

December 2025 Half-Year Financial Results

19 February 2026



MGX reports continued Koolan Island shipments and a robust balance sheet for future growth

Highlights:

- Iron ore sales of **1.35 million wet metric tonnes (Mwmt)** for sales revenue of **\$147.2 million** Free on Board (FOB) (1HFY25: 1.27 Mwmt and \$160.3 million FOB), including 0.48 Mwmt of low grade iron ore fines.
- **Profit before tax and impairments of \$39.9 million** (1HFY25: \$18.7 million).
- **Net loss after tax and impairments of \$20.8 million** (1HFY25: \$71.7 million net loss) reflecting a \$60.3 million non-cash impairment of the remaining carrying values of Koolan Island's assets following the October 2025 footwall rockfall incident.
- **Total cash and investments of \$496.2 million** at 31 December 2025 (30 June 2025: \$484.6 million).
- Sales of stockpiled low grade material at Koolan Island in the December quarter performed **better than expected** given solid market demand for this material, with further low grade sales of approximately 1.0 Mwmt targeted in the June half of FY26.
- **Change of name to MGX Resources Limited** to reflect the Company's diversification into precious and base metals.
- **Transformational \$50 million acquisition of 50% interest in the Central Tanami Gold Project** in Australia's Northern Territory completed subsequent to period end.
- **Continued assessment** of resources investment opportunities.

Note: All currency is stated in Australian dollars unless noted otherwise.

Comment

MGX Resources Chief Executive Officer, Peter Kerr, said: "MGX delivered a reasonable underlying financial performance in the first half of the 2025/26 financial year, particularly given the October rockfall incident at Koolan Island. Importantly, the low-grade sales program at Koolan Island continues to exceed initial expectations and is tracking to reduce the impact of the rockfall incident on the business. The Company retains a very strong balance sheet and has no bank debt.

"Having recently completed our transformational \$50 million acquisition of a 50% interest in the Central Tanami Gold Project, MGX's financial strength provides an outstanding opportunity to accelerate work towards a development decision and give shareholders ground-level exposure to the creation of a new Australian gold production business."

MGX will host an analysts and institutions teleconference today at **11:30am AEDT (8:30am AWST) Thursday 19 February 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 MGX website after completion of the teleconference. In case of difficulties, operator assistance can be reached on +61 2 8088 0900.

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Summary Results

(all currency expressed in Australian dollars)

		Half-Year ended 31-Dec-2025	Half-Year ended 31-Dec-2024
Physicals:			
Iron ore mined	M wmt	0.68	1.10
Iron ore sold	M wmt	1.35	1.27
Financials:			
Sales revenue (including realised hedging gains/losses)	\$m	147.2	160.3
Interest income	\$m	8.9	10.1
Cost of sales	\$m	(141.7)	(162.3)
Gross profit	\$m	14.3	8.0
Other income, including insurance proceeds	\$m	1.2	29.4
Impairment of financial assets	\$m	-	(1.7)
Impairment of property, plant and equipment and right-of-use assets	\$m	(7.0)	(13.9)
Impairment of mine properties	\$m	(53.3)	(61.9)
Exploration expenses	\$m	(0.2)	(2.7)
Administration and other expenses	\$m	(9.1)	(9.2)
Net foreign exchange and marked-to-market movements*	\$m	35.0	(5.1)
Finance expenses	\$m	(1.3)	(1.8)
Profit/(loss) before tax	\$m	(20.4)	(58.8)
Tax expense	\$m	(0.4)	(12.9)
Net profit/(loss) after tax	\$m	(20.8)	(71.7)
Totals may not add due to rounding.			
*Marked-to-market movements comprise realised and unrealised foreign exchange, commodity hedging and financial asset movements.			

Earnings Summary

MGX Resources Limited (MGX or the Company) recorded a net loss after tax of \$20.8 million in the half-year to 31 December 2025, compared with a net loss of \$71.7 million in the prior corresponding period. The result reflects the impact of the major rockfall at Koolan Island in October 2025 which resulted in the suspension of mining and subsequent reliance on sales of stockpiled low grade material. MGX consequently incurred non-cash accounting impairments totalling \$60.3 million before tax, representing a write-off of the remaining carrying values of the Koolan Island assets.

Profit before tax and impairments increased 113% to \$39.9 million from the sale of 1.35 Mwmt of iron ore and sales revenue of \$147.2 million FOB. This compared with a profit before tax and impairments of \$18.7 million from the sale of 1.27 Mwmt of high-grade iron ore and sales revenue of \$160.3 million FOB in the prior corresponding half-year period.

Other income for the reporting period included interest revenue of \$8.9 million (\$10.1 million in 1HFY25), and \$1.2 million from dividends received and the proceeds of surplus plant and equipment sales.

Koolan Island

Mining

Production proceeded largely in line with plan in the first quarter of the financial year, however mining was necessarily suspended in mid-October 2025 following a major rockfall in the eastern end of the Main Pit where high grade iron ore was targeted to be mined for the remainder of the mine life. Importantly, advance warning was provided by the site's radar monitoring systems and geotechnical personnel, and no injuries were incurred. Following subsequent geotechnical assessment, MGX determined that the potential for future instability posed too great a safety risk to immediately resume mining activities within the Main Pit. Further instability was recorded on the eastern footwall in November 2025.

MGX consequently commenced a progressive ramp-down of activity and manning levels while it determined the appropriate path forward. While monitoring continues through the northern Australian wet season, the primary focus of activity switched to the shipping of available high grade iron ore stocks and, subsequently, the processing and sale of stockpiled low grade material previously retained for blending purposes.

Given the ramp-down in activities, substantial workforce reductions were necessary, resulting in approximately 140 employee redundancies and the loss of 130 contractor roles. In addition, progressive rehabilitation activities were accelerated using available equipment and personnel to reprofile previously disturbed surfaces, including the spreading, ripping and reseeded of topsoil, in accordance with the Company's mine rehabilitation obligations. These earthworks are well progressed with completion targeted for mid-2026.

Processing

In line with ore availability, processing totalled 1.26 Mwmt in the period, including 0.34 Mwmt of low-grade material recovered from stockpiles. This compared with 1.1 Mwmt processed in the prior corresponding period.

Sales

Shipping for the December 2025 half-year totalled 1.35 Mwmt, comprising 0.87 Mwmt of high-grade iron ore averaging 63.7% Fe and 0.48 Mwmt of lower grade ores averaging 49.6% Fe. This compared with sales of 1.27 Mwmt grading 64.6% Fe in the corresponding half-year.

Financial Performance

The mine generated a profit before interest, impairments and tax of \$5.6 million in the half-year compared with \$26.3 million in the prior corresponding half-year, which reflected the impact of the Main Pit rockfall incident in mid-October. After impairment expenses totalling \$59.7 million (excluding \$0.6 million impairment of associated corporate plant and equipment), Koolan Island incurred a loss before interest and tax of \$54.1 million in the half-year reporting period.

Operating cashflow generated from Koolan Island for the half-year totalled \$10.4 million compared with \$19.4 million in the prior corresponding half-year period. Sales revenues totalled \$147.2 million with outflows being cash operating costs of \$106.4 million, capital costs of \$11.2 million, Government and third party mineral royalties of \$14.2 million, rehabilitation costs of \$4.6 million and other costs of \$0.4 million.

Koolan Island's unit cash operating cost before royalties and capital projects was \$79/wmt sold FOB for the half-year, compared with \$96/wmt sold FOB in the prior corresponding period.

Impairment

An impairment expense of \$60.3 million was recorded in the period following an assessment of the fair value of the Koolan Island assets after the rockfall incident in October 2025. The impairment expense has been allocated to deferred stripping costs (\$19.1 million), other mine properties (\$30.9 million), property, plant and equipment (\$7.0 million) and right-of-use assets (\$3.4 million).

In addition, in accordance with applicable accounting standards, \$6.1 million of existing deferred tax assets relating to carried forward tax losses and temporary timing differences has been derecognised in the Group's tax expense for the half-year ended 31 December 2025. This accounting treatment does not impact the income tax position in which the Company retains the right, subject to compliance with the relevant taxation requirements, to utilise all of its available carried forward tax losses and temporary timing differences. As at balance date, the Group has total carried forward tax losses of \$163.0 million (or a 30% tax-effected value of \$48.9 million).

Corporate

Market Conditions and Pricing

Iron ore prices remained relatively steady through the December half-year, with the Platts Index price for delivery (CFR) of 62% Fe iron ore fines to northern China averaging US\$104 per dry metric tonne (dmt) in the period, compared with US\$102/dmt in the prior corresponding half, after trading in a range of US\$93-108/dmt in the half-year. The Australian dollar averaged A\$1.00/US\$0.655 in the reporting period compared with US\$0.654 in the prior corresponding half.

While ore sales tonnages increased by 6% to 1.35 million Mwmt, the average grade was substantially lower reflecting the change to low grade sales from November 2025 following the rockfall incident. Sales in the reporting period comprised 0.87 Mwmt of high-grade fines averaging 63.7% Fe and 0.48 Mwmt of low-grade material averaging 49.6% Fe. MGX achieved an average realised price of US\$89 per dry metric tonne (dmt) FOB for high-grade Koolan fines in the period (1HFY25: US\$84/dmt) and US\$42/dmt FOB for completed low grade sales. Shipping freight rates for Koolan Island to Chinese ports averaged approximately US\$12-13/wmt in the half-year period, broadly similar to the prior corresponding period.

Group Financial Position

The Group's cash and cash equivalents, term deposits and financial assets held for trading totalled \$456.2 million at 31 December 2025. In addition, at balance date the Group had financial assets held for trading of \$2.2 million and its investment in Fenix Resources Limited totalling \$37.8 million, bringing its total cash and investment reserves to \$496.2 million. MGX does not have bank borrowings.

Insurance Claim

As indicated at MGX's Annual General Meeting in November, discussions and information exchanges are underway with the Company's insurance providers regarding a potential claim for the October footwall rockfall damage. Updates will be provided in due course.

Name Change

The Company changed its name from Mount Gibson Iron Limited to MGX Resources Limited effective 4 December 2025. The name change was approved by shareholders at the Annual General Meeting held on 12 November 2025. The Company's Australian Securities Exchange (ASX) ticker code remains as "MGX".

Share Buy-back Program

MGX commenced an on-market share buyback program in September 2024 and as at 31 December 2025 had bought back 38.8 million shares, representing 3% of the Company's shares on issue, at an average price of \$0.313 per share. There were no share buy-back transactions during the six months ended 31 December 2025. Given the appreciation in MGX's share price since the program was initiated, and the recent completion of the acquisition of a 50% interest in the Central Tanami Gold Project, the program has now lapsed and the Board has decided not to extend it. The Board may consider reinstatement of the program in the future as part of its capital management considerations.

Exploration and Business Development

MGX continues to examine and invest in opportunities within the minerals sector and to assess regional exploration opportunities for precious and base metals deposits, focused in Western Australia and the Tanami Desert of the Northern Territory.

MGX also has substantial shareholdings in Mid-West iron ore producer Fenix Resources Limited (9.7% shareholding plus 12.5 million options exercisable at 30 cents each up to 21 July 2028), 5.1% of Queensland base metals developer Maronan Metals Limited and just under 5% of Queensland-based copper producer AIC Mines Limited. In addition to these investments, MGX holds other non-substantial (sub-5%) equity positions in junior development companies where future financing and strategic opportunities may arise.

Central Tanami Gold Project

On 16 July 2025, the Company announced it had reached conditional agreement with Northern Star Resources Limited (Northern Star) to acquire Northern Star's 50% interest in the Central Tanami Project Joint Venture (CTPJV) and adjacent wholly-owned exploration tenements for cash consideration of \$50 million. The transaction was successfully completed on 5 February 2026.

The acquisition represents compelling value to shareholders as an opportunity to enter the gold industry on attractive terms via a high-quality asset with potential for near term development.

The CTPJV assets comprise over 2,100 sqkm of mining and exploration tenements in the Central Tanami region of the Northern Territory, hosting significant gold resources with strong potential for substantial increases through further exploration and technical review, a non-operating 1.2 Mtpa carbon-in-leach processing plant which has been idle since 2005 and represents a refurbishment option for future project development, plus various other infrastructure including haul roads, an accommodation camp and a gravel airstrip.

The other party in the CTPJV is Tanami Gold NL (Tanami Gold), an ASX-listed junior gold company seeking to advance the CTPJV project. MGX and Tanami Gold share a common major shareholder.

Significantly, in November 2025 the CTPJV reported an updated JORC 2012 Mineral Resource of 31 million tonnes grading 2.8 g/t gold for 2.8 million ounces of contained gold¹, reducing MGX's effective acquisition cost to \$36/oz.

MGX will work closely with Tanami Gold to actively pursue development studies and site-based development works for a potential development decision within 12-18 months, centred on the high grade Groundrush deposit.

¹ The CTPJV's estimates of mineral resources were reported in the Company's announcement dated 11 November 2025 titled Central Tanami Gold Project Mineral Resource Update. The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

In addition to the CTPJV interest, the acquisition included over 3,600 sqkm of exploration tenements in the surrounding area wholly-owned by Northern Star, providing MGX with exposure to a dominant land position collectively exceeding 5,700 sqkm in a major established gold region with a history of substantial gold production.

Group Guidance

MGX is currently targeting the sale of approximately 1.0 Mwmt of low-grade (42-45% Fe) iron ore from stockpiles at Koolan Island in the June 2026 half-year. Although sensitive to pricing, these low-grade sales are anticipated to reduce the impact of the October 2025 rockfall incident. The extent of any reduction will depend on customer interest, pricing and the volume of material that is ultimately sold.

Authorised by:

Peter Kerr
Chief Executive Officer
MGX Resources Limited
+61-8-9426-7500

For more information:

John Phaceas
Manager Investor & External Relations
+61-8-9426-7500
+61-(0)411-449-621

www.mgx.com.au