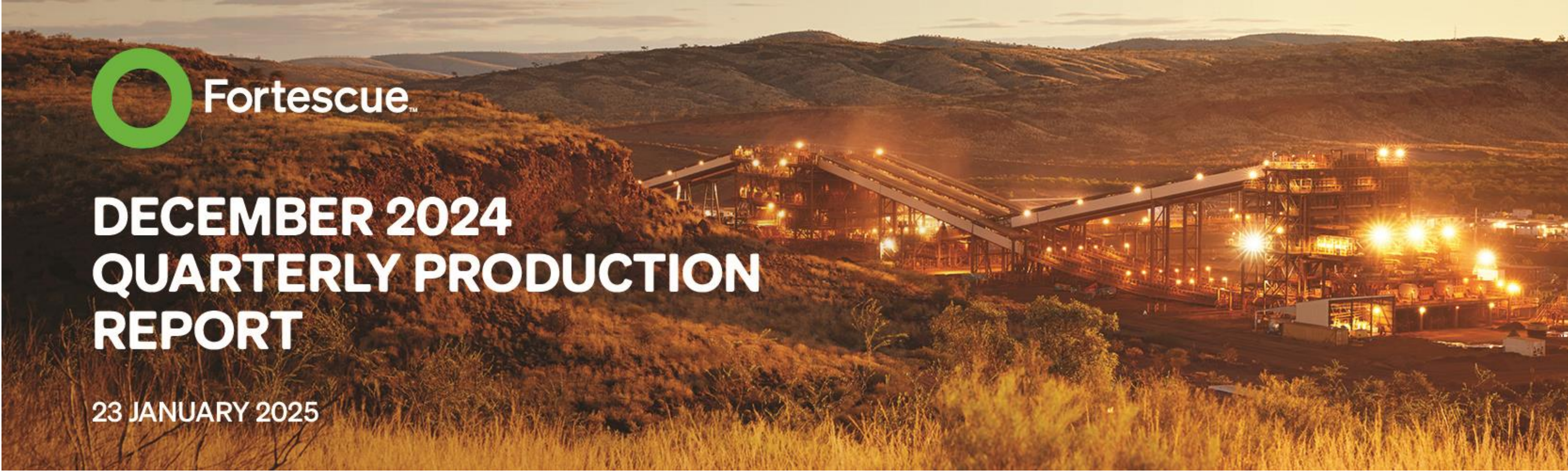

DECEMBER 2024 QUARTERLY PRODUCTION REPORT

23 JANUARY 2025

Strong operational performance contributes to record half year shipments

Summary

- Total Recordable Injury Frequency Rate (TRIFR) of 1.0 at 31 December 2024, 44 per cent lower than 1.8 at 31 December 2023.
- Total iron ore shipments of 49.4 million tonnes (Mt) in Q2 FY25 contributed to shipments of 97.1Mt in H1 FY25, the highest half year shipments in Fortescue's history.
- Hematite C1 cost of US$18.24/wet metric tonne (wmt) was 10 per cent lower than Q1 FY25.
- Hematite average revenue of US$87/dry metric tonne (dmt) for the quarter, realising 85 per cent of the average Platts 62% CFR Index.
- Iron Bridge Concentrate revenue of US$117/dmt was 99 per cent of the average Platts 65% CFR Index and 113 per cent of the average Platts 62% CFR Index.
- Cash balance of US$3.4 billion and net debt of US$2.0 billion at 31 December 2024, after capital expenditure of US$1.0 billion in the quarter.
- Continued progress towards transitioning Fortescue's diesel mining fleet, with the award of a contract to purchase over 100 pieces of zero emissions heavy mobile equipment from XCMG.
- Published the FY24 Modern Slavery Statement, reaffirming Fortescue's ongoing commitment to respect human rights and address modern slavery.
- Guidance for FY25 shipments, C1 cost and capital expenditure remains unchanged.

Fortescue Metals Chief Executive Officer, Dino Otranto said, "It's been an outstanding operating performance in the quarter, with iron ore shipments of 49.4 million tonnes contributing to our highest ever half year shipments of 97.1 million tonnes. We achieved this while maintaining our focus on safety, as well as driving costs lower.

"Our decarbonisation plan is also making progress with a major heavy mobile equipment contract awarded to XCMG during the quarter, which will support the transition of our diesel mining fleet to zero emissions by 2030."

Fortescue Energy Chief Executive Officer, Mark Hutchinson said, "We are continuing to advance and commercialise our portfolio of green technologies which are needed to accelerate the transition to Real Zero.

"Our global team is also continuing to progress and refine our green energy projects in a disciplined manner with a focus on completing the feasibility studies for projects in Norway and Brazil."

Operations

Operations summary (M wmt)	Q2 FY25	Q1 FY25	Var (%)	Q2 FY24	Var (%)
Total ore mined	61.9	57.1	8	55.0	12
Total ore processed	51.0	48.0	6	48.7	5
Total ore shipped	49.4	47.7	4	48.7	1
Total ore shipped (Fortescue share)	48.9	47.2	4	48.6	1
Hematite C1 cost (US$/wmt)	18.24	20.16	(10)	17.62	4

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

- Ongoing focus on safety contributed to TRIFR for the Group of 1.0 in the 12 months to 31 December 2024, 17 per cent lower than 1.2 at 30 September 2024 and 44 per cent lower than 1.8 at 31 December 2023.
- Total ore mined was 61.9Mt in Q2 FY25, 12 per cent higher than the prior comparable period, with an increase in volumes across both the Hematite Operations and Iron Bridge. Total ore processed of 51.0Mt was five per cent higher than Q2 FY24.
- Total iron ore shipments of 49.4Mt contributed to total shipments of 97.1Mt in H1 FY25, three per cent higher than H1 FY24 and the highest half year shipments in Fortescue's history. This was achieved while managing impacts of wet weather in the Pilbara, with operations supported by healthy inventory through the supply chain.
- Shipments from Iron Bridge totalled 1.5Mt in Q2 FY25, contributing to shipments of 3.2Mt in H1 FY25. Iron Bridge safely and successfully completed a major shutdown of the ore processing facility (OPF) and concentrate handling facility during the quarter. The focus of Iron Bridge ramp up activities includes the air classification circuit and downstream aerobelt conveyors. Fortescue's water management strategy continues to deliver sufficient water to the OPF.
- Hematite C1 cost of US$18.24/wmt in Q2 FY25 was 10 per cent lower than the previous quarter. The decrease in costs reflected increased ore mining volumes and lower strip ratio consistent with the mine plan, together with the favourable AUD:USD exchange rate.
- Hematite C1 cost guidance for FY25 is unchanged at US$18.50 - US$19.75/wmt, based on an FY25 average exchange rate of AUD:USD 0.68.
- Iron Bridge's FY25 cash operating expenses excluding shipping and royalties is unchanged, and is anticipated to be approximately US$500 million (Fortescue's share).
- Further progress towards transitioning Fortescue's diesel mining fleet to zero emission fleet with the award of a contract to purchase over 100 pieces of heavy mobile equipment from Chinese machinery manufacturer XCMG.

Hematite (M wmt)	Q2 FY25	Q1 FY25	Var (%)	Q2 FY24	Var (%)
Ore mined	56.4	50.2	12	51.3	10
Overburden removed	87.1	98.4	(12)	85.3	2
Ore processed	49.3	46.6	6	48.3	2

Iron Bridge (M wmt)	Q2 FY25	Q1 FY25	Var (%)	Q2 FY24	Var (%)
Ore mined	5.5	6.9	(20)	3.8	45
Overburden removed[1]	2.2	3.6	(39)	4.9	(55)
Ore processed	1.7	1.4	21	0.4	325

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)	Q2 FY25	(%)	Q1 FY25	(%)	Q2 FY24	(%)
Iron Bridge Concentrate	1.5	3	1.6	3	0.05	0
West Pilbara Fines	3.6	7	3.6	8	4.3	9
Kings Fines	4.1	8	3.7	8	3.8	8
Fortescue Blend	18.1	37	17.2	36	21.2	44
Fortescue Lump	1.9	4	2.1	4	2.2	4
Super Special Fines	20.2	41	19.5	41	17.0	35
Total shipments	49.4	100	47.7	100	48.7	100
- Fortescue share	48.9	-	47.2	-	48.6	-

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$87.40/dmt in Q2 FY25 represents a realisation of 85 per cent of the average Platts 62% CFR Index of US$103.39/dmt.
- Iron Bridge Concentrate revenue of US$116.85/dmt in Q2 FY25 was 99 per cent of the average Platts 65% CFR Index of US$118.02/dmt and 113 per cent of the Platts 62% CFR Index.
- China portside sales through Fortescue Trading (Shanghai) Co., Ltd. were 3.7Mt in Q2 FY25.

Minerals exploration

- Total exploration and studies capital expenditure in Q2 FY25 was US$67 million.
- Iron ore exploration continues in the Pilbara with a focus on near mine exploration at the Chichester Hub and Solomon.
- Exploration activities and drilling continued at the Belinga Iron Ore Project in Gabon. To date, over 84,000 metres of reverse circulation and 12,000 metres of core have been drilled at the Project.
- Exploration activity on Fortescue's critical minerals portfolio included drilling on projects in Argentina, together with preparation for drilling in Peru and Kazakhstan with target generative activities continuing across the portfolio.

Energy

- Fortescue continues to advance its portfolio of green technologies to accelerate the transition to Real Zero and is progressing its green energy projects in a disciplined manner.
- Ellie Coates will head up the Fortescue Zero business. Ellie was most recently Fortescue's Director of Strategy and Innovation, and has extensive experience in strategy, technology and operations.
- Fortescue is pleased to receive Federal Government support and backing to develop Fortescue Zero's 6 megawatt fast charger technology which will be used to power Fortescue's future 240-tonne Liebherr T264 battery electric trucks. ARENA awarded A$10 million in funding.
- Feasibility studies and planning approvals continue to progress for the Holmaneset Project in Norway and the Pecém Project in Brazil.
- In January 2025, the U.S. Department of the Treasury and Internal Revenue Service released final rules for the section 45V Clean Hydrogen Production Tax Credit established by the Inflation Reduction Act. Fortescue is now assessing the implications for its US projects.

Financial position

- Fortescue's cash balance was US$3.4 billion at 31 December 2024, unchanged from 30 September 2024.
- Total capital expenditure and investments for the quarter were US$1.0 billion and total capital expenditure and investments for H1 FY25 were US$1.8 billion.
- Gross debt was US$5.4 billion at 31 December 2024 (US$5.5 billion at 30 September 2024) and net debt was US$2.0 billion (US$2.1 billion at 30 September 2024).

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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