

APPENDIX 4D

MGX RESOURCES LIMITED 31 DECEMBER 2025 HALF-YEAR FINANCIAL STATEMENTS

This Half-Year Report is provided to the Australian Securities Exchange (ASX) under
ASX Listing Rule 4.2A.3

Current Reporting Period:	Half-Year ended 31 December 2025
Previous Corresponding Period:	Half-Year ended 31 December 2024

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Consolidated Entity	Movement	A\$ million
Revenue from ordinary activities	Down 8% to	\$156.0
Profit/(loss) from continuing operations before tax	Up 65% to	(\$20.4)
Net profit/(loss) after tax attributable to members of the Company	Up 71% to	(\$20.8)

DIVIDENDS

An interim dividend for the half-year ended 31 December 2025 has not been declared.

NET TANGIBLE ASSET BACKING

Consolidated Entity	Unit	31 December 2025	31 December 2024
Net tangible assets	<i>A\$ mill</i>	\$431.8	\$468.8
Fully paid ordinary shares on issue at balance date	<i>#</i>	1,180,428,735	1,203,436,003
Net tangible asset backing per issued ordinary share as at balance date	<i>c/share</i>	36.6	39.0

DETAILS OF ENTITIES OVER WHICH CONTROL WAS GAINED OR LOST DURING THE PERIOD

None.

STATUS OF AUDIT

This Half-Year Report is based on accounts that have been reviewed by the Company's statutory auditors.

NOTICE

It is recommended that the Half-Year Report be read in conjunction with the Company's Annual Financial Report for the year ended 30 June 2025 and any public announcements made by the Company during and after the half-year ended 31 December 2025 in accordance with the continuous disclosure obligations under the Corporations Act 2001 and ASX Listing Rules.



MGX Resources Limited

ABN 87 008 670 817

FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2025

Financial Report

For the half-year ended 31 December 2025

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Directors' Report

Your Directors submit their report for the half-year ended 31 December 2025 for the Group incorporating MGX Resources Limited (formerly Mount Gibson Iron Limited) (**Company** or **MGX**) and the entities that it controlled during the half-year (**Group**).

CURRENCY

Amounts in this report and the accompanying financial report are presented in Australian dollars unless otherwise stated.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Mr Brett Smith	<i>Chairman, Non-Executive Director</i>
Mr Simon Bird	<i>Lead Independent Non-Executive Director</i>
Mr Alan Jones	<i>Independent Non-Executive Director</i>
Professor Paul Douglas	<i>Independent Non-Executive Director</i>
Ms Evian Delfabbro	<i>Independent Non-Executive Director</i>
Mr Ding Rucai	<i>Non-Executive Director (resigned 5 September 2025)</i>
Mr Lee Seng Hui	<i>Alternate Director to Brett Smith (resigned 12 November 2025)</i>

Mr Peter Kerr is the Chief Executive Officer and Mr David Stokes is the Company Secretary.

CORPORATE INFORMATION

Name Change

During the half-year, 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 and registered with the Australian Securities and Investment Commission (**ASIC**) on 4 December 2025. The Company's Australian Securities Exchange (**ASX**) ticker code remains unchanged as "MGX". The name change reflects the Company's transition into other mineral resources.

Corporate Structure

MGX is a company limited by shares that is incorporated and domiciled in Australia. It is the ultimate parent entity of the Group and has prepared a consolidated half-year financial report incorporating the entities that it controlled during the half-year.

Nature of Operations and Principal Activities

The principal activities of the entities within the Group during the period were:

- mining, processing and direct shipment of hematite iron ore, and rehabilitation at the Koolan Island mine in the Kimberley region of Western Australia;
- treasury management; and
- the pursuit of mineral resources investments and acquisitions.

OPERATING AND FINANCIAL REVIEW

Overview of the Half-Year Period

The Group recorded a profit before tax and impairments of \$39,876,000 for the half-year ended 31 December 2025 compared with \$18,732,000 in the prior corresponding half-year period. After non-cash impairment expenses totalling \$60,321,000, the Group recorded a net loss after tax of \$20,843,000 for the half-year period, compared with a net loss after tax of \$71,691,000 in the prior corresponding period.

The result for the six-month period reflected lower than targeted sales and grades from the Koolan Island operation. Production in the September quarter was in line with plan while scheduled bulk waste stripping progressed to configure the Main Pit for the planned final year of mining. However, a major rockfall in mid-October 2025 necessitated the suspension of mining and substantial workforce reductions as part of a revised operating plan focused on monetising saleable low-grade stockpiles and bringing forward site rehabilitation activities.

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 Platts Index price for high-grade 65% Fe fines averaged US\$118/dmt CFR for the period, compared with US\$116/dmt in the prior corresponding half. The grade adjusted premium was also relatively flat, averaging 8.3% for the half-year compared with 9.1% in the same period of 2024. The Australian dollar averaged A\$1.00/US\$0.655 in the reporting period compared with US\$0.654 in the prior corresponding half.

Group ore sales increased 6% to 1.35 million wet metric tonnes (Mwmt) for the half year period, compared with 1.27 Mwmt in the prior corresponding half. However, 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.

Sales revenue totalled \$147,191,000 Free on Board (FOB) in the six-month period, compared with \$160,262,000 FOB in the December 2024 half-year. Other income totalled \$10,045,000 which included interest, dividends received and the proceeds from the sale of property, plant and equipment.

Total cash and investment reserves comprising cash and cash equivalents, term deposits, subordinated notes and financial assets held for trading, decreased by \$5,654,000 over the half-year to \$456,169,000 as at 31 December 2025. This reflected the impact of the October rockfall on sales and product grades from Koolan Island. In addition, at period end MGX also held \$2,191,000 of financial assets held for trading and a 9.7% equity interest in Fenix Resources Limited which originated from the mid-2023 sale to Fenix of MGX's former Mid-West iron ore mining and infrastructure assets. At period end, MGX's holding of 72.5 million Fenix shares and the second tranche of options (12.5 million Fenix options exercisable at 30 cents each at any time up until July 2028) had a fair market value of \$37,803,000.

Operating Results for the Half-Year Period

The summarised operating results for the Group for the half-year ended 31 December 2025 are tabulated below.

Consolidated Group		31 December 2025 \$'000	31 December 2024 \$'000
Net profit before impairment and tax	\$'000	39,876	18,732
Impairment expense	\$'000	(60,321)	(77,526)
Net loss before tax	\$'000	(20,445)	(58,794)
Tax expense	\$'000	(398)	(12,897)
Net loss after tax	\$'000	(20,843)	(71,691)
Loss per share	cents/share	(1.79)	(5.97)

Koolan Island Operations

The Koolan Island mine is located in the Buccaneer Archipelago, approximately 140km north of Derby, in the Kimberley region of Western Australia.

Mining activities

Production was largely in line with plan during the September 2025 quarter, during which scheduled bulk waste stripping temporarily limited ore production, ahead of a planned increase in ore production and sales over the remainder of FY26 following completion of the waste stripping programme.

However, mining was necessarily suspended in mid-October 2025 following a major rockfall which impacted a large proportion of the eastern end of the Main Pit where high grade iron ore was targeted to be mined in the coming six months. 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, and mining operations were suspended. 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 continued through the northern Australian wet season to further assess the ground conditions and the impact on the potential for future access to recommence mining operations, 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-made 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 reseeding of topsoil, in accordance with the Company's mine rehabilitation obligations. These earthworks works 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 half year.

Sales

Shipping for the December 2025 half-year totalled 1.35 Mwmt, comprising 0.87 Mwmt of high-grade material averaging 63.7% Fe and 0.48 Mwmt of lower grade material averaging 49.6% Fe. This compared with sales of 1.27 Mwmt grading 64.6% Fe in the corresponding half of 2024.

Production Summary

Production and shipping statistics for Koolan Island for the half year to 31 December 2025 are summarised below:

Koolan Island		Sept	Dec	Dec	Dec	%
Production Summary	Unit	Quarter	Quarter	Half-Year	Half-Year	Incr/
		2025	2025	2025	2024	(Decr)
Mining						
Waste mined (inc. rehandle)	'000 wmt	2,106	275	2,381	4,007	(41)
Iron ore mined	'000 wmt	539	141	680	1,097	(38)
Total material movement	'000 wmt	2,645	416	3,061	5,104	(40)
Strip ratio (excl. rehandle)	Waste:Ore	3.7	1.7	3.3	3.7	
Processing						
Fines	'000 wmt	553	358	911	1,112	(18)
Low-grade fines	'000 wmt	-	344	344	-	100
Total ore crushed	'000 wmt	553	702	1,256	1,112	13
Iron ore sales						
Fines	'000 wmt	550	319	869	1,268	(31)
Low-grade fines	'000 wmt	-	479	479	-	100
Total ore shipped	'000 wmt	550	798	1,348	1,268	6
Average ore grade sold – fines	% Fe	64.3	62.6	63.7	64.6	
Average ore grade sold – low-grade fines	% Fe	-	49.6	49.6	-	
Average Platts 62% Fe CFR price	US\$/dmt	102	106	104	102	2
Average Platts 65% Fe CFR price	US\$/dmt	117	119	118	116	2
Koolan fines FOB price (pre-adjustment)	US\$/dmt	88	85	86	86	-
Provisional pricing adjustments*	US\$/dmt	4	-	3	(2)	250
Koolan fines FOB price (after adjustment)	US\$/dmt	92	85	89	84	6
Koolan low-grade FOB price	US\$/dmt	-	42	42	-	100
Minor discrepancies may occur due to rounding. US\$/dmt = USD per dry metric tonne CFR = cost and shipping freight included; FOB = free on board (i.e. shipping freight deducted). * Koolan iron ore prices are shown on a FOB basis after shipping freight and specification penalties. Provisional pricing adjustments reflect realised (in-period) adjustments and, for half-year and annual reporting periods, estimates (if material) of unrealised adjustments for those shipment cargoes with future pricing periods, based on post-balance date observed prices. Final pricing ultimately reflects monthly iron ore price averages up to two months after the shipment date. For the purpose of wet to dry tonnage conversion, moisture content typically averages approximately ~3% for Koolan Island iron ore products.						

Realised pricing

Realised sales prices for Koolan Island fines sold in the period reflected the significant difference in product grades before and after the October rockfall. After minor positive provisional pricing adjustments, MGX realised an average price of US\$89/dmt FOB for the 0.87 Mwmt of high-grade fines averaging 63.7% Fe that were shipped during the half year and US\$42/dmt FOB for the 0.48 Mwmt of low-grade material averaging 49.6% Fe shipped after the rockfall. This compared with an average realised price of US\$84/dmt for high-grade fines shipped in the prior corresponding half year. 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.

Cashflow and operating costs

The Koolan Island mine generated a profit before interest, impairment and tax of \$5,601,000 in the half-year compared with a profit of \$26,256,000 in the prior corresponding half-year, which reflected the impact of the Main Pit rockfall incident in mid-October. After impairment expenses totalling \$59,707,000 (excluding \$614,000 impairment of Corporate plant and equipment), Koolan Island incurred a loss before interest and tax of \$54,106,000 in the half-year reporting period.

Operating cashflow generated from Koolan Island for the half-year totalled \$10,402,000 compared with cashflow of \$19,426,000 in the previous half-year period. Sales revenues totalled \$147,191,000, with the outflow items being cash operating costs (\$106,398,000), capital costs (\$11,179,000), royalties (\$14,210,000), rehabilitation (\$4,561,000) and other (\$441,000).

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 half-year.

Financial Position

The Group's cash and cash equivalents, term deposits and financial assets held for trading totalled \$456,169,000 at 31 December 2025, a decrease of \$5,654,000 from the balance at 30 June 2025. In addition, the Group had financial assets held for trading of \$2,191,000 and its investment in Fenix Resources Limited totalling \$37,803,000.

MGX does not have bank borrowings.

As at the balance date, the Group's current assets totalled \$471,507,000 and its current liabilities totalled \$74,065,000. Accordingly, as at the date of this report, the Group has sufficient funds, as well as access to further equity and debt sources, to operate and sell iron ore from its operations and to advance its growth objectives.

Derivatives

As at 31 December 2025, the Group held foreign exchange collar option contracts covering the conversion of US\$18,000,000 into Australian dollars over the period January 2026 to May 2026 with an average cap price of \$1.00/US\$0.6780 and an average floor price of \$1.00/US\$0.6431. These collar contracts had a marked-to-market unrealised net gain at balance date of \$105,000.

During the period, the Group also entered into commodity forward sales contracts and commodity collar option contracts totalling 448,000 tonnes of iron ore, with maturity dates over the period October 2025 to December 2025. The average price for 62% Fe fines (CFR) at each maturity date was between A\$158 and A\$162 per tonne for the forward sales contracts and US\$100 per tonne for the collar option contracts. Realised gains and losses on these contracts are reflected in revenue.

Insurance

As a result of the Main Pit rockfall incident on 16 October 2025, following which mining operations in Main Pit were suspended while further assessment was undertaken to determine whether remediation works can enable safe access to the pit to recommence mining, discussions and information exchanges are underway with the Company's insurance providers regarding a potential claim.

Share buy-back

On 21 August 2024, the Company announced to the ASX an on-market share buy-back of up to 5% of its ordinary shares as part of its capital management strategy. The share buy-back program commenced in September 2024.

On 18 February 2025, the Company approved an increase in its existing on-market share buy-back program from 5% up to 10% of its ordinary shares.

As at 31 December 2025, the Company had bought back 38,803,598 shares, representing 3% of the Company's total 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.

Impairment

As disclosed in the Company's financials for the half-year ended 31 December 2025, an impairment expense of \$60,321,000 has been recorded following an assessment of the fair value of the Koolan Island cash generating unit (**CGU**) following the rockfall incident in October 2025. Accordingly, the carrying values of all the Koolan Island CGU non-current assets have been impaired, which includes Corporate plant and equipment. The impairment expense has been allocated to deferred stripping costs (\$19,118,000), other mine properties (\$30,868,000), property, plant and equipment (\$6,961,000) and right-of-use assets (\$3,374,000).

Derecognition of Deferred Tax Asset

In accordance with applicable accounting standards, the amount of \$6,084,000 of the existing deferred tax asset relating to carried forward tax losses and temporary timing differences has been derecognised and is included 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 requirements, to utilise all its available carried forward tax losses and temporary timing differences.

Exploration and Business Development

MGX continues to examine and invest in opportunities within the minerals sector.

Substantial shareholdings are currently held 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) with a market value of \$37,803,000 at period end, and Queensland-based copper producer AIC Mines Limited in which MGX has a shareholding of 4.9% with a market value of \$22,957,000 at 31 December 2025. In addition to these investments, MGX holds non-substantial (below 5%) equity positions with an aggregate period-end market value of \$16,783,000 in junior development companies where future financing and strategic opportunities may arise.

The Company also continues to assess regional exploration opportunities for base metals deposits particularly in Western Australia and Queensland. During the period, the Company wrote off \$207,000 in deferred exploration costs in relation to exploration work undertaken in the Mid-West region, due to the uncertainty of any outcome resulting from these activities.

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 its 50% interest in the advanced Central Tanami Project Joint Venture (**CTPJV**) and adjacent wholly-owned exploration tenements for cash consideration of \$50,000,000. The transaction was successfully completed on 5 February 2026.

MGX considers 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 2025¹ the CTPJV reported an updated JORC 2012 Mineral Resource of 31 million tonnes grading 2.8 g/t gold for approximately 2.8 million ounces of contained gold, reducing MGX's effective acquisition cost to \$36/oz.

MGX considers the CTPJV to be an attractive near-term development project that will benefit from the Company's remote-site operating strengths, development expertise and financial capacity. It also considers there is significant opportunity to fast track permitting and technical work to be in a position to make a potential development decision within 12-18 months.

MGX intends to work closely with Tanami Gold to actively pursue development studies and, in due course, site-based development works for the project to be placed into production, centred on the high grade Groundrush deposit. MGX has sufficient cash reserves to fund its share of anticipated CTPJV development costs.

MGX notes that its 38.4% major shareholder, Hong Kong-listed resources investment group APAC Resources Limited, also holds a direct 46.6% shareholding interest in Tanami Gold. MGX Chairman Brett Smith is also a non-executive Director of Tanami Gold and abstained from MGX Board decisions in relation to this transaction.

In addition to the CTPJV interest, MGX also acquires over 3,600 sqkm of exploration tenements in the surrounding area wholly-owned by Northern Star, providing the Company 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.

The acquisition is complementary with MGX's continued pursuit of other investment opportunities in order to build a successful multi-commodity metals producer in Australia, with the CTPJV acquisition representing a first step toward building a precious metals production base.

Likely Developments and Expected Results

MGX's overall objective is to maintain and grow long-term profitability through the discovery or acquisition, development and operation of mineral resource projects.

The Board's corporate objective is to grow the Company's cash reserves and to continue to pursue an appropriate balance between the retention and utilisation of cash reserves for value-accretive investments. The Board has determined the following key business objectives for the 2026 financial year:

¹ Refer ASX announcement dated 11 November 2025 and Competent Persons information on page 8 of this Report.

- **Koolan Island** – safely complete the low grade sales programme and rehabilitation works on site.
- **Central Tanami Gold Project** – complete the acquisition of a 50% interest in the CTPJV (achieved 5 February 2026) and accelerate development activities for a potential mine development decision within 12-18 months.
- **Cost reductions** – continue to drive for sustainable productivity and cost improvements across all business units.
- **Treasury management** – responsibly manage the Group's cash and financial reserves.
- **Growth** – continue to search for resource acquisition and growth opportunities.

Group Sales Guidance

MGX withdrew sales guidance for FY26 on 24 October 2025 following the Koolan Island rockfall. It is currently targeting the sale of approximately 1.0 Mwmt of low-grade material grading 42-45% Fe from stockpiles at Koolan Island in the June 2026 half-year.

DIVIDENDS

There were no dividends paid during the half-year ended 31 December 2025.

An interim dividend for the half-year ended 31 December 2025 has not been declared.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to balance date, on 5 February 2026, following satisfaction or waiver of the required conditions precedent, MGX completed the transaction with Northern Star to acquire a 50% interest in the advanced Central Tanami Project Joint Venture (**CTPJV**) and adjacent wholly-owned exploration tenements for cash consideration of \$50,000,000.

Other than the above, as at the date of this report there are no significant events after balance date of the Group that require adjustment of or disclosure in this report.

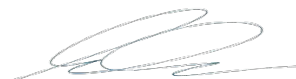
ROUNDING

Amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the *Corporations Act 2001*, the Directors received the attached independence declaration from the auditor of the Company on page 9, which forms part of this report.

Signed in accordance with a resolution of the Directors.



Brett Smith
Chairman
18 February 2026

COMPETENT PERSON INFORMATION

The information in this release that relates to the CTPJV Mineral Resource estimates on ML33760, EL26926, ML(S)167, ML(S)168, ML(S)180 & EL26925, EL28282 and ML22934 is based on information compiled by Mr. Graeme Thompson, who is a Member of the Australasian Institute of Mining and Metallurgy, and is an employee of MoJoe Mining Pty Ltd. Mr Thompson has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. MGX engaged Mr Thompson to act as Competent Person on its behalf in relation to the Mineral Resource Estimates on the CTPJV tenements indicated above. Mr Thompson provided written consent approving the inclusion of the Mineral Resource estimates in this report in the form and context in which they appear.

The information in this report that relates to Exploration for the Mineral Resource estimates on ML33760, EL26926, ML(S)167, ML(S)168, ML(S)180 & EL26925, EL28282 and ML22934 fairly represents information and supporting documentation compiled by Mr. Neale Edwards BSc (Hons), a Fellow of the Australian Institute of Geoscientists, who is a Director of Tanami Gold and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Persons as defined in the 2012 Edition of the Australasian Code of Reporting for Exploration Results, Mineral Resources and Ore Reserves. MGX engaged Mr Edwards to act as Competent Person on its behalf in relation to the exploration and Mineral Resource Estimates on the tenements indicated above. Mr. Edwards has provided written consent approving the inclusion of the Exploration Results in the report in the form and context in which they appear.

For more information, refer to MGX's ASX announcement titled "Central Tanami Gold Project Mineral Resource Update" published on 11 November 2025.



**Shape the future
with confidence**

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Auditor's independence declaration to the directors of MGX Resources Limited

As lead auditor for the review of the half-year financial report of MGX Resources Limited for the half-year ended 31 December 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of MGX Resources Limited and the entities it controlled during the financial period.

Ernst & Young

J K Newton
Partner
18 February 2026

Interim Consolidated Statement of Profit or Loss

For the half-year ended 31 December 2025

	Notes	31 December 2025 \$'000	31 December 2024 \$'000
Revenue	3[a]	147,191	160,262
Interest revenue	3[b]	8,851	10,062
TOTAL REVENUE		156,042	170,324
Cost of sales	4[a]	(141,709)	(162,285)
GROSS PROFIT		14,333	8,039
Other income	3[c]	1,194	29,444
Impairment of financial assets		-	(1,726)
Impairment of property, plant and equipment	14	(6,961)	(13,931)
Impairment of right-of-use assets	14	(3,374)	-
Impairment of mine properties	14	(49,986)	(61,869)
Net foreign exchange gain/(loss)	4[c]	(13)	1,161
Net marked-to-market gain/(loss)	4[d]	35,003	(6,246)
Exploration expenses		(207)	(2,670)
Administration and other expenses		(9,104)	(9,241)
LOSS BEFORE TAX AND FINANCE COSTS		(19,115)	(57,039)
Finance costs	4[b]	(1,330)	(1,755)
LOSS BEFORE TAX		(20,445)	(58,794)
Tax expense	5	(398)	(12,897)
LOSS FOR THE PERIOD AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(20,843)	(71,691)
Loss per share (cents per share)			
▪ basic loss per share		(1.79)	(5.97)
▪ diluted loss per share		(1.79)	(5.97)

Interim Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2025

	31 December 2025	31 December 2024
	\$'000	\$'000
LOSS FOR THE PERIOD AFTER TAX	(20,843)	(71,691)
OTHER COMPREHENSIVE LOSS		
Items that may be subsequently reclassified to profit or loss:		
Change in fair value of cash flow hedges	(1,329)	(1,824)
Deferred income tax	398	547
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	(931)	(1,277)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(21,774)	(72,968)

Interim Consolidated Statement of Financial Position

	Notes	31 December 2025 \$'000	30 June 2025 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	111,350	49,056
Term deposits	7	284,975	372,790
Financial assets held for trading	8	59,844	39,977
Derivative financial assets		105	1,329
Trade and other receivables	10	2,366	4,384
Inventories	11	8,133	32,386
Prepayments		4,734	5,411
TOTAL CURRENT ASSETS		471,507	505,333
NON-CURRENT ASSETS			
Financial assets held for trading	8	2,191	2,037
Other financial assets	9	37,803	20,735
Property, plant and equipment	12	-	9,065
Right-of-use assets		-	6,981
Deferred exploration and evaluation costs		910	419
Mine properties	13	-	38,096
TOTAL NON-CURRENT ASSETS		40,904	77,333
TOTAL ASSETS		512,411	582,666
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		20,383	55,034
Employee benefits		6,716	8,124
Interest-bearing loans and borrowings	15	4,114	5,065
Provisions	16	42,852	469
TOTAL CURRENT LIABILITIES		74,065	68,692
NON-CURRENT LIABILITIES			
Employee benefits		373	1,012
Interest-bearing loans and borrowings	15	138	226
Provisions	16	6,042	59,560
TOTAL NON-CURRENT LIABILITIES		6,553	60,798
TOTAL LIABILITIES		80,618	129,490
NET ASSETS		431,793	453,176
EQUITY			
Issued capital	17	620,830	620,827
Accumulated losses		(1,115,703)	(1,094,860)
Reserves		926,666	927,209
TOTAL EQUITY		431,793	453,176

Interim Consolidated Statement of Cash Flows

For the half-year ended 31 December 2025

	Notes	31 December 2025 \$'000	31 December 2024 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		144,196	152,312
Proceeds from insurance		-	27,734
Payments to suppliers and employees		(143,643)	(128,698)
Interest paid		(375)	(555)
Income tax paid		-	(360)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		178	50,433
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		10,448	10,364
Dividends received		725	3
Proceeds from sale of property, plant and equipment		348	929
Purchase of property, plant and equipment		(1,497)	(7,610)
Proceeds from term deposits		86,000	22,000
Proceeds from sale of financial assets		3,489	-
Payment for financial assets held for trading		(5,518)	(2,500)
Purchase of shares		-	(3,125)
Payment for deferred exploration and evaluation expenditure		(698)	(253)
Payment for mine development		(26,455)	(41,375)
NET CASH FLOWS FROM/(USED) IN INVESTING ACTIVITIES		66,842	(21,567)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for share buy-back		-	(4,673)
(Payment)/refund for share buy-back transaction costs		3	(52)
Repayment of lease liabilities		(4,554)	(6,289)
Payment of borrowing costs		(60)	(57)
NET CASH FLOWS (USED) IN FINANCING ACTIVITIES		(4,611)	(11,071)
NET INCREASE IN CASH AND CASH EQUIVALENTS		62,409	17,795
Net foreign exchange difference		(115)	441
Cash and cash equivalents at beginning of period		49,056	36,258
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6	111,350	54,494

Interim Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2025

	<i>Attributable to Equity Holders of the Parent</i>						Total Equity \$'000
	Issued Capital \$'000	Accumulated Losses \$'000	Share Based Payments Reserve \$'000	Net Unrealised Gains / (Losses) Reserve \$'000	Dividend Distribution Reserve \$'000	Other Reserves \$'000	
At 1 July 2024	633,102	(1,012,668)	22,912	-	906,019	(3,192)	546,173
Loss for the period	-	(71,691)	-	-	-	-	(71,691)
Other comprehensive loss	-	-	-	(1,277)	-	-	(1,277)
Total comprehensive loss for the period	-	(71,691)	-	(1,277)	-	-	(72,968)
Transactions with owners in their capacity as owners							
Share buy-back	(4,673)	-	-	-	-	-	(4,673)
Share buy-back transaction costs	(52)	-	-	-	-	-	(52)
Share-based payments	-	-	290	-	-	-	290
At 31 December 2024	628,377	(1,084,359)	23,202	(1,277)	906,019	(3,192)	468,770
At 1 July 2025	620,827	(1,094,860)	23,451	931	906,019	(3,192)	453,176
Loss for the period	-	(20,843)	-	-	-	-	(20,843)
Other comprehensive loss	-	-	-	(931)	-	-	(931)
Total comprehensive loss for the period	-	(20,843)	-	(931)	-	-	(21,774)
Transactions with owners in their capacity as owners							
Share buy-back transaction costs	3	-	-	-	-	-	3
Share-based payments	-	-	388	-	-	-	388
At 31 December 2025	620,830	(1,115,703)	23,839	-	906,019	(3,192)	431,793

Notes to the Half-Year Financial Report

1. Corporate Information

The consolidated financial report of the Group, comprising the Company and the entities that it controlled during the half-year ended 31 December 2025, was authorised for issue in accordance with a resolution of the Directors on 18 February 2026.

The Company is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of operations and principal activities of the Group are the processing and export of hematite iron ore from Koolan Island in the Kimberley region of Western Australia, treasury management and the pursuit of mineral resources investments and acquisitions.

The address of the registered office is Level 1, 2 Kings Park Road, West Perth, Western Australia, 6005.

2. Basis of Preparation and Accounting Policies

2.1 Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2025 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The half-year financial report:

- does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report;
- should be read in conjunction with the Annual Financial Report of MGX Resources Limited for the year ended 30 June 2025. It is also recommended that the half-year financial report be considered together with any public announcements made by MGX during and subsequent to the half-year ended 31 December 2025 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and Australian Securities Exchange Listing Rules;
- has been prepared on a historical cost basis, except for derivatives and certain financial assets measured at fair value; and
- is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated pursuant to the option available to the Company under Australian Securities and Investment Commission (**ASIC**) Instrument 2016/191. The Company is an entity to which the Instrument applies.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

2.2 New standards, interpretations and amendments adopted by the Group

Since 1 July 2025, the Group has adopted all Accounting Standards and Interpretations mandatory to annual periods beginning on or before 1 July 2025. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025, except for the adoption of new standards and interpretations as of 1 July 2025. Adoption of these standards and interpretations did not have any material effect on the financial position or performance of the Group. The Group has not yet early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Half-Year Financial Report

	31 December 2025 \$'000	31 December 2024 \$'000
3. Revenue and Other Income		
[a] Revenue		
Revenue from contracts with customers – sale of iron ore	142,782	164,489
Other revenue:		
Quotation period price adjustments – relating to prior period shipments	3,271	(4,948)
Quotation period price adjustments – relating to current period shipments	276	565
Realised gain on foreign exchange and commodity hedging contracts	862	156
	147,191	160,262
[b] Interest revenue		
Interest revenue – calculated using the effective interest method	6,817	9,064
Interest revenue - other	2,034	998
	8,851	10,062
[c] Other income		
Dividend income	725	3
Net realised gain on sale of financial assets	8	-
Net gain on disposal of property, plant and equipment	346	754
Insurance proceeds	-	27,734
Other income	115	953
	1,194	29,444

Notes to the Half-Year Financial Report

	Notes	31 December 2025 \$'000	31 December 2024 \$'000
4. Expenses			
[a] Cost of sales			
Mining and administration costs		82,285	104,352
Depreciation of property, plant and equipment – mining and site administration		3,090	5,363
Depreciation of right-of-use assets – mining and site administration		4,564	4,830
Capitalised deferred stripping costs	13[a]	(9,270)	(23,702)
Amortisation of capitalised deferred stripping costs	13[a]	3,471	6,296
Amortisation of mine properties	13[a]	5,262	7,419
Crushing costs		17,041	19,127
Depreciation of property, plant and equipment – crushing		1,544	1,238
Depreciation of right-of-use assets – crushing		520	464
Port costs		1,813	1,550
Royalties		14,210	15,746
Net movement in ore inventory		23,918	27,668
Net movement in net realisable value on ore inventory		(9,224)	(8,663)
Net write down of consumables stock		10,059	597
Rehabilitation revised estimate adjustments		(7,574)	-
Cost of sales – Free on Board (FOB) basis		141,709	162,285
[b] Finance costs			
Finance charges on banking facilities		119	252
Finance charges on lease liabilities		212	393
		331	645
Non-cash interest accretion on rehabilitation provision		999	1,110
		1,330	1,755
[c] Net foreign exchange (gain)/loss			
Net realised (gain)/loss on foreign exchange transactions		(102)	(675)
Net unrealised (gain)/loss on foreign exchange balances		115	(486)
		13	(1,161)
[d] Net marked-to-market (gain)/loss			
Unrealised marked-to-market (gain)/loss on foreign exchange derivatives		(105)	397
Unrealised marked-to-market (gain)/loss on financial assets held for trading		(34,898)	5,849
		(35,003)	6,246
[e] Administration and other expenses include:			
Depreciation of property, plant and equipment		229	130
Depreciation of right-of-use assets		43	246
Share-based payments expense		388	290
Insurance premiums		933	1,005
[f] Cost of sales & Administration and other expenses include:			
Salaries, wages expense and other employee benefits		36,041	39,211
Lease expense – short-term		1,906	1,636
Lease expense – low value assets		75	83
Lease expense – variable		22	35

Notes to the Half-Year Financial Report

	31 December 2025 \$'000	31 December 2024 \$'000
5. Taxation		
Reconciliation of tax expense		
A reconciliation of tax expense applicable to accounting (loss) before tax at the statutory income tax rate to tax expense at the Group's effective tax rate for the period ended 31 December 2025 and 2024 is as follows:		
Accounting profit/(loss) before tax	(20,445)	(58,794)
• At the statutory income tax rate of 30% (2024: 30%)	(6,134)	(17,638)
• Unrecognised deferred tax assets	6,084	30,321
• Expenditure not allowed for income tax purposes	448	216
• Other	-	(2)
Tax expense	398	12,897
Effective tax rate	(2.0%)	(21.9%)
Tax expense reported in Income Statement	398	12,897
Deferred tax assets that have not been recognised in respect of:		
Tax losses - capital	387	-
Tax losses - revenue	48,519	26,505
Non-current assets	35,362	50,016
	84,268	76,521

As at 31 December 2025, the Group has carried forward gross tax losses of \$163,022,000 (31 December 2024: \$88,351,000) with a tax-effected value (at 30%) of \$48,906,000 (31 December 2024: \$26,505,000).

The Company has a franking account credit balance of \$3,337,000 as at 31 December 2025 (31 December 2024: \$3,026,000).

Notes to the Half-Year Financial Report

	31 December 2025 \$'000	30 June 2025 \$'000
6. Cash and Cash Equivalents		
For the purpose of the Cash Flow Statement, cash and cash equivalents comprise the following:		
Cash at bank and on hand	41,178	44,056
Short-term deposits	70,172	5,000
	111,350	49,056

	31 December 2025 \$'000	30 June 2025 \$'000
7. Term Deposits		
Current		
Term deposits – financial assets at amortised cost	284,975	372,790
	284,975	372,790

Term deposits are placed for varying periods of between three and twelve months depending on the cash requirements of the Group, and earn interest at market term deposit rates. Term deposits are held with various financial institutions with short term credit ratings of A-2 or better (S&P). As these instruments have maturity dates of less than twelve months, the Group has assessed the credit risk on these financial assets using life time expected credit losses. In this regard, the Group has concluded that the probability of default on the term deposits is low. Accordingly, no impairment allowance has been recognised for expected credit losses on the term deposits.

	31 December 2025 \$'000	30 June 2025 \$'000
8. Financial Assets Held for Trading		
Current		
Tradeable corporate bonds at fair value through profit or loss	20,104	19,417
Quoted share investments at fair value through profit or loss	39,740	20,560
	59,844	39,977
Non-Current		
Convertible notes at fair value through profit or loss	2,191	2,037
	2,191	2,037

Current financial assets held for trading comprise corporate bonds and equity securities which are traded in active markets. These financial assets are acquired principally for the purpose of selling or repurchasing in the short term.

Notes to the Half-Year Financial Report

	Notes	31 December 2025 \$'000	30 June 2025 \$'000
9. Other Financial Assets			
Non-Current			
Listed investment shares - at fair value through profit and loss		35,163	20,300
Investment options – at fair value through profit and loss		2,640	435
		37,803	20,735
10. Trade and Other Receivables			
Trade debtors – at amortised cost		380	154
Trade debtors – at fair value through profit or loss		554	110
Sundry receivables		655	2,300
Other receivables		777	1,820
		2,366	4,384
11. Inventories			
Consumables – at cost		23,927	23,140
Write down to net realisable value (NRV)		(18,682)	(8,335)
Consumables at lower of cost and NRV		5,245	14,805
Ore – at cost		2,888	26,805
Write down to NRV		-	(9,224)
Ore at lower of cost and NRV		2,888	17,581
Total inventories at lower of cost and NRV		8,133	32,386
12. Property, Plant and Equipment			
Property, plant and equipment – at cost		357,027	345,232
Accumulated depreciation and impairment		(357,027)	(336,167)
		-	9,065
[a] Reconciliation			
Carrying amount at the beginning of the period		9,065	25,879
Additions		766	9,501
Disposals		(1)	(177)
Transfers		1,994	-
Depreciation expense		(4,863)	(10,699)
Impairment expense	14	(6,961)	(15,439)
		-	9,065

Notes to the Half-Year Financial Report

	Notes	31 December 2025 \$'000	30 June 2025 \$'000
13. Mine Properties			
Mine development expenditure		1,873,283	1,852,660
Accumulated amortisation and impairment		(1,873,283)	(1,814,564)
Total mine properties		-	38,096

[a] Reconciliation

		Koolan Island	
		31-Dec-25 \$'000	30-Jun-25 \$'000
Deferred stripping costs			
Carrying amount at the beginning of the period		13,319	41,652
Capitalised deferred stripping costs		9,270	24,170
Amortisation expensed		(3,471)	(14,301)
Impairment expense	14	(19,118)	(38,202)
Carrying amount at the end of the period		-	13,319
Other mine properties			
Carrying amount at the beginning of the period		24,777	40,019
Additions		11,353	32,576
Mine rehabilitation – revised estimate		-	3,341
Amortisation expensed		(5,262)	(14,400)
Impairment expense	14	(30,868)	(36,759)
Carrying amount at the end of the period		-	24,777
Total mine properties		-	38,096

Notes to the Half-Year Financial Report

14. Impairment of Non-Current Assets

The Group reviews the carrying value of the assets of each Cash Generating Unit (**CGU**) at each balance date for indicators of potential impairment or reversal thereof. Where such indicators exist, the Company utilises the approaches under applicable accounting pronouncements for assessment of any impairment expenses or reversals.

An internal trigger event occurred in October 2025 with a rockfall from the Main Pit footwall at Koolan Island, resulting in closure of the pit and mining being suspended until such time as reassessment is completed to determine if remediation can be undertaken to enable safe access to the pit to continue mining.

The Group performed an impairment assessment on the Koolan Island CGU in the context of the revised plan to sell low-grade cargoes from existing ore stockpiles.

The Group assessed the recoverable amount of the Koolan Island CGU as at 31 December 2025 using the Fair Value Less Costs of Disposal (**FVLCD**) approach. The FVLCD is assessed as the present value of the future cash flows expected to be derived from the operation less disposal costs (level 3 in the fair value hierarchy), utilising the following key assumptions:

- Cashflow forecasts based on historical performance and forecast revenues and operating costs over the life of mine;
- Discount rate of 13.0% (nominal, after tax);
- Iron ore price for the low-grade fines sold on a fixed price basis at an average price of US\$41.50 per dmt FOB for the remaining mine life; and
- No inflation for costs given the short term of the forecast period.

Based on this assessment, \$60,321,000 impairment loss has been recognised in the financial report. The impairment amount has been allocated to the non-current assets of Koolan Island (\$59,707,000) and Corporate (\$614,000) as follows:

	Notes	31-Dec-25 \$'000	30-Jun-25 \$'000
Deferred stripping costs	13	19,118	38,202
Other mine properties	13	30,868	36,759
Total mine properties		49,986	74,961
Property, plant and equipment	12	6,961	15,439
Right-of-use assets		3,374	-
Total impairment loss of non-current assets		60,321	90,400

Notes to the Half-Year Financial Report

	Notes	31 December 2025 \$'000	30 June 2025 \$'000
15. Interest-Bearing Loans and Borrowings			
Current			
Lease liabilities		4,114	5,065
		4,114	5,065
Non-Current			
Lease liabilities		138	226
		138	226
The following off balance sheet financing facility had been negotiated and was available at the reporting date:			
Performance bonding facility	[i]		
Used at reporting date		6,318	6,586
Unused at reporting date		13,682	13,414
Total facility		20,000	20,000

Terms and conditions relating to the above financial facilities:

[i] Performance Bonding Facility

In December 2023, the term of the Performance Bonding facility was extended to 30 September 2026. As at balance date, bonds and guarantees totalling \$6,318,000 were drawn under the Performance Bonding facility.

The security pledge for the Facility Agreement is a fixed and floating charge over all the assets and undertakings of MGX Resources Limited, Mount Gibson Mining Limited, Geraldton Bulk Handling Limited, Koolan Iron Ore Pty Ltd and Aztec Resources Limited together with mining mortgages over the mining tenements owned by Mount Gibson Mining Limited and Koolan Iron Ore Pty Ltd.

	31 December 2025 \$'000	30 June 2025 \$'000
16. Provisions		
Current		
Decommissioning rehabilitation	42,852	469
	42,852	469
Non-Current		
Decommissioning rehabilitation	6,042	59,560
	6,042	59,560
The following table summarises the decommissioning rehabilitation provision by mine site:		
Tallering Peak	469	469
Koolan Island	48,424	59,560
	48,893	60,029

This provision represents the present value of decommissioning and rehabilitation costs for the Tallering Peak and Koolan Island sites. The cost estimates forming the basis of the provisions (except the Tallering Peak site) were prepared as at 31 December 2025 by independent consultants specialising in mine closure planning and mine rehabilitation cost estimates. The timing of decommissioning and rehabilitation expenditure is dependent on the life of the mines and on the timing of the rehabilitation requirements, which may vary in the future. Based on current estimates, the bulk of expenditure on decommissioning rehabilitation is expected to be incurred at Koolan Island within 12 months from balance date.

Notes to the Half-Year Financial Report

	Notes	31 December 2025 \$'000	30 June 2025 \$'000
17. Issued Capital			
[a] Ordinary shares			
Issued and fully paid	[b]	620,830	620,827

	Notes	31 December 2025		30 June 2025	
		Number of Shares	\$'000	Number of Shares	\$'000
[b] Movement in ordinary shares on issue					
Unrestricted shares					
Balance at the beginning of the period		1,165,449,635	620,827	1,204,253,233	633,102
Share buy-back		-	-	(38,803,598)	(12,156)
Share buy-back transaction costs		-	3	-	(119)
		1,165,449,635	620,830	1,165,449,635	620,827
Restricted shares – Loan Share Plan (LSP)	[e]				
Balance at the beginning of the period		12,837,000	-	10,630,500	-
Shares issued under LSP		3,863,200	-	3,471,800	-
Shares forfeited under LSP		(2,986,400)	-	(1,265,300)	-
Shares reallocated from treasury shares		1,265,300	-	-	-
Balance at end of the period		14,979,100	-	12,837,000	-
Treasury shares					
Balance at the beginning of the period		1,265,300	-	-	-
Shares forfeited under LSP, not reallocated		-	-	1,265,300	-
Shares reallocated under LSP		(1,265,300)	-	-	-
		-	-	1,265,300	-
Total shares on issue		1,180,428,735	620,830	1,179,551,935	620,827

[c] Share options

During the 6 months ended 31 December 2025, no options were issued. As at balance date there were no options on issue (30 June 2025: nil).

[d] Performance rights

During the 6 months ended 31 December 2025, no performance rights were issued. As at 31 December 2025, there were no performance rights on issue (30 June 2025: nil).

[e] Loan Share Plan

On 17 July 2025, the Company issued 5,128,500 shares under the LSP (which included 1,265,300 shares reallocated). In accordance with the terms of the LSP, the shares were issued at a share price of \$0.3242 per share and pursuant to the vesting conditions, these shares do not vest unless a share price target of a 10% premium to the issue price is met between 17 July 2026 and 17 July 2030 and the participants remain continuously employed by the Group until at least 17 July 2027. The award was accounted for as an in-substance option award and the fair value at grant date assessed at \$0.1163 per loan-funded share. In calculating this fair value, a Monte Carlo simulation model was utilised over several thousand simulations to predict the share price at each vesting test date and whether the 10% hurdle would be satisfied, with the resultant values discounted back to the grant date. The underlying share price and the exercise price were assumed at \$0.3205 and the period to exercise was assumed as 3.5 years (being halfway between the first possible vesting date and the expiry of the LSP shares), the risk-free rate was 3.53% based on Australian Government bond yields with three year lives, the estimated volatility was 45% based on historical share price analysis, and the dividend yield was assumed as nil.

Notes to the Half-Year Financial Report

18. Dividends Paid and Proposed

Declared and paid during the year:

[a] Dividends on ordinary shares:

During the half-year ended 31 December 2025, no dividends were declared or paid in respect of the financial year ended 30 June 2025 (2024: \$nil).

[b] Franked dividends:

The Company has a franking account credit balance of \$3,337,000 as at 31 December 2025 (30 June 2025: \$3,026,000).

19. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the executive management team in assessing performance and in determining the allocation of resources.

The Group had one reportable segment during the half-year ended 31 December 2025. The Koolan Island segment includes the mining, crushing and sale of iron ore direct from the Koolan Island iron ore operation.

Notes to the Half-Year Financial Report

19. Operating Segments (Continued)

Half-Year Ended:	Koolan Island		Unallocated*		Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
Segment revenue						
Revenue from sale of iron ore, net of shipping freight and realised gains/(losses) on derivatives	147,191	160,262	-	-	147,191	160,262
Interest revenue	-	-	8,851	10,062	8,851	10,062
Segment revenue, net of shipping freight	147,191	160,262	8,851	10,062	156,042	170,324
Segment result						
Earnings before impairment, interest, tax, depreciation and amortisation	24,888	43,800	35,876	(5,393)	60,764	38,407
Write back/(write down) of inventories to net realisable value (i)	(835)	8,066	-	-	(835)	8,066
Impairment expense (ii)	(59,707)	(75,800)	(614)	(1,726)	(60,321)	(77,526)
Earnings/(loss) before interest, tax, depreciation and amortisation	(35,654)	(23,934)	35,262	(7,119)	(392)	(31,053)
Depreciation and amortisation	(18,452)	(25,610)	(271)	(376)	(18,723)	(25,986)
Segment result	(54,106)	(49,544)	34,991	(7,495)	(19,115)	(57,039)
Finance costs					(1,330)	(1,755)
Loss before tax					(20,445)	(58,794)
(i) Write down of inventories to net realisable value:						
Net write down of consumables inventories	10,059	597	-	-	10,059	597
Write back of ore inventories	(9,224)	(8,663)	-	-	(9,224)	(8,663)
	835	(8,066)	-	-	835	(8,066)
(ii) Impairment expenses:						
Impairment of financial assets	-	-	-	1,726	-	1,726
Impairment of property, plant and equipment	6,559	13,931	402	-	6,961	13,931
Impairment of right-of-use assets	3,162	-	212	-	3,374	-
Impairment of mine properties	49,986	61,869	-	-	49,986	61,869
	59,707	75,800	614	1,726	60,321	77,526

* 'Unallocated' includes interest revenue of \$8,851,000 (2024: \$10,062,000), net realised gain on foreign exchange transactions of \$102,000 (2024: \$675,000 gain), net unrealised loss on foreign exchange balances of \$115,000 (2024: \$486,000 gain), unrealised marked-to-market gain on derivatives of \$105,000 (2024: \$397,000 loss), unrealised marked-to-market gain on financial assets held for trading of \$34,898,000 (2024: \$5,849,000 loss) and corporate expenses such as head office salaries and wages.

Notes to the Half-Year Financial Report

19. Operating Segments (Continued)

	Koolan Island		Unallocated*		Consolidated	
As at:	31 December 2025 \$'000	30 June 2025 \$'000	31 December 2025 \$'000	30 June 2025 \$'000	31 December 2025 \$'000	30 June 2025 \$'000
Segment assets						
Current financial assets	31,285	40,948	427,355	426,588	458,640	467,536
Non-current financial assets	-	-	39,994	22,772	39,994	22,772
Other current assets	9,088	36,145	3,779	1,652	12,867	37,797
Property, plant and equipment	-	8,530	-	535	-	9,065
Right-of-use assets	-	6,981	-	-	-	6,981
Mine properties	-	38,096	-	-	-	38,096
Deferred exploration and evaluation costs	-	-	910	419	910	419
Total assets	40,373	130,700	472,038	451,966	512,411	582,666
Segment liabilities						
Financial liabilities	22,500	57,455	2,135	2,870	24,635	60,325
Other liabilities	53,204	66,393	2,779	2,772	55,983	69,165
Total liabilities	75,704	123,848	4,914	5,642	80,618	129,490
Net assets	(35,331)	6,852	467,124	446,324	431,793	453,176

* 'Unallocated' current financial assets include cash and cash equivalents of \$82,186,000 (30 June 2025: \$11,132,000), term deposits of \$284,825,000 (30 June 2025: \$372,640,000), financial assets held for trading of \$59,844,000 (30 June 2025: \$39,977,000), trade debtors and other receivables of \$395,000 (30 June 2025: \$1,510,000) and derivatives of \$105,000 (30 June 2025: \$1,329,000).
'Unallocated' financial liabilities include trade and other payables of \$1,917,000 (30 June 2025: \$2,870,000) and interest-bearing loans and borrowings of \$218,000 (30 June 2025: \$nil).

Notes to the Half-Year Financial Report

20. Financial Instruments

[a] Foreign currency risk

The Group is exposed to the risk of adverse movements in the A\$ compared to the US\$ as its iron ore sales receipts are denominated in US\$. The Group uses derivative financial instruments to manage specifically identified foreign currency exposures by hedging a proportion of forecast US\$ sales transactions in accordance with its Financial Risk Management Policy. The primary objective of using derivative financial instruments is to reduce the volatility of earnings and cash flows attributable to adverse changes in the A\$/US\$ exchange rate.

The Group recognises derivative financial instruments at fair value at the date the derivative contract is entered into. The Group applies hedge accounting to forward foreign currency contracts and collar option contracts that meet the criteria of cash flow hedges.

At 31 December 2025, the notional amount of the foreign exchange hedge book totalling US\$18,000,000 is made up exclusively of collar option contracts over the period January to May 2026 with an average cap price of A\$1.00/US\$0.6780 and an average floor price of A\$1.00/US\$0.6431.

As at 31 December 2025, the marked-to-market unrealised gain on the total outstanding US dollar foreign exchange hedge book of US\$18,000,000 was \$105,000.

It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

The Group uses the following derivative instruments to manage foreign currency risk from time to time as business needs and conditions dictate:

Instrument	Type of Hedging	Objective
Forward exchange contracts	Cash flow hedge	To hedge sales receipts against cash flow volatility arising from the fluctuation of the A\$/US\$ exchange rate.
Collar options	Cash flow hedge	To hedge sales receipts against cash flow volatility arising from the fluctuation of the A\$/US\$ exchange rate by limiting exposure to exchange rates within a certain range of acceptable rates.

[b] Commodity price risk

The Group's operations are exposed to commodity price risk as the Group sales of iron ore to its customers are based on market rates. The Group's sales revenue is derived under long term sales contracts relating to its Koolan Island operation. The pricing mechanism in these contracts adopts a market based index, the Platts Iron Ore Index Price, which is published daily for iron ore "fines" with Fe content ranging from 58% to 65% Fe and is quoted on a US\$ per dry metric tonne "Cost and Freight" North China basis.

The Group enters into provisionally priced ore sales contracts, for which price finalisation is referenced to relevant market indices at specified future dates. The Group is exposed to movements in benchmark iron ore prices, and movements in benchmark lump premium prices on lump product cargoes (if any), between the date of shipping and invoice finalisation date.

During the period, the Group entered into commodity forward sales contracts and commodities collar option contracts totalling 448,000 tonnes of iron ore, with maturity dates over the period October 2025 to December 2025. The average price for 62% Fe fines (CFR) at each maturity date was between A\$158 and A\$162 per tonne for the forward sales contracts and US\$100 per tonne for the collar option contracts. Realised gains and losses on these contracts are reflected in revenue.

[c] Fair value of financial assets and financial liabilities

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – quoted market prices in an active market (that are unadjusted) for identical assets or liabilities;

Level 2 – valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable); and

Level 3 – valuation techniques (for which the lowest level of input that is significant to the fair value measurement is unobservable).

The fair values of other financial assets (options) are valued internally using the Black Scholes valuation techniques with prevailing short and long term observable market inputs sourced from Bloomberg to determine an appropriate mid-price valuation (level 2).

The fair values of derivative financial instruments are sourced from an independent valuation by the Group's treasury advisors using the valuation techniques with prevailing short and long term observable market inputs sourced from Reuters/Bloomberg to determine an appropriate mid-price valuation (level 2).

Notes to the Half-Year Financial Report

20. Financial Instruments (Continued)

The fair values of quoted notes and bonds (classified as either financial assets held for trading or at fair value through other comprehensive income) and listed investment shares are determined based on market price quotations at the reporting date (level 1).

The fair values of trade receivables classified as financial assets at fair value through profit and loss are determined using a discounted cash flow model incorporating market observable inputs sourced from Platts index pricing (level 2). This model also incorporates interest rate and credit risk adjustments.

The fair values of cash, short-term deposits, other receivables, trade and other payables and other interest-bearing borrowings approximate their carrying values, as a result of their short maturity or because they carry floating rates of interest.

The carrying amounts and fair values of the financial assets and financial liabilities for the Group as at 31 December 2025 are shown below.

	Notes	31 December 2025 Carrying Amount \$'000	31 December 2025 Fair Value \$'000	30 June 2025 Carrying Amount \$'000	30 June 2025 Fair Value \$'000
Financial assets					
<i>Current financial assets</i>					
Cash	6	111,350	111,350	49,056	49,056
Term deposits	7	284,975	284,975	372,790	372,790
Financial assets held for trading	8	59,844	59,844	39,977	39,977
Derivative financial assets		105	105	1,329	1,329
Trade debtors and other receivables	10	2,366	2,366	4,384	4,384
		458,640	458,640	467,536	467,536
<i>Non-current financial assets</i>					
Financial assets held for trading	8	2,191	2,191	2,037	2,037
Other financial assets	9	37,803	37,803	20,735	20,735
		39,994	39,994	22,772	22,772
Total financial assets		498,634	498,634	490,308	490,308
Financial liabilities					
Trade and other payables		20,383	20,383	55,034	55,034
Interest-bearing loans and borrowings	15	4,252	4,252	5,291	5,291
Total financial liabilities		24,635	24,635	60,325	60,325
Net financial assets		473,999	473,999	429,983	429,983

21. Events After Balance Sheet Date

Subsequent to balance date, on 5 February 2026, following satisfaction or waiver of the required conditions precedent, MGX completed the transaction with Northern Star to acquire a 50% interest in the advanced Central Tanami Project Joint Venture (CTPJV) and adjacent wholly-owned exploration tenements for cash consideration of \$50,000,000.

Other than the above, as at the date of this report there are no significant events after balance date of the Group that require adjustment of or disclosure in this report.

22. Commitments

At 31 December 2025, the Group has commitments of:

- \$6,486,000 (31 December 2024: \$14,512,000) relating primarily to contractual commitments in respect of transport and telecommunications that are not liabilities at balance date;
- \$15,000 (31 December 2024: \$1,974,000) relating to capital commitments for the purchase of property, plant and equipment; and
- \$743,000 (31 December 2024: \$1,754,000) relating to short-term leases for the provision of plant and equipment.

Notes to the Half-Year Financial Report

23. Related Party Disclosures

Ultimate parent

MGX Resources Limited is the ultimate Australian parent company.

Director-related entity transactions

Sales

During all or part of the period, Mr Lee was an alternate director for Mr Smith and also a director of major shareholder APAC Resources Limited (**APAC**). In addition, Mr Smith was APAC's nominated representative.

During the period, sale agreements were in place with director-related entities for the sale to APAC of 20% of iron ore from Koolan Island's available mined production over the life of mine.

Pursuant to these sales agreements, during the half-year, the Group sold 392,200 wmt (2024: 316,090 wmt) of iron ore to APAC.

Amounts recognised at the reporting date in relation to director-related entity transactions:

	31 December 2025 \$'000	30 June 2025 \$'000
Assets and Liabilities		
<i>Current Assets</i>		
Receivables - APAC	444	110
Total Assets	444	110
<i>Current Liabilities</i>		
Payables – APAC	-	-
Total Liabilities	-	-
	31 December 2025 \$'000	31 December 2024 \$'000
Sales Revenue		
Sales revenue – APAC*	34,130	43,758
Total Sales Revenue	34,130	43,758

* Sales revenue received during the period included quotation period price increase adjustments relating to the prior period of \$700,000 (2024: \$1,000 increase).

24. Contingent Liabilities

- The Group has a performance bonding facility drawn to a total of \$6,318,000 (30 June 2025: \$6,586,000). The performance bonds secure the Group's obligations relating to environmental matters and infrastructure.
- Certain claims arising with customers, employees, consultants and contractors have been made by or against certain controlled entities in the ordinary course of business, some of which involve litigation or arbitration. The Directors do not consider the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity.

Directors' Declaration

In accordance with a resolution of the directors of MGX Resources Limited, I state that:

In the opinion of the Directors:

- a. the financial statements and the notes of the Group for the half-year ended 31 December 2025 are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the financial position as at 31 December 2025 and the performance of the Group for the half-year ended on that date; and
 - ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Brett Smith
Chairman

18 February 2026

Independent auditor's review report to the members of MGX Resources Limited

Conclusion

We have reviewed the accompanying half-year financial report of MGX Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the interim consolidated statement of financial position as at 31 December 2025, the interim consolidated statement of profit or loss, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to reviews of the half-year financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



**Shape the future
with confidence**

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature in dark blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in dark blue ink that reads 'J K Newton'.

J K Newton
Partner
18 February 2026