

Statement on Hancock Prospecting's 2025 Annual Report

Executive Chairman Gina Rinehart stated, "Hancock paid \$2.6 billion in total taxes for the year ended 30 June 2025, making the business Australia's largest private corporate taxpayer and maintaining its place among Australia's largest corporate taxpayers. Tax revenues which have enabled better hospitals, more police and nurses, improved aged and disabled care. Without such tax payments individual or company taxes would have needed to be higher or services reduced. Or our record debt increased further involving higher interest repayments."

Hancock Prospecting CEO Garry Korte said, "Australian industries and companies operate in an environment of escalating government expenditure, including subsidies, benefits, opaque forms of support and increased bureaucratic wastage. Many of these industries and companies cannot afford the massive changes and costs required to meet greater net zero requirements. These costs either have to be passed onto consumers, such as in agriculture, through the price of the food we eat, or if exported, then to our allies and international markets, providing we don't price ourselves out of the market. Given the growing net zero and other government costs, this is an increased risk which could significantly reduce Australia's tax revenue, and the ability of government to supply services."

Executive Chairman Gina Rinehart added, "For the benefit of all Australians, it is crucial to highlight and better communicate these economic realities, including that it is not only privately owned companies that face these problems, so do the services, which we all use, hospitals, ambulances, Royal Flying Doctor Service, defence and many more. Less real investment, record debt and substantial interest payments, declining international competitiveness, record business failures and excess bureaucracy do not enhance our standards of living."

Profit from operations

(Amounts in \$million)	2025	2024	2023	2022
Revenue	11,575	14,743	13,221	14,642
Profit before tax from operations	4,510	7,865	7,082	8,323
Income tax expense	(1,429)	(2,299)	(2,043)	(2,510)
Net profit after tax	3,081	5,566	5,039	5,813

Hancock has delivered another strong financial result against the backdrop of weaker iron ore prices. A total of 91 million tonnes of iron ore was shipped across the Roy Hill, Hope Downs (50% basis) and Atlas Iron operations.

Roy Hill shipped 61.6 million tonnes of iron ore and delivered a \$1.8 billion profit after tax. Production was impacted by record rainfall across the Pilbara during Tropical Cyclone Zelia.

A substantial proportion of Roy Hill's product is shipped to markets in Japan, South Korea and Taiwan under long-standing arrangements with Hancock's partners in Roy Hill. During FY2025, Roy Hill achieved the milestone of shipping over 500 million tonnes of iron ore to global markets since first ore in 2015.

Hancock's joint venture Hope Downs mines sold more than 38 million tonnes of iron ore and contributed \$832 million of net profit after tax to Hancock's results for the year. During the year, the development of the Hope Downs 2 and Bedded Hilltop mines was approved to extend the life of the Hope Downs 1 processing hub. Hancock will contribute US\$800 million towards the development.

Atlas Iron continues to make a solid contribution to Hancock's results maintaining sales levels of 10 million tonnes from its Mt Webber, Sanjiv Ridge and Miralga mines. Atlas recorded a net profit after tax of \$260 million. The McPhee Creek Project commenced construction in FY2025, with first ore delivery expected in FY2026. This expansion has created jobs and regional benefits despite growing regulatory red tape that delayed its development, increasing costs and impacting competitiveness. This is concerning given demand for iron ore has plateaued and first ore from the massive, high grade Simandou iron ore development (which will compete against Australian ore) is expected before the end of the year.

In June 2025, Hancock announced the formation of Hancock Iron Ore bringing the Roy Hill and Atlas operations under a single brand. This provides Hancock with a platform for the optimisation and future development of its iron ore operations.

The Mulga Downs iron ore project advanced through feasibility and environmental studies during FY2025. The development scope was reduced to 12 million tonnes per annum with a significantly smaller environmental footprint. Progress has been severely constrained by prolonged approval processes and requirements, causing substantial delays to the project.

Australian Outback Beef Pty Ltd, the 100% owner of S. Kidman & Co Pty Ltd, reported stronger revenue of \$61.4 million buoyed by higher cattle prices. The company made two cattle station investments in FY2025 with the acquisition of the Jindabyne and Wirribilla properties. The company also continued to grow its Driza-Bone, Rossi Boots and Kidman apparel brands during the year.

Royalties from Rio Tinto accounted for a very minor part of Hancock's income, constituting less than 2% of total income.

Growth and ongoing investment commitments

Roy Hill has made significant investments to improve its operations and maintain efficient production above 60 Mtpa. This includes investment in the autonomous haulage system fleet expansion.

The Final Investment Decision for the Ridley Project has been deferred, highlighting the headwinds of higher costs and lengthening approvals timelines.

Hancock is continuing exploration, drilling, and evaluation of various iron ore projects.

CEO of Hancock Energy, Stuart Johnston added, "Hancock made a significant investment in its Energy business by acquiring the Lockyer Deep natural gas development project from Mineral Resources Limited

for an upfront consideration of \$780 million. This establishes Hancock as the largest natural gas reserve holder in the Perth Basin.

“Senex Energy (owned 49.9% by Hancock) advanced its \$1 billion expansion of the Atlas and Roma North natural gas developments in Queensland’s Surat Basin. This project, expected to produce 60 petajoules of natural gas annually, is expected to supply over 10% of the east coast’s domestic gas requirements from the end of 2025. This reliable energy contributes to Australia’s broader energy security.”

Commencing investment in 2020, Hancock recognised the growing importance of critical rare earths minerals to the global economy to underpin advanced manufacturing, defence industries and technology. This year Hancock maintained and expanded its long-standing strategic investments in leading rare-earth companies Lynas Rare Earths and MP Materials.

Hancock has continued to expand its property investment portfolio, which includes two commercial properties in Brisbane’s central business district. Construction progressed on the new Hancock Iron Ore corporate headquarters and Remote Operations Centre in West Perth, with building completion and occupation scheduled for early FY2026. In October 2025, a development application was approved to build a Hancock twin-tower business hub in West Perth.

A strong and healthy balance sheet

Hancock’s balance sheet continues to strengthen, with total assets increasing by 8% through the year. Profits continue to be invested across a range of sectors for the medium and long-term benefit of all shareholders.

Hancock has negligible liabilities classified as borrowings since Roy Hill’s debt was paid off in 2020.

(Amounts in \$million)	2025	2024	2023	2022
Total assets	43,947	40,876	38,021	33,885
Borrowings (including lease liabilities)	441	360	363	413
Gearing ratio (Debt: Equity)	1%	1%	1%	1%

Executive Director Tad Watroba added, “Under the dedicated leadership of Mrs Rinehart, Hancock has become the most successful private company in Australia’s history. Our staff are rightly proud of being part of this very successful company.”

Taxes

Mr Korte noted, “Hancock retains its place as Australia’s largest private corporate taxpayer. During the 2025 financial year, Hancock paid some \$2.6 billion in Commonwealth and State taxes. This brings the total taxes paid by Hancock over the last four financial years to almost \$15 billion at an average of \$3.7 billion per year (as set out in the table below) and almost \$23 billion over the past decade.”

(Amounts in \$million)	2025	2024	2023	2022	Total
Commonwealth and State taxes paid	2,599	3,886	3,734	4,440	<u>14,659</u>

Mr Watroba added, “Mrs Rinehart, as Executive Chairman of Hancock, continues to direct investment primarily into Australia and pays substantial taxation in Australia, while providing direct employment and opportunities for many thousands of Australians, and even more employment indirectly. Such investments can only be made using after-tax profits. Investment is critical for job creation, innovation, training, future tax payments, and for supporting Australians’ living standards.”

Returns to shareholders – dividends

As previously noted, Hancock entered into a binding deed with all of its beneficial owners, including the beneficiaries and current trustee of The Hope Margaret Hancock Trust (**HMHT**), in 2006 (and repeated in 2007) for the payment of agreed dividends from after-tax cash flow generated by Hancock’s Hope Downs project (**Deed**). This is in addition to other dividends required to be paid and paid on Cumulative Special shares pursuant to Hancock’s Constitution. Due to claims arising under the Deed by two of the beneficiaries, the dividends (other than the dividends on the Cumulative Special shares) have not yet been able to be paid, and cannot be paid until those disputes are resolved. Confidential arbitration proceedings have been undertaken as mandated by the Deed. As of this date, the decision of this Arbitration is pending.

As at 30 June 2025, Hancock has provided an amount of \$6,378 million in its financial statements for the payment of dividends, of which \$6,373 million relates to dividends provided for under the Deed. The provision for dividends has since increased to \$6,410 million at 30 September 2025. The company will continue to provide in its financial statements for those dividends in accordance with the Deed until the Arbitration is resolved.

Since June 2015, Hancock has paid discretionary dividends of some \$818 million to its shareholders. For the 2025 financial year, Hancock has paid or provided for dividends amounting to \$488 million. The dividends paid or provided for in the past five years are set out in the table below, the lower figures since 2021 evidencing the downward trend of iron ore prices.

(Amounts in \$million)	2025	2024	2023	2022	2021
Total dividends provided or paid	488	553	781	1,099	1,258