

# SEPTEMBER 2025 QUARTERLY PRODUCTION REPORT

23 OCTOBER 2025

## Strong start to FY26 with record first quarter shipments

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### Summary

- Ongoing focus on safety contributed to a Leading Safety Index (LSI) of 156 and a Total Recordable Injury Frequency Rate (TRIFR) of 1.4 at 30 September 2025.
- Total iron ore shipments of 49.7 million tonnes (Mt) in Q1 FY26, four per cent higher than Q1 FY25 and a record for a first quarter; this included 2.1Mt from Iron Bridge.
- Hematite C1 unit cost of US\$18.17/wet metric tonne (wmt) in Q1 FY26 was one per cent higher than FY25 C1 unit cost of US\$17.99/wmt.
- Hematite average revenue of US\$89/dry metric tonne (dmt) for the quarter, realising 87 per cent of the average Platts 62% CFR Index.
- Iron Bridge Concentrate revenue of US\$121/dmt for the quarter was 103 per cent of the average Platts 65% CFR Index and 118 per cent of the average Platts 62% CFR Index.
- Cash of US\$4.6 billion and net debt of US\$1.9 billion at 30 September 2025 after payment of the FY25 final dividend of US\$1.2 billion and capital expenditure of US\$908 million in the quarter.
- Successful syndication and drawdown of a Renminbi-denominated (RMB) Syndicated Term Loan Facility of 14.2 billion (approximately US\$2 billion).
- Released 2025 Climate Transition Plan, a comprehensive and actionable plan that is being delivered through tangible actions and measurable progress.
- Announced update on decarbonisation partnerships to enable Fortescue to deliver on its target of Real Zero by 2030 and also catalyse decarbonisation globally.
- Optimised Hematite life of mine plan incorporates the Blacksmith Project and is anticipated to deliver significant value by maintaining a lower C1 unit cost profile and enhanced capital efficiency.
- Guidance for FY26 shipments, C1 unit cost and capital expenditure remains unchanged.

Fortescue Metals and Operations Chief Executive Officer, Dino Otranto said, “Fortescue has delivered a strong start to FY26, achieving record first quarter shipments of 49.7Mt, up four per cent on the prior year.

“We reached important milestones this quarter, including the successful syndication of a Renminbi-denominated term loan and the establishment of new global partnerships that will help drive our profitable decarbonisation. We’re continuing to see delivery of this on the ground, with 10 electric excavators in operation and construction of our 190MW solar farm at Cloudbreak now more than one third complete.

“We’ve also started to implement our revised Hematite life of mine plan, underpinned by the inclusion of the recently acquired Blacksmith Project. The plan optimises material movement and orebody use, ensuring Fortescue remains positioned as a low-cost, capital-efficient operator, maximising value across our operations.”

Fortescue Growth and Energy Chief Executive Officer, Gus Pichot said, “We are continuing to evolve our growth opportunities across metals, critical minerals, energy and technology in a disciplined and commercially focused way.

“Fortescue now has a global alliance of green energy and technology partners to work alongside to accelerate the delivery, scale and economics of decarbonisation, including BYD, LONGi, XCMG, Envision Energy and Liebherr, together with our newly consolidated renewable technology company Nabrawind.

“These collaborations allow Fortescue Zero to focus on its strengths in research and development, keeping Fortescue at the forefront of breakthrough innovations.”

## Operations

Operations summary (M wmt)	Q1 FY26	Q4 FY25	Var (%)	Q1 FY25	Var (%)
Total ore mined	60.1	64.3	(7)	57.1	5
Total ore processed	50.8	54.4	(7)	48.0	6
Total ore shipped	49.7	55.2	(10)	47.7	4
Total ore shipped (Fortescue share)	49.1	54.4	(10)	47.2	4
Hematite C1 unit cost (US\$/wmt)	18.17	16.29	12	20.16	(10)

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

- Ongoing focus on safety contributed to a LSI of 156 and a TRIFR of 1.4 in the 12 months to 30 September 2025. Fortescue’s LSI assigns positive scores to promoters and negative scores to detractors of safety, calculating an overall index score for the business representing the presence of safety.
- Total ore mined was 60.1Mt and total ore processed of 50.8Mt in Q1 FY26, five per cent and six per cent higher than Q1 FY25, respectively.
- This strong performance combined to deliver total shipments of 49.7Mt in Q1 FY26, four per cent higher than Q1 FY25 and a record for a first quarter. This included Hematite shipments of 47.6Mt and Iron Bridge Concentrate shipments of 2.1Mt.
- Hematite C1 unit cost of US\$18.17/wmt in Q1 FY26 was 10 per cent lower than Q1 FY25, predominantly reflecting favourable inventory movement, a lower AUD:USD exchange rate and the strong operational performance. The C1 unit cost was one per cent higher than the FY25 C1 unit cost of US\$17.99/wmt.

Hematite (M wmt)	Q1 FY26	Q4 FY25	Var (%)	Q1 FY25	Var (%)
Ore mined	50.9	61.5	(17)	50.2	1
Overburden removed	99.5	80.4	24	98.4	1
Ore processed	48.5	52.4	(7)	46.6	4
Ore shipped	47.6	52.8	(10)	46.1	3

Iron Bridge (M wmt)	Q1 FY26	Q4 FY25	Var (%)	Q1 FY25	Var (%)
Ore mined	9.3	2.9	224	6.9	34
Overburden removed <sup>1</sup>	6.8	1.8	284	3.6	89
Ore processed	2.3	2.0	16	1.4	62
Ore shipped	2.1	2.4	(11)	1.6	30

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

## Hematite life of mine plan

- Revised Hematite life of mine (LOM) plan, underpinned by inclusion of the Blacksmith Project, is anticipated to deliver significant value through optimised material movement and orebody use, resulting in maintaining lower C1 unit costs and enhanced capital efficiency.
- The LOM plan is designed to deliver a smooth profile and significant reduction in total material moved, with the Hematite waste-to-ore strip ratio anticipated to average approximately 1.6.
- It incorporates the Blacksmith Project, attained with the Red Hawk Mining Limited acquisition in Q3 FY25, which contributes to a deferral of first production required from major hub developments, Mindy South and Nyidinghu, until after 2030.
- The optimisation involves a refinement in product mix, with West Pilbara Fines (60% Fe) to be phased out and the introduction of a new 55% Fe product from FY27 (share of total Hematite shipments anticipated at 5-6 per cent). Fortescue's next major hub development will support the resumption of supplying higher Fe grade Hematite product options.
- The updated LOM also has positive implications for Fortescue's emissions profile, driven by lower material movement. Fortescue continues to make strong progress towards its Real Zero Target, where the elimination of fossil fuels will further enhance its low C1 unit cost position.

## Marketing

Product summary (M wmt)	Q1 FY26	(%)	Q4 FY25	(%)	Q1 FY25	(%)
Iron Bridge Concentrate	2.1	4	2.4	4	1.6	3
West Pilbara Fines	4.0	8	3.5	6	3.6	8
Kings Fines	3.3	7	3.5	6	3.7	8
Fortescue Blend	18.3	37	21.5	39	17.2	36
Fortescue Lump	2.3	5	1.8	3	2.1	4
Super Special Fines	19.6	39	22.6	41	19.5	41
Total shipments	49.7	100	55.2	100	47.7	100
- Fortescue share	49.1	-	54.4	-	47.2	-

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\$88.86/dmt in Q1 FY26 represents a realisation of 87.1 per cent of the average Platts 62% CFR Index of US\$102.03/dmt.
- Iron Bridge Concentrate revenue of US\$120.83/dmt in Q1 FY26 was 103 per cent of the average Platts 65% CFR Index of US\$117.41/dmt and 118 per cent of the Platts 62% CFR Index.
- China portside sales through Fortescue Trading (Shanghai) Co., Ltd. were 5.2Mt in Q1 FY26.

## Decarbonisation and Energy

- Fortescue Zero's renewed focus on research and development continues to support the decarbonisation of Fortescue's operations and deliver solutions for other heavy emitters.
- Partnerships announced during the United Nations General Assembly are enabling Fortescue to progress towards its Real Zero Target and drive global decarbonisation. These include partnerships with BYD, LONGi and Envision Energy to accelerate the deployment of electrification, solar, wind and energy storage technologies, critical to achieving Real Zero.
- Continued implementation of Fortescue's decarbonisation's plan, with 10 electric excavators now operational and construction of the 190MW Cloudbreak solar farm one third complete.
- Released the 2025 Climate Transition Plan, outlining a comprehensive and actionable pathway to achieve Real Zero by 2030, underpinned by tangible actions and measurable progress across Fortescue's operations.

- Fortescue remains committed to progressing the decarbonisation of the shipping industry, despite the disappointing delay by the International Maritime Organisation in adopting a Net-Zero Framework, that would have set global shipping on a clear course to lowering emissions.
- Fortescue is maintaining a pipeline of green energy projects and continues to assess project viability and timing in line with evolving customer demand, regulatory settings and its disciplined capital allocation framework.

## Minerals exploration

- Total exploration and studies capital expenditure in Q1 FY26 was US\$74 million.
- Iron ore exploration activities progressed with multiple drill rigs operating across the Pilbara, focusing on near-mine exploration at the Chichester Hub and infill drilling at White Knight.
- Exploration and study activities continue to advance at the Belinga Iron Ore Project, with four reverse circulation drill rigs and one diamond core rig operating.
- Exploration activity within Fortescue's critical minerals portfolio included drilling in Kazakhstan, while preparations for drilling continued at projects in Argentina and Australia. Target generation activities advanced across the portfolio.

## Financial position

- Fortescue's cash balance was US\$4.6 billion at 30 September 2025, compared to US\$4.3 billion at 30 June 2025.
- Cash outflows during the quarter include payment of the FY25 final dividend of US\$1.2 billion and capital expenditure and investments of US\$908 million.
- Gross debt was US\$6.5 billion at 30 September 2025 from US\$5.4 billion at 30 June 2025, and net debt was US\$1.9 billion (US\$1.1 billion at 30 June 2025).
- Movement in gross debt includes the prepayment of Fortescue's US dollar Term Loan Facility of US\$959 million and the syndication and drawdown of a RMB Term Loan Facility of 14.2 billion (approximately US\$2 billion).
- In October 2025, announced the early results of cash tender offers to repurchase US\$750 million aggregate principal amount of certain outstanding Senior Unsecured Notes.

## FY26 guidance

- Iron ore shipments of 195 - 205Mt, including 10 - 12Mt for Iron Bridge (100 per cent basis).
- C1 unit cost for Hematite of US\$17.50 - US\$18.50/wmt.
- Metals capital expenditure of US\$3.3 - US\$4.0 billion.
- Energy capital expenditure of approximately US\$300 million and net operating expenditure of approximately US\$400 million.

Guidance is based on an assumed FY26 average exchange rate of AUD:USD 0.65.

This announcement was authorised for lodgement by the Company Secretary.

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