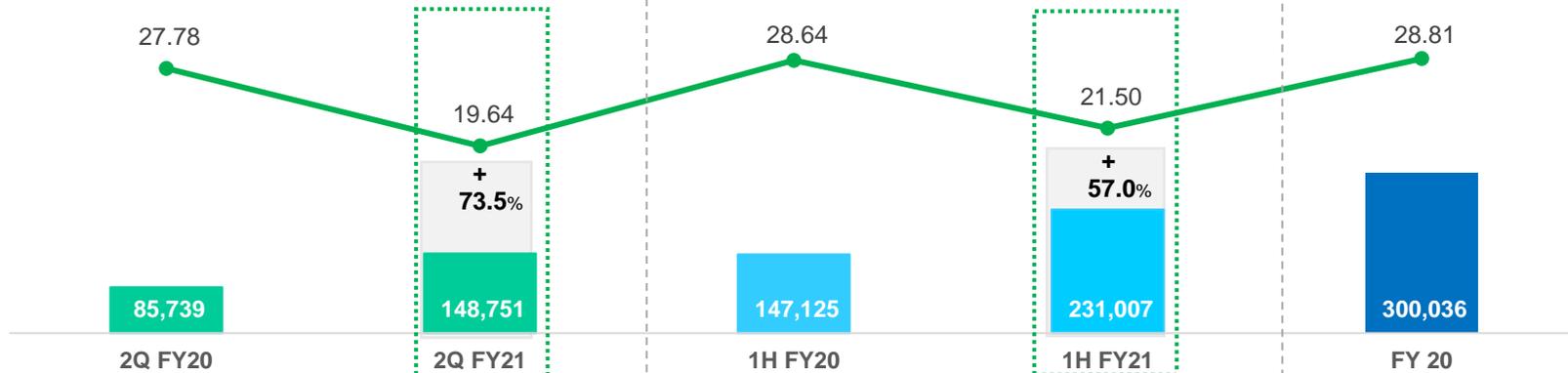


Gross Profit

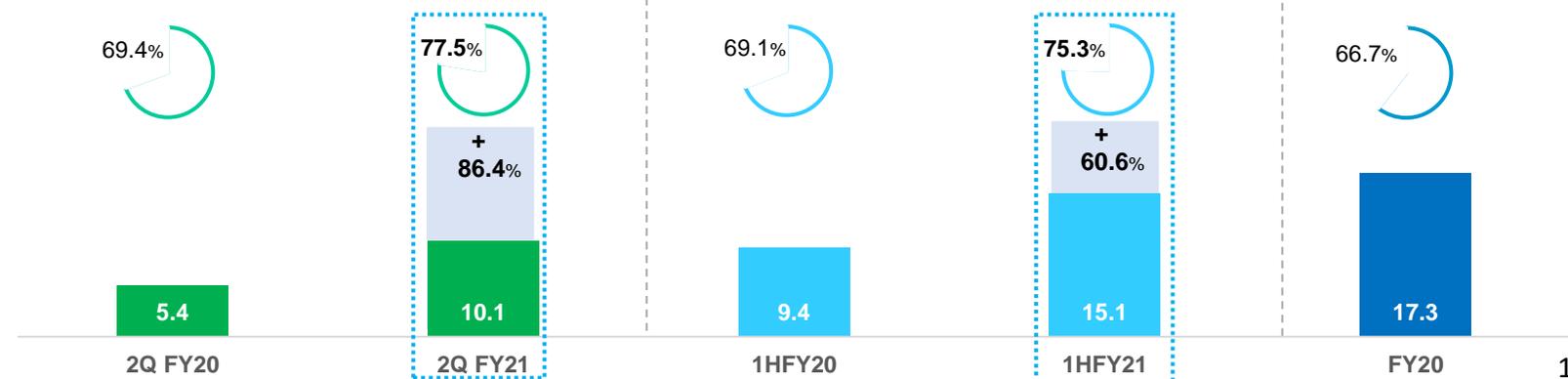
Sales Volume (DMT *) and Average selling price (US\$/DMT)



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



Gross Profit (US\$ Million) and Gross Profit Margin (%)



* DMT denotes Dry metric tonnes
WMT denotes Wet metric tonnes

Financial performance

A quick glance

	1Q FY2021	2Q FY2021	1Q FY2020	2Q FY2020	3Q FY2020	Full year FY2020
Operating metrics						
Average realised price/ DMT	94.97	95.99	103.29	102.95	84.65	95.93
Sales volume (DMT)	74,661	135,482	55,552	76,334	48,121	269,615
Average unit cost/WMT	24.88	19.64	29.84	27.78	32.30	28.81
Volume sold (WMT)	82,256	148,751	61,386	85,739	53,815	300,053

	US"000	US"000	US"000	US"000	US"000	US"000
Financial metrics						
Revenue	7,090	12,985	5,841	7,783	4,106	25,925
Gross profit	5,044	10,065	4,010	5,401	2,368	17,279
Gross profit margin	71.1%	77.5%	68.6%	69.4%	57.7%	66.7%
EBITDA	3,591	8,065	2,957	4,017	928	12,965
Net profit after tax	2,158	5,681	1,091	2,518	751	6,497

	US"000	US"000	US"000	US"000	US"000	US"000
Group Balance Sheet						
Non-current assets	21,843	22,768	22,694	21,704	23,155	22,694
Current assets	17,550	22,492	16,643	19,380	15,482	16,643
Total assets	39,393	45,260	39,337	41,084	38,637	39,337
Current Liabilities	1,526	6,291	1,652	3,575	2,639	8,110
Non-current Liabilities	6,634	1,668	8,110	9,820	8,175	1,652
Total liabilities	8,160	7,959	9,762	13,395	10,814	9,762

Equity attributable to owners	31,233	37,301	29,575	27,689	27,823	29,575
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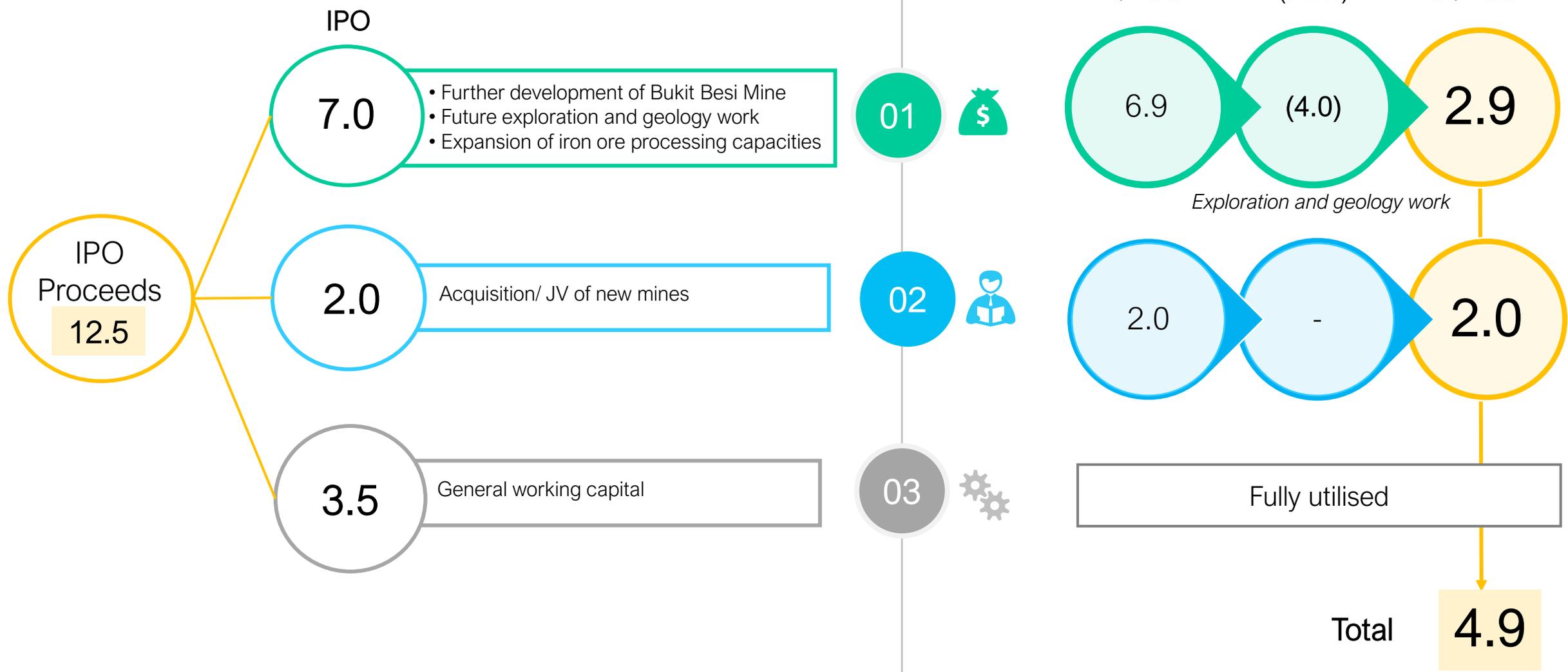
	US"000	US"000	US"000	US"000	US"000	US"000
Group Cash Flows						
Net cash flows from/(used in)						
Operating activities	1,606	54	- 490	8,181	1,585	9,188
Investing activities	- 281	- 669	- 1,703	- 2,236	- 1,863	- 6,177
Financing activities	- 2,018	- 3,365	9,914	52	- 2,672	5,537
Cash and cash equivalent	9,488	5,773	9,850	15,437	12,510	10,243

Use of IPO proceeds – Status in FY2021



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Amount denominated in SGD' million



A close-up photograph of a stack of dark grey, ribbed steel reinforcement bars (rebar). The bars are arranged in a neat, parallel stack, filling most of the frame. A semi-transparent white box is overlaid on the right side of the image, containing the chemical symbol for Iron (Fe), its atomic number (26), its name (Iron), and its atomic weight (55.845). A white line points from the top-left corner of this box to one of the rebar rods. In the lower-left area of the image, the number '03' is displayed in white, and below it, the text 'Industry and product overview' is written in a larger white font.

26

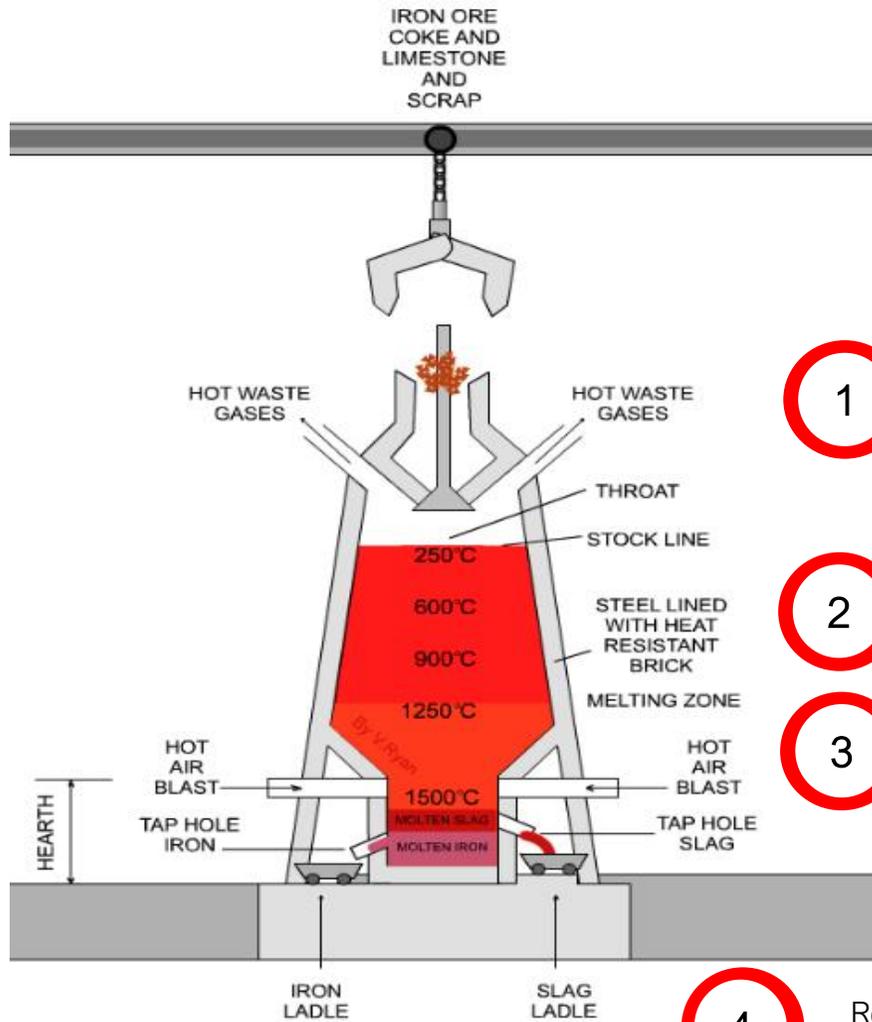
Fe

Iron
55.845

03

Industry and product overview

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

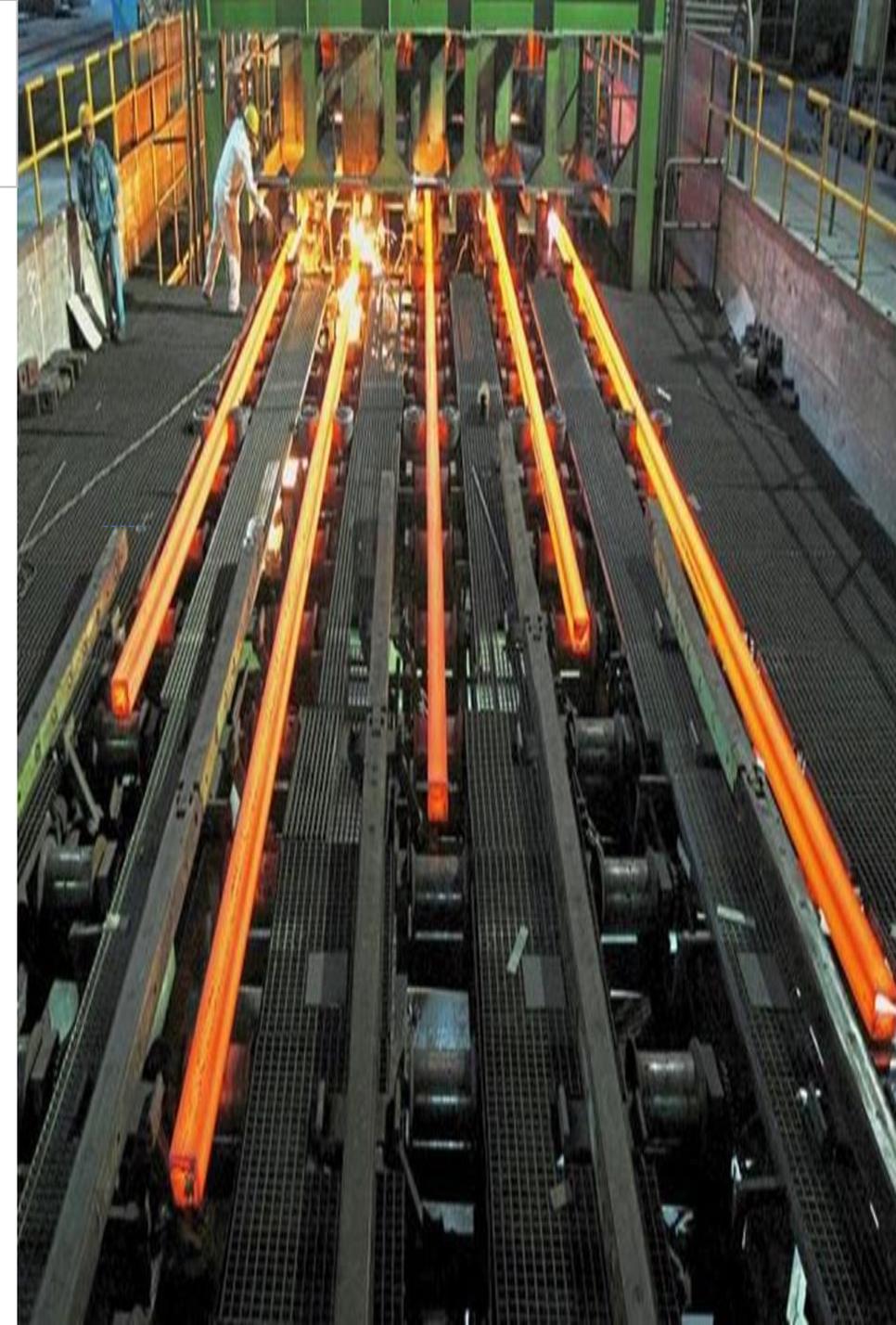
Reduction cost and *increase in steel yield*

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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