

Agreement to Divest the Koolan Island Iron Ore Operation

Transaction Highlights:

- Binding conditional agreement executed for MGX Resources Limited (**MGX**) to sell its Koolan Island operation to infrastructure and logistics group Crestlink Koolan Pty Ltd (**Crestlink**), after completion of iron ore shipping.
- The transaction forms a key component of MGX's strategy to reposition itself in the precious and base metals sectors, with its near-term focus on development of the Central Tanami Gold Project (50% MGX).
- The consideration comprises up-front and deferred payments totalling \$20.2 million and a future revenue share component of up to a further \$5 million (CPI indexed). In addition, Crestlink will assume the rehabilitation obligations remaining at transaction completion, which are anticipated to be in the region of \$30 million.
- Crestlink is supported by an affiliated investment fund of US infrastructure investor Cerberus Capital Management LP and is seeking to operate Koolan Island as a combined mining, multi-user logistics, aviation and marine support facility using existing aerodrome, port, accommodation and site infrastructure.
- The transaction is subject to FIRB and other regulatory approvals and the carrying out by MGX of defined rehabilitation tasks, with completion targeted to occur in late 2026, subject to certain extension rights to 31 March 2027.
- The transaction is structured as the sale of MGX's wholly-owned subsidiary entities which hold the Koolan Island operation but excludes various items of plant and equipment which will be retained by MGX for potential use in the Central Tanami Gold Project.
- MGX currently expects to complete its low-grade iron ore shipping program at Koolan Island in July 2026 and to subsequently ramp down site operations.
- Throughout the transaction negotiations, MGX has received and been grateful for continued strong support from the Dambimangari Traditional Owners of Koolan Island.

Comment

MGX Chief Executive Officer, Peter Kerr, said: "We are pleased to have agreed this transaction which will provide benefits for not just MGX and Crestlink, but also for the Dambimangari People whose support has been central to the success of the Koolan Island operation since 2007.

"This transaction marks the upcoming scheduled end of MGX's time at Koolan Island and demonstrates MGX's commitment to leaving a positive legacy by completing key rehabilitation activities and facilitating longer term use of the existing infrastructure assets for the benefit of numerous stakeholders, including the Traditional Owners and the Kimberley region.

"It will also allow MGX to focus its attention on the Central Tanami Gold Project in the Northern Territory as the core of the Company's plan to become a new Australian gold producer."

MGX Resources Limited (**MGX**, ASX:MGX) is pleased to announce that it has reached a binding conditional agreement (**Agreement**) with infrastructure and logistics provider, Crestlink Koolan Pty Ltd (**Crestlink**), pursuant to which MGX has agreed to sell its interest in the Koolan Island operation to Crestlink for up-front and deferred payments of \$20.2 million and a future revenue share component of up to a further \$5 million (subject to CPI indexation) (**Transaction**).

Crestlink

The Crestlink Group, including Crestlink and Crestlink Cockatoo Pty Ltd (formerly named Kimberley Technology Solutions Pty Ltd) is an Australian infrastructure and logistics provider with a longstanding focus on the Kimberley region and northern Australia, backed by a strategic investment from the Supply Chain and Strategic Opportunities investment platform affiliated with funds managed or advised by US-based Cerberus Capital Management, LP (together with its affiliates). It is working to establish a major logistics hub in the Kimberley region and, in partnership with the Koolan Island Traditional Owners, as represented by Dambimangari Aboriginal Corporation (**DAC**), also holds tenure and infrastructure interests on neighbouring Cockatoo Island.

Following completion, Crestlink will seek to use Koolan Island's infrastructure assets to develop a logistics base for offshore energy, government and defence-related stakeholders, and continue to assess and explore any future mining opportunities on the island.

Crestlink Chief Executive Officer, Eanna Doolin, said: "We're genuinely excited about what this can mean for the region. Our focus is on working closely with our key stakeholders and building on our partnership with DAC, to ensure this infrastructure supports long-term economic, logistics and community outcomes. We'll apply the disciplined approach we've taken at Cockatoo Island, which remains a fully permitted and strategically important asset, as Crestlink's regional strategy continues to expand.

Transaction Structure

The Transaction is structured as the sale to Crestlink of 100% of the shares in MGX's wholly-owned subsidiary, Aztec Resources Limited, which (through its subsidiaries) holds the Koolan Island mining operations and associated tenure. The MGX subsidiaries are being acquired on a cash and debt-free basis with customary adjustments to be made following completion. MGX will retain the benefit of revenue relating to ore shipped prior to completion and to other specified items.

Consideration

The consideration for the Transaction comprises the following payments by Crestlink to MGX, subject to adjustments as provided for in the Agreement:

- \$5.2 million cash on completion (**Tranche 1**);
- \$5 million cash on the earlier of (i) Crestlink or DAC receiving certain non-mining tenure or (ii) two years from completion (**Tranche 2**);
- \$10 million cash less the Revenue Share (defined below) already paid as at the fifth anniversary of the Tranche 2 payment (**Tranche 3**); and
- 1.5% of the gross revenue generated from Koolan Island activities (**Revenue Share**) commencing one year after the Tranche 2 payment and continuing until the Revenue Share payments accruing after the Tranche 3 payment reach \$5 million (subject to CPI indexation).

The performance of Crestlink, including for the above payment obligations, is secured by a corporate guarantee from Crestlink Cockatoo Pty Ltd, an entity within the Crestlink Group. In addition, Crestlink will provide an irrevocable \$2 million bank guarantee to further secure the Revenue Share and Tranche 3 payment.

Rehabilitation

In addition to the above payments, Crestlink will upon completion of the Transaction assume responsibility for all mine rehabilitation obligations remaining at that time. MGX is already undertaking substantial earthworks to remediate disturbed areas in accordance with its mine closure obligations, with the remaining obligations at completion currently anticipated to be in the region of \$30 million, relating primarily to the eventual removal of the site's key infrastructure assets.

Conditions

The Transaction is subject to the satisfaction (or waiver, where possible) of various conditions precedent, including:

- Receipt by Crestlink of Foreign Investment Review Board (**FIRB**) approval;
- If required, a waiver or clearance determination (as applicable) made by the Australian Competition and Consumer Commission (**ACCC**); and
- Completion by MGX of specified rehabilitation activities in accordance with the Koolan Island Mine Closure Plan by 31 October 2026, unless extended in accordance with the independent verification provisions of the Agreement.

If one or both of the FIRB or ACCC conditions is not satisfied by Crestlink on or before 8 December 2026 and all other conditions have been satisfied, Crestlink has the right to extend the date for satisfaction of the conditions to 31 March 2027, subject to indemnifying MGX for ongoing holding costs and liabilities (capped at \$0.5 million per month until completion).

Completion is targeted to occur in late 2026, subject to Crestlink's extension rights relating to the regulatory conditions.

Termination Events

The Agreement may be terminated by Crestlink before completion if certain events occur and are not remedied or otherwise resolved by mutual agreement. These events include loss of a key tenement or material authorisation, physical loss or damage to key infrastructure assets (including the port, airstrip and accommodation camp on Koolan Island) which are not the subject of an insurance claim, and a requirement to provide additional security for the Koolan Island operation exceeding prescribed levels.

Pre-Completion Activities

MGX will continue to operate its business at Koolan Island in the ordinary course until completion of the Transaction, including the scheduled completion of the existing low-grade iron ore shipping program in July 2026, the ramp-down of operations and the required rehabilitation activities.

MGX will manage its employee redundancies and redeployments as part of the operational wind-down. Employee termination costs are the responsibility of MGX and will be discharged prior to completion.

To allow Crestlink to prepare for its ownership of Koolan Island, MGX has agreed, amongst other things, to assist Crestlink in the pre-completion period in relation to certain approvals and engaging with regulators.

Retained Assets

The Transaction excludes various items of plant and equipment which are being demobilised from Koolan Island and could be utilised by MGX for the Central Tanami Gold Project or sold.

The control of, and the right to any proceeds from, MGX's existing insurance claim relating to the October 2025 Main Pit footwall rockfall incident at Koolan Island is also retained by MGX.

Other terms

The Agreement otherwise contains terms and conditions considered standard for an agreement of this nature, including representations, warranties and indemnities given by the relevant parties, with appropriate value and time limit caps.

Traditional Owners

The Traditional Owners of Koolan Island, as represented by the DAC, have been integrally involved and shown strong support for the Transaction and post-mining opportunities. Crestlink's involvement beyond mining is expected to provide substantial long-term benefits for DAC members and will complement the parties' existing relationships at nearby Cockatoo Island.

MGX has enjoyed a strong, positive and respectful relationship with the Dambimangari people since Koolan Island operations commenced in 2006 and has collaborated closely with DAC personnel during discussions with Crestlink.

Gary Umbagai, Chairman of DAC, said: "We acknowledge Mount Gibson Iron – now named MGX Resources - and thank them for the strong working relationship we've shared over many years on Koolan Island, including the opportunities provided to our people and the way they have continued to actively engage during their time on Country.

"It's important to DAC that future activities protect Country, respect our cultural responsibilities and deliver long-term benefits for our community. We want to keep being part of those conversations and continue this positive working relationship as Koolan Island moves into its next chapter."

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