

Quarterly Activities Report

December 2025 Quarter

23 January 2026



MGX extends low grade sales at Koolan Island, retains a strong balance sheet and moves towards completion of the 50% Central Tanami Gold Project acquisition

DECEMBER QUARTER HIGHLIGHTS:

- Following the Koolan Island rockfall in October 2025, MGX Resources Limited (MGX) promptly adjusted its operations to focus on the monetisation of lower grade stockpiles, with the financial performance for the December 2025 quarter beating original expectations. Processing and shipping of low grade stockpiled material is expected to continue to late in the June quarter.
- The Company generated free cashflow of \$15 million in the December 2025 quarter and held cash and investment reserves of \$497 million at 31 December 2025, equating to approximately \$0.42 per share. MGX does not have bank borrowings.
- The Company's acquisition of 50% of the Central Tanami Gold Project Joint Venture (CTPJV) received Foreign Investment Review Board approval in December and completion remains on track to occur in the March 2026 quarter. In addition, the CTPJV's Mineral Resources increased to 31 million tonnes grading 2.8 grams per tonne gold for 2.8 million ounces of contained gold, making it one of Australia's highest grade undeveloped gold projects.

Koolan Island

- Mining was suspended following the rockfall on the eastern footwall of the Main Pit in mid-October, with further geotechnical instability occurring in November. The site's operational focus shifted to the processing and sale of available lower grade stockpiles, cost reduction initiatives including substantial workforce downsizing, and acceleration of progressive rehabilitation activities.
- Quarterly iron ore sales totalled 0.80 million wet metric tonnes (Mwmt), comprising 0.32 Mwmt of high grade iron ore averaging 62.6% Fe and 0.48 Mwmt of lower grade material averaging 49.6% Fe.
- The Koolan Island operation generated cashflow of \$15 million for the quarter.
- Looking forward, MGX is targeting to process and ship a further 1.0 Mwmt of low grade (42-45% Fe) stockpiled material in the June 2026 half-year period, following which the mine stocks will be depleted. The sale of this material is anticipated to substantially reduce the previously estimated \$30-40 million net cost of the site's post-rockfall activities in FY26.
- MGX is in discussions with third parties regarding potential post-mining uses of the logistics and mining infrastructure located on Koolan Island.

Corporate

- Interest earnings more than covered corporate, administration and exploration costs.
- Change of name to MGX Resources Limited completed following shareholder approval at the Annual General Meeting held in November.
- Financial results for the December 2025 Half-Year are scheduled for release on 19 February 2026. MGX expects to incur a non-cash accounting impairment of circa \$55-65 million (before tax) of the carrying values of the Koolan Island assets.

Note: All currency is stated in Australian dollars unless noted. Results are unaudited and subject to period-end review adjustments.

MGX will host an analysts/institutions teleconference at **11.30am AEDT (8.30am AWST) today, Friday 23 January 2026**. 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.

SUMMARY STATISTICS	Unit	Dec-24 Quarter	Mar-25 Quarter	Jun-25 Quarter	Sep-25 Quarter	Dec-25 Quarter	Dec-25 HY
Waste mined (incl. rehandle)	kwmt	1,878	1,616	1,524	2,106	275	2,381
Iron ore mined	kwmt	643	557	680	539	141	680
Total material moved	kwmt	2,521	2,174	2,204	2,645	416	3,061
Strip ratio (excl. rehandle)	Waste:Ore	2.9	2.5	2.2	3.9	1.9	3.5
Processing throughput	kwmt	732	712	811	553	703	1,256
Iron ore sales – high-grade fines	kwmt	709	715	632	550	319	869
Iron ore sales - low-grade fines	kwmt	-	-	-	-	479	479
Total iron ore sales	kwmt	709	715	632	550	798	1,348
Average grade of high-grade iron ore sold	% Fe	65.2%	64.9%	63.9%	64.3%	62.6%	63.7%
Average grade of low-grade iron ore sold	% Fe	-	-	-	-	49.6%	49.6%
Platts 62% Fe CFR price, average	US\$/dmt	103	104	98	102	106	104
Platts 65% Fe CFR price, average	US\$/dmt	118	117	108	117	119	118
Grade-adjusted high grade premium	%	8.9%	7.6%	5.7%	9.8%	6.9%	8.3%
Foreign exchange rate, average	A\$/US\$	0.654	0.627	0.641	0.654	0.656	0.655
Koolan fines FOB price, pre adjustment	US\$/dmt	90	94	82	88	85	86
Provisional pricing adjustments*	US\$/dmt	1	2	(14)	4	-	3
Koolan fines FOB price, after adjustment	US\$/dmt	91	96	68	92	85	89
Koolan low-grade FOB price	US\$/dmt	-	-	-	-	42	42
<i>Koolan Island cash costs:</i>							
Mining, logistics & administration	\$m	48.0	53.0	53.5	44.2	32.4	76.7
Sustaining capital, incl. ground support	\$m	7.5	6.2	6.9	7.1	3.1	10.1
Processing	\$m	10.4	9.5	9.7	9.1	8.7	17.8
Shiploading	\$m	0.7	1.3	1.9	0.9	0.9	1.8
Cash operating costs	\$m	66.5	70.0	72.0	61.3	45.1	106.4
<i>Cash operating costs per tonne shipped</i>	\$/wmt	94	98	114	111	57	79
Capitalised waste mining costs	\$m	5.9	0.5	-	9.3	-	9.3
Capital projects (incl. footwall remediation)	\$m	2.4	3.4	2.3	1.9	-	1.9
Government and third party royalties	\$m	9.9	10.2	6.3	7.3	6.9	14.2
Total operating and capital cash costs	\$m	84.6	84.1	80.6	79.7	52.1	131.8
Rehabilitation cash costs	\$m	-	-	-	0.1	4.4	4.6
Currency is shown in Australian dollars unless otherwise stated. Minor discrepancies may occur due to rounding. kwmt = thousand wet metric tonnes. 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 ~3% for Koolan Island iron ore products.							

Comment:

MGX Chief Executive Officer Peter Kerr said: “The substantial rockfall at Koolan Island in mid-October was obviously very disappointing, necessitating the suspension of mining given the unacceptable safety risks of the emerging ground conditions. The MGX team responded promptly to the incident and the substantial workforce reductions which were unavoidable in the circumstances. The work to monetise remnant low grade stockpiles has progressed extremely well.

“We also continue to progress our transformational acquisition of a 50% interest in the Central Tanami Gold Project from Northern Star Resources, having secured Foreign Investment Review Board approval in December 2025. We anticipate closing the transaction ahead of the scheduled 31 March 2026 completion date and to accelerate efforts to bring that project to a development decision at the earliest opportunity.”

OPERATIONS

Safety

The Company incurred two reportable injuries in the December quarter, one involving medical treatment and the other resulting in a restricted work outcome. The Company’s Total Recordable Injury Frequency Rate increased from 4.8 to 5.3 injuries per one million manhours worked (rolling 12 month basis) but, importantly, the Lost Time Injury Frequency Rate remained at zero incidents per one million manhours at 31 December 2025 (rolling 12 months basis). While the Company’s overall safety performance remains favourable when compared with applicable industry standards, any increase is unwelcome and significant focus continues to be applied to regain the Company’s longstanding trend of continuous improvement.

Koolan Island

Mining

After a positive operational start to the quarter, mining in the Main Pit was suspended on 16 October 2025 following a substantial rockfall on the eastern (island-side) footwall. The rockfall impacted a large proportion of the eastern end of the Main Pit where high grade iron ore was scheduled 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.

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 to further assess the conditions, the primary focus of activity switched to the sale of available high grade iron ore stocks and, subsequently, the processing and shipment of stockpiled low-grade material previously retained for blending purposes.

Given the ramp-down in activities, substantial workforce reductions have been made 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. Given the benign characteristics of iron ore mining and processing (simple crushing) at Koolan Island, these earthworks are progressing rapidly with completion targeted for mid-2026.

Processing

In line with ore availability, processing totalled 0.70 Mwmt in the quarter, including approximately 0.5 Mwmt of low-grade material recovered from stockpiles, compared with 0.55 Mwmt in the prior quarter. Processing unit cash costs averaged \$12.44 per tonne compared with \$16.39 per tonne in the prior quarter.



Figure 1: Rehabilitation earthworks at Koolan Island, showing final landform profiling and ripping complete ahead of seeding and the northern Australian wet season.

Shipping

Four high-grade iron ore shipments totalling 0.32 Mwmt at an average grade of 62.6% Fe were made in the first part of the quarter, after which six lower grade shipments totalling 0.48 Mwmt at an average grade of 49.6% Fe were made. The lower grade cargoes were sold on market-based fixed price terms with the Company's offtake partners.

Shipments 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.

Operating Cashflow

Koolan Island generated a positive cashflow of \$15 million for the December quarter after employee redundancies and rehabilitation costs. The cashflow result comprised sales revenue of \$71 million Free on Board (FOB, after shipping freight) less cash operating costs of \$45 million (including employee redundancies of approximately \$5 million), Government and third party mineral royalties of \$7 million and rehabilitation costs of \$4 million.

Cash operating costs equated to \$57 per wmt of iron ore shipped, being the equivalent of US\$37/wmt.

Insurance

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. Further updates will be provided in due course.

Outlook

Looking forward, MGX is targeting to process and ship a further circa 1.0 Mwmt of low grade (42-45% Fe) stockpiled material in the June 2026 half-year period from Koolan Island, following which the mine stocks will be depleted.

Although sensitive to pricing, the sale of this material is anticipated to substantially reduce the previously estimated \$30-40 million net cost of the site's post-rockfall activities in FY26. The extent of any reduction will depend on customer interest, pricing and the volume of material that is ultimately sold.

MGX withdrew its previous FY26 cost and sales guidance on 24 October 2025.

The Company also continues to advance discussions regarding potential post-mining uses of the logistics and mining infrastructure located on Koolan Island. These discussions will help to determine how much of the existing site infrastructure installed by MGX, including the strategic all-weather 2.1km airstrip, on-site medical facilities, accommodation camp and port infrastructure, may be retained and repurposed for other future uses by third parties.

CORPORATE

Realised Pricing

The benchmark Platts 62% Fe CFR fines price (including shipping freight) remained relatively steady in the quarter to average US\$106 per dry metric tonne (dmt) compared with US\$102/dmt in the preceding quarter, after trading in a range of US\$102-108/dmt. The price for high grade 65% Fe fines products continued to trade at a premium to the benchmark 62% Fe price to average US\$119/dmt compared with US\$117/dmt in the prior quarter. The average grade-adjusted premium between the 65% and 62% Fe prices moderated to 6.9% from 9.8% in the preceding quarter. The Australian dollar also remained relatively stable at an average of US\$0.656 in the quarter, compared with US\$0.654 in the September quarter.

Shipping freight rates for Panamax/Kamsarmax vessel journeys from Koolan Island to China averaged approximately US\$13/tonne in the December quarter compared with US\$12/tonne in the September quarter.

The four high grade shipments made in the quarter averaged 62.6% Fe and realised an average price of US\$85/dmt FOB (after impurity penalties and shipping freight), compared with US\$92/dmt FOB in the prior quarter when shipped grades were slightly higher. The six shipments of lower grade cargoes made during the quarter, at an average grade of 49.6% Fe, were sold under fixed price agreements and realised an average price of US\$42/dmt FOB.

Group Cashflow and Cash Position

Group cashflow totalled \$15 million for the December quarter comprising \$15 million operating cashflow generated from Koolan Island as noted above, interest and other income of \$4 million, less corporate, administration and exploration costs totalling \$4 million.

After working capital movements (reflecting the timing of receipts and payments) and an approximate \$12 million increase in the market value of the Company's strategic investment portfolio, MGX's cash and investment reserves totalled \$497 million at 31 December 2025, equivalent to approximately \$0.42 per share. This compares with \$473 million at 30 September 2025. MGX has no bank borrowings.

Business Development and Exploration

Central Tanami Gold Project (Northern Territory)

As announced on 16 July 2025, MGX has agreed to acquire a 50% interest in the advanced Central Tanami Project Joint Venture (CTPJ) and adjacent wholly-owned exploration tenements from Northern Star Resources Limited (Northern Star) for cash consideration of \$50 million. The other party in the CTPJV is Tanami Gold NL (Tanami Gold), an ASX-listed junior gold exploration and development company seeking to advance the CTPJV project. MGX and Tanami Gold share a common major shareholder in HKSE-listed APAC Resources Limited.

Key conditions of the transaction comprised Foreign Investment Review Board (FIRB) approval, further extension of existing infrastructure arrangements on one tenement by the Central Land Council (CLC), and the non-exercise by Tanami Gold of its right of first refusal under the CTPJV. FIRB approval was received in December 2025, while Tanami Gold waived its right of first refusal in August 2025. In relation to the remaining condition, MGX is encouraged by the positive nature of engagement with the CLC and expects to complete the transaction by the end of March 2026.

The CTPJV transaction represents a compelling opportunity for MGX to acquire a key interest in one of Australia's highest grade undeveloped gold projects. MGX can leverage its remote site operating strengths and technical capabilities in northern Australia to be in a position to make a potential development decision within 12-18 months and to establish a solid gold production business.

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 Mineral Resources with strong potential for increases through further drilling. Notably, in November 2025, an updated Mineral Resource estimate was announced for the CTPJV which increased total gold Mineral Resources to 31 million tonnes grading 2.8 grams per tonne gold for 2.8 million ounces of contained gold (Moz)¹. MGX's attributable 50% share will be 1.4 Moz of contained gold on completion of the transaction.

Infrastructure assets within the CTPJV include a non-operating 1.2 Mtpa carbon in-leach processing plant which presents a refurbishment option for future project development, as well as haul roads, an accommodation camp, bore field and 1.4km gravel airstrip.

The acquisition will also provide MGX with a further 3,600sqkm of wholly-owned prospective exploration tenure in the surrounding Central Tanami region.

Investment Portfolio

MGX continues to examine other investment opportunities within the Australian resources sector. Equity positions totalling approximately \$42 million are held in a number of resources companies where future financing and strategic opportunities may potentially arise. This portfolio includes a near-5% interest in Queensland-based copper producer AIC Mines Limited valued at approximately \$23 million and a 5.1% interest in Queensland silver and base metals junior Maronan Metals Limited valued at approximately \$5 million at period end.

These equity holdings are in addition to the Company's investment in Mid-West iron ore producer Fenix Resources Limited (9.7% of Fenix's currently issued shares and 12.5 million options exercisable at 30 cents each at any time up to 21 July 2028) which had a market value of approximately \$38 million at period end.

Exploration

MGX also continues to expand its regional exploration activities targeting specific regions which are prospective for precious and base metals in Western Australia.

At its Mid-West tenements near the former Tallering Peak iron ore mine, heritage surveys were completed ahead of a planned drilling program to test conductors identified during electro-magnetic surveys close to the Bailly prospect. Drilling in 2026 will target precious and base metals mineralisation.

In the Edmund Basin in WA's Gascoyne region where MGX has assembled a tenement portfolio covering over 1,650 sqkm, a Falcon™ airborne gravity survey is planned for the current March 2026 quarter. The Edmund Basin is considered highly prospective for precious and base metals but to date has remained largely unexplored due to its remoteness. The project geology is dominated by the highly prospective

¹ Refer to the ASX announcement titled "Central Tanami Gold Project Mineral Resource Update" dated 11 November 2025 and the final page of this report for more details relating to Mineral Resources at the CTPJV and relevant Competent Persons information.

Kiangi Creek and Irregully Formations and is situated along the same regional structural trend as the Abra lead-silver mining operation.

Capital Management - On-Market Share Buyback

No purchases were made under the buyback program in the December quarter. To date, 38.8 million shares have been purchased under the program, representing 3.2% of the Company's issued shares, for just over \$12 million at an average price of \$0.313 per share.

Annual General Meeting and Change of name to MGX Resources Limited

The Company held its Annual General Meeting on 12 November 2025, at which shareholders approved all resolutions, including a special resolution to change the Company's name from Mount Gibson Iron Limited to MGX Resources Limited. This change reflects the expected future completion of iron ore production at Koolan Island and the Company's intended transition to become a diversified producer of other minerals, most notably precious and base metals. The name change took effect on the ASX from 4 December 2025.

Financial Results and anticipated Impairment for the December 2025 Half Year.

MGX intends to release its financial results for the December 2025 Half Year period on 19 February 2026.

The Main Pit rockfall and suspension of mining at Koolan Island will necessitate a review of the Koolan Island accounting carrying values. MGX is undertaking this review and presently expects to report a non-cash accounting impairment of circa \$55-65 million before tax, as at 31 December 2025.

Authorised by:

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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.