

PRESS RELEASE

Fortress Minerals reports EBITDA of US\$14.4 million for 9M FY2025

- Revenue decreased by 7.6% year-on-year (“yoy”) to US\$38.3 million for 9M FY2025, due to lower average realised selling price.
- Gross profit decreased 8.3% yoy to US\$24.7 million, and profit margin remained healthy at 64.4% for 9M FY2025.
- Net cash flow generated from operations for 9M FY2025 at US\$9.7 million.
- The Group continues to be well-supported by strong regional demand and recurring offtake agreements as it focuses on enhancing production capabilities to expand and diversify its revenue streams to grow long term shareholder value.

SINGAPORE, 9 January 2025 – Fortress Minerals Limited (the “Company” or “Fortress Minerals”) and its subsidiaries (collectively the “Group”), a high-grade iron ore concentrate producer and exporter from Malaysia, today announced the financial results for the three-months and nine-months ended 30 November 2024 (“3Q FY2025” and “9M FY2025”).

Financial Highlights

	3Q FY2025	3Q FY2024	Change %	9M FY2025	9M FY2024	Change %	Full year FY2024
Sales volume (DMT*)	138,878	116,106	19.6	410,049	429,017	(4.4)	550,887
Average realised selling price (US\$/DMT)	93.88	93.45	0.5	93.23	96.38	(3.3)	97.85
Average unit cost (US\$/WMT#)	37.58	28.99	29.6	30.44	30.80	(1.2)	34.06
<i>(US\$ '000)</i>							
Revenue	13,002	10,870	19.6	38,295	41,443	(7.6)	53,933
Gross profit	7,259	7,159	1.4	24,651	26,890	(8.3)	33,262
Gross profit margin	55.8%	65.9%	10.1 ppt	64.4%	64.9%	0.5 ppt	61.7%
Other income	113	552	(79.6)	1,448	703	106.1	416
Selling & distribution expenses	(1,240)	(1,549)	(20.0)	(4,350)	(5,259)	(17.3)	(6,688)
Other operating expenses	(3,583)	(2,458)	45.8	(8,900)	(7,808)	14.0	(9,863)
Administrative expenses	(592)	(609)	(2.7)	(1,260)	(1,522)	(17.2)	(1,574)
Finance costs	(144)	(238)	(39.3)	(477)	(772)	(38.2)	(963)
Net profit after income tax (NPAT)	743	2,327	(68.1)	7,592	9,411	(19.3)	10,038
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,100	4,732	(34.5)	14,356	17,192	(16.5)	20,997

* DMT denotes Dry Metric Tonnes

WMT denotes Wet Metric Tonnes

Operational and Financial Review

Fortress Minerals remains focused on leveraging the sustained demand for its high-grade iron ore products and is actively executing its strategic growth plans to expand and diversify its revenue streams.

The Group reported a 19.6% increase yoy in revenue to US\$13.0 million for 3Q FY2025, driven by higher volumes sold. Revenue for 9M FY2025 was 7.6% lower yoy at US\$38.3 million due to lower average realised selling price.

Sales volume increased 19.6% to 138,878 DMT and decreased 4.4% to 410,049 DMT for 3Q FY2025 and 9M FY2025, respectively. Average realised selling price marginally increased to US\$93.88/DMT in 3Q FY2025, compared to US\$93.45/DMT in 3Q FY2024. Average realised selling price for 9M FY2025 was lower at US\$93.23/DMT compared to US\$96.38/DMT in 9M FY2024.

Average unit cost of sales rose by 29.6% yoy to US\$37.58/WMT in 3Q FY2025, compared to US\$28.99/WMT in 3Q FY2024. This is mainly attributable to the variations in production levels and the sales mix of inventories with higher batch unit costs in the current financial period. The cost increases were partially mitigated by a 19.3% yoy increase in volume sold for 3Q FY2025. Average unit cost of sales for 9M FY2025 was US\$30.44/WMT compared to US\$30.80/WMT for 9M FY2024.

Consequently, the Group reported a strong gross profit margin of 64.4% for 9M FY2024, narrowing marginally from 64.9% for 9M FY2024.

The Group reported 9M FY2025 EBITDA and NPAT at US\$14.4 million and US\$7.6 million respectively. Earnings per share stood at 1.43 US cents for 9M FY2025.

Supported by the Group's consistent growth efforts, the Group's net asset value per share increased to 15.42 US cents as at 30 November 2024 compared to 13.94 US cents as at 30 November 2023, demonstrating continued growth. The Group remains focused on disciplined capital management and strategic growth to maximise long-term value for its shareholders.

Dato' Sri Ivan Chee, Executive Director and Chief Executive Officer of Fortress Minerals, commented, *"There remains strong demand for our high-grade iron ore products amidst long-term decarbonisation trends in the steel industry. We continue to enhance our production at Bukit Besi mine while working towards the development of our integrated processing plant at CASB mine to meet this demand. This includes optimising our production capabilities, particularly with the upcoming commissioning of our new crushing and processing plants and the development of key deposits at Bukit Besi mine.*

We are well-supported by our industry expertise, strong capital management and cash flows, and remain committed to driving efficiencies and diversifying revenue streams to deliver on our growth strategies to enhance the long-term value of our shareholders."

Market outlook

Global crude steel production decreased 1.4% yoy for January to November 2024¹. China, the world's largest steel-producing country, posted a 2.7% decrease for January to November 2024 compared to the corresponding period last year. However, China experienced a 2.5% yoy increase for November 2024¹.

Iron ore demand continues to face headwinds in China, driven by a broad economic slowdown and ongoing struggles in China's property sector, which accounts for roughly 40% of global iron ore consumption². In September, China introduced its largest stimulus package since the COVID-19 pandemic, featuring interest rate cuts and targeted support for the property sector. The impact of the

¹ The World Steel Association, 23 December 2024 : [November 2024 Crude Steel Production](#)

² Think ING, 11 December 2024: [Iron ore set to struggle amid subdued steel demand](#)

stimulus on iron ore demand remains muted as policies focus on clearing existing property inventories rather than initiating new construction projects².

The World Steel Association predicts a continued decline into 2025 in China to reflect a structural shift as the country transitions away from its decades-long reliance on infrastructure and property development toward high-tech manufacturing and green technologies to drive economic growth².

In India, the world's second-largest steel producer, steel growth witnessed a 5.9% yoy increase between January to November 2024¹. The market continues to be a key growth market for steel, with expectations of significant production increases and stronger margins³. To further support domestic producers, the government is considering a temporary tax of up to 25% on steel imports to curb cheap imports from China⁴. This measure, which has gained broad support, aims to protect local steelmakers while ensuring that small manufacturers receive raw materials at reduced prices⁴.

Malaysia's economy is expected to achieve a growth rate of 4.3% to 5% in 2025⁵. Malaysia's economy grew strongly in 2024, with 3Q GDP rising 5.3%, driven by exports and investment. Malaysia's data centre growth, driven by AI investments, is set to boost steel demand, with up to 700MW of new rollouts annually supporting infrastructure needs⁶.

Looking ahead, the Group is well-positioned to meet the growing demand for high-grade magnetite iron ore, driven by domestic demand, regional steel production and global decarbonisation efforts within the industry.

Operational developments

On 7 November 2024, the Group entered into two new offtake agreements with a domestic steel mill in Malaysia, covering approximately 510,000 WMT of iron ore for delivery from 1 November 2024 to 31 December 2025. These agreements run concurrently and highlight sustained demand for the Group's high-grade iron ore concentrate and reaffirm its strong and enduring relationships with customers.

The Group continues to enhance its production capabilities at Bukit Besi mine while progressing the development of the East, Valley, and West deposits to expand its mineral resources. Two new ball mills have been added to support the construction of a new crushing plant with advanced, efficient equipment. The plant, positioned for scalable operations, is expected to be commissioned in FY2026.

The Group continues to advance the development of an integrated processing plant at the CASB mine to enhance production capabilities and produce high-grade iron ore, copper, and pyrrhotite concentrates. The flowsheet and engineering design for the new plant are complete. Based on consultants' recommendations, the Group is in the preparation stage to construct a pilot plant for trial production.

In relation to the prospecting activities in Sabah by Saga Mineral Sdn. Bhd. (“**Telupid**”), and Kencana Primary Sdn. Bhd. (“**Tongod**”), the Group is awaiting the renewal of their respective prospecting licenses upon the expiry of the current ones on 14 December 2024 and 18 December 2024 respectively, with the process currently under review by the relevant authorities.

The Group continues to seek opportunities to grow its commodities portfolio prudently and in a disciplined manner via acquisitions, joint ventures and/or providing mining contracting services both in Malaysia and in the region, where its strong capabilities provide a competitive edge to tap on the demand.

³ Fitch Rating, 12 December 2024: [Global Steel Outlook 2025](#)

⁴ Reuters, 17 December 2024: [India plans up to 25% temporary tax to curb cheap Chinese steel imports](#)

⁵ The Edge Malaysia, 15 November 2024: [Economists sanguine on Malaysia's 4Q prospects but flag global uncertainties may weigh on 2025](#)

⁶ New Straits Times, 29 December 2024: [Malaysia set for booming data centre growth in 2025](#)

The Group continues to explore various fund-raising opportunities to enhance its cash balances for operational needs when required. The Group will update shareholders via SGXNET as and when there are any material developments on the aforementioned.

****End****

This press release should be read in conjunction with the related announcements uploaded by Fortress Minerals Limited on SGXNet.

*This press release has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release. The Sponsor has also not drawn on any specific technical expertise in its review of this press release.*

The contact person for the Sponsor is Ms. Foo Jien Jieng, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

About Fortress Minerals Limited (SGX: OAJ)

Fortress Minerals Limited ("**Fortress**" or the "**Company**" and collectively with its subsidiaries, the "**Group**") is principally in the business of exploration, mining, production and sale of iron ore of low level of impurities. All our iron ore are efficiently priced in the United States Dollar against international iron ore indexes as practiced world-wide.

The Group is enhancing its production capabilities and expanding its mineral resources at the Bukit Besi mine. It is also developing a new integrated processing plant at the CASB mine and advancing its prospecting efforts in Sabah through various phases of mineral exploration, subject to the renewal of the prospecting licenses.

The Group continues to seek opportunities to grow its commodities portfolio prudently and in a disciplined manner via acquisitions, joint ventures and/or providing mining contracting services both in Malaysia and in the region, where its strong capabilities provide a competitive edge to tap on the demand.

Fortress is committed to our team's safety and values of integrity, sustainability, empowerment, and prosperity. Our team drives the business to achieve our vision of excelling in mineral exploration through strategic insights and alliances, addressing regional client demands, and maintaining ethical excellence.

Fortress Minerals Limited (OAJ: SGX) has been listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 27 March 2019.

For more information, please visit: <https://fortress.sg>

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