Completion of Phase 1 Development Agreement
Iron Bear to retain 100% Project Ownership

Iron Bear Resources Limited (ASX: IBR) advises shareholders of receipt of a draft notice from Vale acknowledging completion of Phase 1 of the Development Agreement. The draft notice also advises that Vale will not proceed to Phase 2. The Board expects a final notice will be lodged in the near future which will effectively terminate the Development Agreement and unencumber the Iron Bear project.

The Company has enjoyed a constructive and positive relationship with Vale and expected to continue that through to Phase 2. Iron Bear presented a strong investment case through the recently released Pre-Feasibility Study (PFS)[1]. The Iron Bear Board believes that the decision by Vale to not proceed to Phase 2 is not related to the project itself but recent internal corporate developments at Vale beyond the control of Iron Bear.

In any case, the Company emerges in a strong position to develop the Iron Bear project:

- Successful deployment of the US$18 million investment from Vale to de-risk the Iron Bear project and present a compelling PFS, without shareholder dilution
- 100% ownership of the Iron Bear Project, preserving full exposure to future value creation and full control
- Access to A$15.3 million cash on hand[2] – no requirement for a near term capital raise
- Value optimisation studies are expected to materially improve the robust economics outlined in the July Pre-Feasibility Study[1], to be completed by November 2026
- Ability to pursue a broader range of development and funding opportunities, including offtake agreements, streaming agreements, and new joint venture opportunities
- Substantial Phase 1 drilling costs[3] are now able to be deferred by up to 2 years, with no impact on project timelines

Managing Director of Iron Bear commented: "*We are grateful for the technical and financial contributions that Vale made to the Iron Bear Project. The insights and expertise shared by Vale's top engineers have allowed Iron Bear to achieve spectacular results at pilot plant scale for the production of high-quality direct reduction pellets. The PFS was also materially improved by the inputs of Vale's experts which resulted in an economically compelling PFS, with many optimisation opportunities ahead. We are sad that this productive relationship with Vale is at an end. However, IBR's retention of 100% ownership unlocks exciting opportunities to secure future funding from industrial partners, institutional investors or off takers, leveraging a much more advanced and de-risked project than in February 2025 when we signed the Development Agreement.*"

Strong Project Fundamentals Remain Intact

The PFS[4] confirmed Iron Bear as a globally significant strategic iron ore asset capable of producing premium direct reduction concentrates and pellets required for the decarbonisation of global steelmaking.

- Unleveraged NPV of US$9.0 billion @ WACC 8%
- IRR of 15.2%
- Planned production to grow to 23 Mtpa including 18Mta of DR pellets
- Production of high-grade DR concentrate grading approximately 71% Fe and ∑ (SiO_2 + Al_2O_3) < 1.2%
- Access to low-cost renewable hydroelectric power from Churchill Falls driving low OPEX compared to peers

Key milestones for Q4 2026

Over the next quarter the Company plans to deliver important value milestones for the Iron Bear project including:

- Completion of an updated version of the PFS with materially improved financial outcomes and new operational scenarios
- Securing status as a 'Project of National Significance' under Canada's C-5 Bill, which would accelerate and simplify the permitting process and potentially unlock federal funding
- Registration of the Environmental Impact document at the federal and provincial level. This formally starts the environmental permitting process
- Formal co-operation agreement with an indigenous group for exploration and development activities and
- Appointment of a Tier 1 financial advisor to define a possible project financing package which will provide the CAPEX and further improve the financial outcomes of the Iron Bear Project

Approved by the Board of Directors of Iron Bear Resources Ltd (ASX: IBR)

1: Refer to ASX release 29th of July 2026 "Iron Bear Project PFS delivers outstanding results "
2: As of 11/09/2026. This includes ~ A$ 13m in cash held by IBR directly and ~ A$2,28 million held by Iron Block 103 Corporation Ltd which is a 100% subsidiary of IBR
3: The planned development activities and milestones presented in the PFS remain unchanged, except for the Phase 1 drilling campaign which is delayed until additional funding is secured. The Iron Bear project has a massive mineral resource and reserve, so this has no impact on the current and future PFS scenarios and can be completed as late as 2029.

Forward-Looking Statements
This announcement contains forward-looking statements regarding the Company's plans, objectives and expected future activities, including exploration and development activities, project optimisation, permitting, financing and the timing and outcomes of future studies. These statements are based on the Company's current expectations, estimates and assumptions and are subject to risks, uncertainties and other factors that may cause actual results or outcomes to differ materially from those anticipated. There can be no assurance that the anticipated activities, outcomes or timelines referred to in this announcement will be achieved. The Company undertakes no obligation to update these forward-looking statements, except as required by applicable laws and the ASX Listing Rules.