

QUARTERLY REPORT



MOUNT GIBSON IRON LIMITED REPORT FOR THE QUARTER ENDED 31 MARCH 2025 16 April 2025

Mount Gibson Iron reports steady production and cashflow generation for the March 2025 Quarter

- **March quarter iron ore sales of 0.7 million wet metric tonnes (Mwmt)** at an average grade of 64.9% Fe for sales revenue of **\$106 million** Free on Board (FOB).
- **Koolan Island cashflow of \$22 million** for the quarter reflecting a **strong cash margin of \$31 per wet metric tonne of iron ore sold**, and **Group cashflow of \$21 million**. Group cashflow for the nine months ended 31 March 2025 is \$42 million.
- Koolan Island **cash operating costs of \$98/wmt FOB**, up 4% on the prior quarter, reflecting steady production despite seasonal weather interruptions including the passage of two tropical cyclones near to the operation.
- **Operations tracking in line with FY25 shipping guidance** of 2.7-3.0 Mwmt at a targeted cash operating cost of \$95-100/wmt FOB.
- **Group cash and investments of \$460 million** at 31 March 2025, including the Company's \$22 million holding in Fenix Resources Limited. There are no bank borrowings. Total cash and investment reserves equate to approximately **\$0.39 per share**.
- **Capital management accelerated via an on-market share buyback** of the Company's issued shares, with 33.1 million shares having been bought back by period end, at an average price of \$0.313 per share.

Note: All currency is stated in Australian dollars unless otherwise noted. Cash operating costs are reported before capitalised waste mining costs, capital projects and mineral royalties.

Comment

"Mount Gibson Chief Executive Officer Peter Kerr said: "Mount Gibson achieved a steady operational and financial performance in the March quarter, despite repeated wet-season interruptions which included two tropical cyclones that passed near to Koolan Island. Steady production and ore sales keeps the Company on track with its FY25 sales guidance.

"At prevailing prices, and subject to any additional material interruptions in the tail of the northern wet season, we continue to anticipate positive cashflow generation over the remainder of the financial year. We are focused on maximising production and cashflows from the high-grade Koolan Island operation over its remaining life, which together with a robust financial position, places the Company in a good position for opportunistic investments and acquisitions, with reviews underway on a number of acquisition initiatives."

SUMMARY STATISTICS	Unit	Mar-24 Quarter	Jun-24 Quarter	Sep-24 Quarter	Dec-24 Quarter	Mar-25 Quarter	YTD FY25 (9 months)
Waste mined (incl. rehandle)	kwmt	425	339	2,129	1,878	1,616	5,623
Iron ore mined	kwmt	1,081	716	454	643	557	1,655
Total material moved	kwmt	1,506	1,055	2,583	2,521	2,174	7,278
Strip ratio (excl. rehandle)	Waste:Ore	0.4	0.5	4.7	2.9	2.5	3.3
Processing throughput	kwmt	878	869	380	732	712	1,824
Iron ore sales - fines	kwmt	711	872	559	709	715	1,983
Average grade of iron ore sold	% Fe	65.4	65.2	63.7	65.2	64.9	64.7
Platts 62% Fe CFR price, average	US\$/dmt	124	112	100	103	104	102
Platts 65% Fe CFR price, average	US\$/dmt	136	126	114	118	117	116
Grade-adjusted high grade premium	%	4.9%	7.6%	9.3%	8.9%	7.6%	8.6%
Foreign exchange rate, average	A\$/US\$	0.658	0.659	0.670	0.654	0.627	0.651
Koolan fines FOB price, pre adjustment	US\$/dmt	123	103	81	90	94	89
Provisional pricing adjustments*	US\$/dmt	1	(22)	(7)	1	2	(1)
Koolan fines FOB price, after adjustment	US\$/dmt	124	81	74	91	96	88
<i>Koolan Island cash costs:</i>							
Mining, logistics & administration	\$m	48.1	55.1	36.5	48.0	53.0	137.6
Sustaining capital, incl. ground support	\$m	8.2	10.5	8.3	7.5	6.2	22.0
Processing	\$m	11.5	14.3	9.4	10.4	9.5	29.3
Shiploading	\$m	2.7	4.4	1.0	0.7	1.3	3.0
Cash operating costs	\$m	70.4	84.3	55.3	66.5	70.0	191.8
<i>Cash operating costs per tonne shipped</i>	<i>\$/wmt</i>	<i>99</i>	<i>97</i>	<i>99</i>	<i>94</i>	<i>98</i>	<i>97</i>
Capitalised waste mining	\$m	-	-	17.8	5.9	0.5	24.2
Capital projects (incl. footwall remediation)	\$m	6.7	11.7	4.8	2.4	3.4	10.6
Government and third party royalties	\$m	12.5	10.0	5.9	9.9	10.2	26.0
Total cash costs	\$m	89.6	105.9	83.8	84.6	84.1	252.6
<p>Currency is shown in Australian dollars unless otherwise stated. Minor discrepancies may occur due to rounding. kwmt = thousand wet metric tonnes. US\$/dmt = USD per dry metric tonne. CFR = cost and shipping freight included; FOB = free on board (i.e. shipping freight deducted). * Koolan iron ore prices are shown on a FOB basis after shipping freight and specification penalties. Provisional pricing adjustments reflect realised (in-period) adjustments and, for half-year and annual reporting periods, estimates (if material) of unrealised adjustments for those shipment cargoes with future pricing periods, based on post-balance date observed prices. Final pricing ultimately reflects monthly iron ore price averages up to two months after the shipment date. For the purpose of wet to dry tonnage conversion, moisture content typically averages 2-3% for Koolan Island iron ore products.</p>							

OPERATIONS

Safety

Safety is a key behavioural value for Mount Gibson with improvements continuing to be achieved by the site operating teams. The Lost Time Injury Frequency Rate remained at zero incidents per one million manhours worked as at 31 March 2025 (rolling 12 months basis), and the rolling 12-month Total Recordable Injury Frequency Rate¹ also remained unchanged at 1.5 injuries per one million manhours worked, having reduced from 4.4 at the start of the financial year. These results are favourable when compared with applicable industry standards, and Mount Gibson continues to maintain its focus on managing safety risks.

¹ Mount Gibson's definition of the Total Recordable Injury Frequency Rate (TRIFR) includes Lost Time Injuries, Restricted Work Injuries and Medically Treated Injuries. Using TRIFR provides a useful tool for safety conversations and active communication with the entire workforce to help prevent injury to Mount Gibson's personnel in their workplaces.

Koolan Island

Mining

Mining in the March quarter was focused in the eastern half of the Main Pit which will remain the source of high-grade ore over the remaining 18-24 month life of the operation. Production was sourced from the upper eastern benches, supplemented by the initial recovery of ore below the August 2023 rockfall zone in the central footwall area. Ore extraction was undertaken in parallel with ongoing removal of the former eastern haul ramp, which is necessary to widen the pit to provide future access to the lower levels of the high-grade orebody. This ramp-removal work remains on track for completion in the September 2025 quarter.



Figure 1: Koolan Island Main Pit, looking east over the central haul ramp switchback zone, April 2025.



Figure 2: High-grade ore mining in the eastern end of the Main Pit in early April 2025, following the passage of Tropical Cyclone Dianne. In-pit dewatering systems have continued to work well.

Total material movement was 2.2 Mwmt including 0.2 Mwmt of rehandled waste rock for temporary ramp construction associated with the future recovery of high grade ore from the footwall rockfall zone. Total ore mined of 0.6 Mwmt at an average waste-to-ore strip ratio of 2.5x was 13% lower than in the prior quarter,

mainly due to the impact of significant wet-season rainfall and regular lightning alerts which caused numerous, although generally brief, interruptions. Total rainfall over the quarter exceeded 1,600mm. This included more than 730mm in the last two weeks of March, of which approximately 400mm fell over three days as Tropical Cyclone Dianne passed within 15km of Koolan Island, bringing severe winds up to 115km per hour. Mount Gibson enacted its usual cyclone-readiness protocols to ensure the safety of all personnel, and no significant damage was incurred to any site infrastructure or equipment. Mining and processing were interrupted for two days while excess water was pumped out of the Main Pit and haul ramp surfaces were regraded. Ship-loading was also temporarily disrupted due to the Yampi Sound being closed by the Kimberley Ports Authority for the duration of the cyclone.

Parallel with mining activities, ground support remediation also progressed as scheduled in the historical rockfall zone of the central footwall area. This work involves a program of on-wall anchor drilling, grouting and installation of protective mesh and a safety barrier fence, all of which is necessary for safe access to the high grade ore zones directly beneath this area. The on-wall drilling program is now complete, and installation of the protective mesh and safety barrier fencing is underway. This work remains on track for completion in mid-2025 assuming no major disruptions from further wet-season weather events. Completion of this work will enable mining access to the high grade ore below the rockfall zone.

Processing

Processing was aligned with ore availability from the Main Pit, totalling 0.7 Mwmt in the quarter. Throughput was impacted by numerous weather-related interruptions, in particular in March. The tertiary crushing circuit has improved processing efficiency, reduced rehandling requirements and enabled more cost-effective processing of harder material sourced from the eastern sections of the Main Pit orebody. The focus of work in the processing area is on safely increasing throughput rates and achieving unit cost reductions.

Shipping

The Company completed nine Kamsarmax (large Panamax) shipments totalling just over 0.7 Mwmt in the quarter, at an average shipped grade of 64.9% Fe. Run-of-mine grades are anticipated to remain around 65% Fe over the remaining mine life, with occasional shipments of slightly reduced grade ores to take advantage of market conditions.

Cashflow and operating costs

Koolan Island's cashflow for the March quarter totalled \$22 million, equating to a margin of \$31 per wet metric tonne sold. Cashflow comprised ore sales revenue of \$106 million, including positive provisional pricing adjustments of \$3 million, less cash operating costs of \$70 million (equating to a unit cash operating cost of \$98/wmt sold), capital projects of \$4 million (primarily the footwall remediation ground support works) and Government and third party mineral royalties of \$10 million.

For the nine-month period ended 31 March 2025, Koolan Island's cashflow totalled \$42 million comprising ore sales of \$266 million and other revenue of \$28 million (predominantly the receipt of insurance claim proceeds of \$27 million), less cash operating costs of \$192 million (equating to a unit cash operating cost of \$97/wmt sold), capitalised mining costs of \$24 million (largely attributable to reconfiguration of the Main Pit haul ramp in accordance with the mine plan), capital projects of \$10 million and Government and third party mineral royalties of \$26 million.

Further comments regarding revenue and realised pricing are contained below.

CORPORATE

Realised Pricing

The benchmark Platts 62% Fe CFR fines price (including shipping freight) increased slightly to average US\$104/dmt in the March quarter compared with US\$103/dmt in the preceding quarter. The price traded in a range of US\$97-109/dmt and weakened late in the quarter to current levels of just under US\$100/dmt amid uncertainty related to the impacts on global and Chinese economies of increased US trade tariffs.

Importantly for Mount Gibson, the price for high grade 65% Fe fines products continues to trade at a premium to the benchmark 62% Fe price. During the quarter, the 65% Fe CFR fines price averaged US\$117/dmt compared with US\$118/dmt in the prior quarter. The average grade-adjusted premium between the 65% and 62% Fe prices was 7.6% for the quarter.

The Company also benefited from the significantly weaker Australian dollar, which averaged US\$0.627 in the period compared with US\$0.654 in the prior quarter.

The average realised price for Koolan Island high grade fines was US\$96/dmt FOB (after impurity penalties and shipping freight) in the March quarter, compared with US\$91/dmt FOB in the prior quarter. Shipping freight rates for Panamax/Kamsarmax vessel journeys from Koolan Island to China averaged approximately US\$11/tonne in the March quarter, down from US\$12/tonne in the prior quarter.

Sales from Koolan Island are made under long term offtake agreements on FOB terms, with pricing referencing high grade (65% Fe) market indices and Panamax shipping freight rates, specification adjustments and penalties for impurities. Provisional prices reflect pricing averages prior to shipment departure, with the final pricing ultimately reflecting monthly iron ore price averages up to two months after shipment. For shipments which remain subject to provisional pricing adjustments in half-year and annual reporting periods, accrual estimates are recorded based on post-balance date observed prices, with adjustments made in subsequent periods once final prices are ascertained.

Group Cashflow and Cash Position

The Group's cashflow for the March quarter totalled \$21 million, comprising \$22 million from Koolan Island as noted earlier, plus interest and other income of \$6 million, less corporate, administration and exploration costs totalling \$7 million.

After a working capital outflow of \$7 million (reflecting the timing of receipts and payments) and share buyback purchases totalling \$5 million, the Company's total cash and investments balance, including the \$22 million investment position in Fenix Resources, increased to \$460 million at 31 March 2025, up from \$451 million at the end of December 2024. The Company's total cash and investment backing of \$460 million equates to approximately \$0.39 per share.

The quarter-end cash balance does not include the sale receipts from the final shipment at the end of March, the proceeds of which were received in early April.

For the nine-month period ended 31 March 2025, Group cashflow totalled \$42 million, reflecting the \$42 million operating cashflow generated from Koolan Island as noted earlier, with interest and other income offsetting the Company's corporate, administration and exploration costs.

Business Development

Mount Gibson continues to examine and invest in opportunities within the Australian resources sector. Equity positions are held in a number of junior resources companies where it is considered that future financing and strategic opportunities may arise. The market value of these holdings totalled approximately \$17 million at 31 March 2025. These holdings are in addition to the Company's investment in Mid-West iron ore producer Fenix Resources Limited (9.8% of Fenix's currently issued shares and 12.5 million options exercisable at 30 cents each at any time up to 21 July 2028) which had a market value of \$22 million at period end.

Commodity and Foreign Exchange Hedging

Mount Gibson actively monitors the iron ore and foreign exchange markets for opportunities to protect the pricing of future iron ore deliveries via suitable hedge instruments. At quarter end, the Company held commodity hedging contracts over 240,000 tonnes of iron ore at prices of \$157-163/dmt (62% Fe CFR basis) covering April to June deliveries. The current spot price is approximately \$156/tonne CFR.

The Company also holds various foreign exchange hedging contracts protecting the conversion of US\$21 million into Australian dollars over the April to September 2025 period, with cap prices of US\$0.650-0.665 and floor prices of US\$0.578-0.604.

FY25 Shipping and Cost Guidance

Mount Gibson remains on track to achieve its iron ore sales guidance of 2.7-3.0 Mwmt in FY25 at a targeted cash operating cost of \$95-100/wmt FOB, subject to any further wet season impacts.

Capital Management - On-Market Share Buyback

An on-market share buyback of up to 5% of the Company's issued shares was commenced in mid-September 2024 as part of the Company's capital management strategy. On 19 February 2025, the Company announced an increase in the buyback program of up to 10% of its issued shares.

Buying under the program accelerated during the quarter once the Company's usual half-year reporting trading blackout period elapsed, with 17.8 million shares acquired for an average price of \$0.313 per share. As at the end of the quarter, a total of 33.1 million shares had been bought back under the program, also for an average price of \$0.313 per share.

Financial Results for December 2024 Half-Year Period

Mount Gibson released its financial results for the December 2024 half-year period on 19 February 2025. Profit before tax and impairments totalled \$18.7 million on net sales revenue of \$160.3 million FOB. After non-cash impairments totalling \$77.5 million and the derecognition of deferred tax assets totalling \$30.3 million, the reported net loss after tax totalled \$71.7 million, reflecting the effect of recent weaker iron ore prices and outlook on the accounting carrying value of the Koolan Island assets.

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Mount Gibson will host an analysts/institutions teleconference at **11.00am AEST (9.00am AWST) today, Wednesday 16 April 2025**. Investors will be able to listen to the teleconference by dialling **1800 896 323** immediately prior to the scheduled start time and entering the access code **76122632#** at the prompts. A recording of the teleconference will be available via the Mount Gibson website after completion of the teleconference. In case of difficulties, operator assistance can be reached on +61 2 8088 0900.