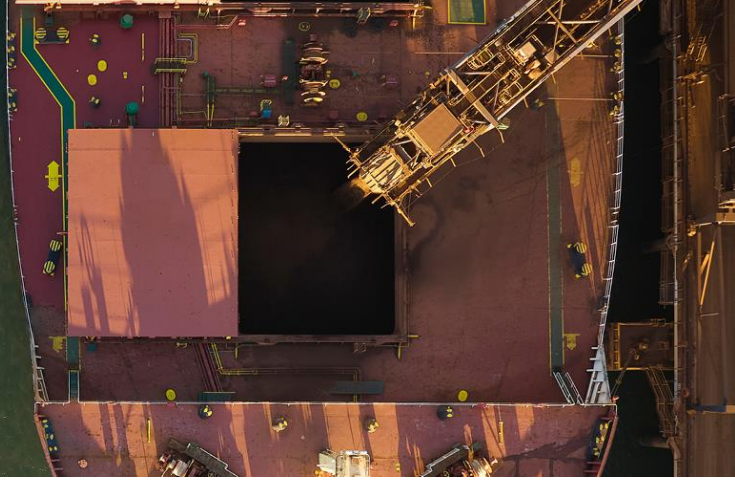


SEPTEMBER 2024 QUARTERLY PRODUCTION REPORT

24 OCTOBER 2024



Record first quarter shipments in strong start to FY25

Summary

- Group Total Recordable Injury Frequency Rate (TRIFR) of 1.2 at 30 September 2024, 29 per cent lower than 1.7 at 30 September 2023.
- Total iron ore shipments of 47.7 million tonnes (Mt) in Q1 FY25, four per cent higher than Q1 FY24 and a record for a first quarter; this included 1.6Mt from Iron Bridge.
- Hematite C1 cost of US\$20.16/wet metric tonne (wmt) was up 12 per cent on Q1 FY24, impacted by a higher strip ratio in the quarter and inflationary pressures.
- Hematite average revenue of US\$83/dry metric tonne (dmt) for the quarter, realising 83 per cent of the average Platts 62% CFR Index.
- Iron Bridge Concentrate revenue of US\$111/dmt was 97 per cent of the average Platts 65% CFR Index.
- Cash of US\$3.4 billion and net debt of US\$2.1 billion at 30 September 2024 after payment of the FY24 final dividend of US\$1.9 billion and capital expenditure of US\$0.8 billion in the quarter.
- Signed a US\$2.8 billion partnership with Liebherr to jointly develop and validate a range of zero emission mining solutions, this includes the supply of battery power systems by Fortescue Zero.
- Works commenced on the Green Metal Project at Christmas Creek.
- Celebrated significant milestone of the Billion Opportunities program awarding more than A\$5 billion in contracts and sub-contracts to First Nations businesses, since inception.
- Released an externally verified Climate Transition Plan to reach Real Zero by 2030.
- Fortescue's Board has elected Dr Larry Marshall as the new Lead Independent Director, effective from the Company's 2024 Annual General Meeting.
- Guidance for FY25 shipments, C1 cost and capital expenditure remains unchanged.

Fortescue Metals Chief Executive Officer, Dino Otranto said "Fortescue had a strong start to FY25 with record first quarter iron ore shipments of 47.7Mt, which included 1.6Mt from Iron Bridge. This was achieved while maintaining our focus on safety with a Group TRIFR of 1.2. This strong operating performance means we are on track to meet our FY25 market guidance.

"We also celebrated a number of other milestones including the commencement of works at our Green Metal Project at Christmas Creek which marks a pivotal moment in our journey to build a green metal supply chain."

Fortescue Energy Chief Executive Officer, Mark Hutchinson said "It has been an extremely successful quarter for our green technology team, as we unveiled our autonomous battery-electric T 264 truck to the world. We topped off the milestone by also signing one of the biggest equipment deals on record, a US\$2.8 billion partnership with Liebherr to jointly develop and validate a range

of zero emission equipment solutions for mining and heavy industry. Under the agreement, the equipment will be powered by the battery power system developed by Fortescue Zero.

“We continue to progress our green energy projects globally in a disciplined manner as we wait for the appropriate policy settings to support the market development.”

Operations

Operations summary (M wmt)	Q1 FY25	Q4 FY24	Var (%)	Q1 FY24	Var (%)
Total ore mined	57.1	59.0	(3)	56.2	2
Total ore processed	48.0	50.8	(6)	48.0	0
Total ore shipped	47.7	53.7	(11)	45.9	4
Total ore shipped (Fortescue share)	47.2	53.5	(12)	45.9	3
Hematite C1 cost (US\$/wmt)	20.16	18.53	9	17.93	12

Volumes on a 100 per cent basis, unless stated otherwise.

- Ongoing focus on safety contributed to a TRIFR for the Group of 1.2 for the 12 months ending 30 September 2024, a 29 per cent improvement on 30 September 2023.
- Total ore mined was 57.1Mt in Q1 FY25, two per cent higher than the prior comparable period with strong performance at Iron Bridge. Total ore processed of 48.0Mt was in line with Q1 FY24.
- Total iron ore shipments of 47.7Mt were up four per cent on Q1 FY24 and a record for a first quarter. This included 1.6Mt from Iron Bridge, higher than full year shipments in FY24.
- Hematite C1 cost of US\$20.16/wmt was 12 per cent higher than Q1 FY24, impacted by a higher strip ratio (2.0x in Q1 FY25, 1.7x in Q1 FY24) in the quarter, together with inflationary pressures.
- In August 2024, Fortescue’s Billion Opportunities program marked a significant milestone of more than A\$5 billion in contracts and sub-contracts awarded to 200 First Nations businesses since the initiative was launched in 2011.
- Tangible progress towards transitioning Fortescue’s diesel mining fleet to a zero emission fleet with equipment partnerships signed with Liebherr and MacLean.
- Fortescue Zero completed the first test run of its Battery Electric Locomotive (BEL) prototype at its Prototype Facility in Hazelmere, an important step in decarbonising Fortescue’s rail operations. This has led to a collaboration with Downer to jointly design and develop a BEL.
- Works commenced on the Green Metal Project at the Green Energy Hub at Christmas Creek. The Project has capacity of 1,500 tonnes per annum of green iron metal, with first production planned in 2025. A Feasibility Study assessing an approximately 1Mt per annum capacity green iron metal project in the Pilbara is proposed to commence in 2025.

Hematite (M wmt)	Q1 FY25	Q4 FY24	Var (%)	Q1 FY24	Var (%)
Ore mined	50.2	54.7	(8)	54.0	(7)
Overburden removed	98.4	80.2	23	89.5	10
Ore processed	46.6	49.5	(6)	48.0	(3)

Iron Bridge (M wmt)	Q1 FY25	Q4 FY24	Var (%)	Q1 FY24	Var (%)
Ore mined	6.9	4.3	60	2.2	214
Overburden removed ¹	3.6	4.4	(18)	4.4	(18)
Ore processed	1.4	1.3	8	0.04	-

Volumes on a 100 per cent basis, Fortescue has 69 per cent equity share of Iron Bridge. ¹ Excludes development overburden.

Marketing

Product summary (M wmt)	Q1 FY25	(%)	Q4 FY24	(%)	Q1 FY24	(%)
Iron Bridge Concentrate	1.6	3	0.6	1	0.04	0
West Pilbara Fines	3.6	8	1.2	2	4.3	9
Kings Fines	3.7	8	3.3	6	3.5	8
Fortescue Blend	17.2	36	20.7	38	20.2	44
Fortescue Lump	2.1	4	0.0	0	2.3	5
Super Special Fines	19.5	41	28.0	52	15.6	34
Total shipments	47.7	100	53.7	100	45.9	100
- Fortescue share	47.2	-	53.5	-	45.9	-

Volumes on a 100 per cent basis, unless stated otherwise. Timing differences may occur between shipments and sales as Fortescue Trading (Shanghai) Co., Ltd. holds inventory at Chinese ports.

- Hematite average revenue of US\$82.96/dmt in Q1 FY25 represents a realisation of 83 per cent of the average Platts 62% CFR Index of US\$99.69/dmt.
- Iron Bridge Concentrate revenue of US\$111.21/dmt was 97 per cent of the average Platts 65% CFR Index of US\$114.21/dmt in Q1 FY25.
- China portside sales through Fortescue Trading (Shanghai) Co., Ltd. were 3.2Mt in Q1 FY25.

Minerals exploration

- Total exploration and studies capital expenditure in Q1 FY25 was US\$80 million.
- Iron ore exploration continues in the Pilbara with a focus on drilling programs at Mindy South, White Knight and Wyloo North. In addition, near mine exploration continues to be a focus at both the Chichester and Solomon Hub.
- Exploration activities and drilling continued at the Belinga Iron Ore Project in Gabon. To date, over 70,000 meters of Reverse Circulation and 10,000 meters of diamond core have been completed at the Project.
- Exploration activity on Fortescue's critical minerals portfolio included drilling in Brazil, together with preparation for the FY25 drilling season with several projects planned in Argentina and a program in Peru.

Energy

- Work continues on Fortescue's four green hydrogen projects in Australia, the United States, Norway and Brazil. Feasibility Studies continue to advance at the Holmaneset Project in Norway, while the Pecém Project received approval by the Brazilian National Council of Export Processing Zones.
- Fortescue signed a US\$2.8 billion partnership with Liebherr to jointly develop and validate a range of zero equipment mining solutions. This builds on the partnership established in June 2022 and increases the total number of machines to be supplied by Liebherr to approximately 475. The equipment will be powered by the battery power system developed by Fortescue Zero.
- Liebherr and Fortescue will also deploy an autonomous battery electric haulage solution for large scale mining operations.
- In October 2024, Fortescue Zero announced its plans to begin operations at its United States Advanced Manufacturing Center in Detroit, by producing a High Voltage Marine Battery Pack, made using its Scalable Battery Module technology.

Financial position

- Fortescue's cash balance was US\$3.4 billion at 30 September 2024, compared to US\$4.9 billion at 30 June 2024.
- Cash outflows during the quarter include the payment of the FY24 final dividend of US\$1.9 billion and capital expenditure and investments of US\$780 million.
- Gross debt was US\$5.5 billion at 30 September 2024 (US\$5.4 billion at 30 June 2024), and net debt was US\$2.1 billion (US\$0.5 billion at 30 June 2024).
- In September 2024, Fortescue's Revolving Credit Facility and Syndicated Term Loan were amended and extended by two years, maturing in July 2027 and June 2028, respectively.

FY25 guidance

- Iron ore shipments of 190 - 200Mt, including 5 - 9Mt for Iron Bridge (100 per cent basis).
- C1 cost for Hematite of US\$18.50 - US\$19.75/wmt.
- Fortescue Metals capital expenditure of US\$3.2 - US\$3.8 billion.
- Fortescue Energy net operating expenditure of approximately US\$700 million and capital expenditure of approximately US\$500 million.

Guidance is based on an assumed FY25 average exchange rate of AUD:USD 0.68.

This announcement was authorised for lodgement by Navdeep (Mona) Gill, Company Secretary.

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