

CIRCULAR DATED 12 JUNE 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

This Circular is issued by Fortress Minerals Limited (the “**Company**”). Its purpose is to provide the Shareholders (as defined herein) with the rationale for and information relating to, and to seek the approval of the Shareholders for the Proposed Diversification (as defined herein) to be tabled at the extraordinary general meeting of the Company to be held on Wednesday, 28 June 2023 at 2.30 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM (as defined herein), whichever is later) at Esplanade Room 1, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 (the “**EGM**”). The EGM will be convened in a wholly physical format pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be no option for the members to participate virtually. Please refer to the Notice of EGM for further information, including the steps to be taken by Shareholders to participate at the EGM. This Circular, the Notice of EGM and the Proxy Form will be sent to the members solely by electronic means via publication on the Company’s website at the URL <https://www.fortress.sg/> and will also be available on the website of the Singapore Exchange Securities Trading Limited (“**SGX-ST**” or the “**Exchange**”) at the URL <https://www.sgx.com/securities/company-announcements>.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of EGM and the Proxy Form to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular with the Notice of EGM and Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

This Circular has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this Circular. The Sponsor has also not drawn on any specific technical expertise in its review of this Circular.

The contact person for the Sponsor is Ms Jennifer Tan, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



FORTRESS MINERALS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201732608K)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED DIVERSIFICATION

IMPORTANT DATES AND TIMES:

- Last date and time for lodgement of Proxy Form : 25 June 2023 at 2:30 p.m.
- Date and time of the EGM : 28 June 2023 at 2:30 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day)
- Place of the EGM : Esplanade Room 1, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

General

- “AGM”** : The annual general meeting of the Company to be held on 28 June 2023 at 2.00 p.m.
- “Alternative Arrangements Order”** : The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020
- “Associate”** : (a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30%) or more; and
- (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of thirty per cent. (30%) or more
- “Audit Committee”** : The audit committee of the board of directors of the Company
- “Board” or “Board of Directors”** : The board of directors of the Company
- “Bukit Besi Mine”** : Has the meaning ascribed to it in Section 2.1 of this Circular
- “CASB”** : Has the meaning ascribed to it in Section 2.1 of this Circular
- “CASB Mine”** : Has the meaning ascribed to it in Section 2.1 of this Circular
- “Catalist Rules”** : Any or all of the rules in the Listing Manual Section B: Rules of Catalist, as the case may be, as amended, supplemented or modified from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular dated 12 June 2023
- “Company”** : Fortress Minerals Limited
- “Companies Act”** : The Companies Act 1967 of Singapore (2020 Revised Edition), as may be amended, supplemented or modified from time to time
- “Constitution”** : The constitutive documents of the Company for the time being in force as originally framed, or as amended or modified from time to time

DEFINITIONS

“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph (i) is not a controlling shareholder; or(b) in fact exercises control over the Company
“Directors”	:	The board of directors of the Company
“Depositor”	:	Has the meaning ascribed to it in Section 81SF of the SFA
“Depository Agent”	:	Has the meaning ascribed to it in Section 81SF of the SFA
“Depository Register”	:	Has the meaning ascribed to it in Section 81SF of the SFA
“Director”	:	A director of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 28 June 2023 at 2:30 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 2.00 p.m. on the same day)
“EPS”	:	Earnings per Share
“Existing Business”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Fortress Mengapur”	:	Fortress Mengapur Sdn. Bhd.
“FY” or “Financial Year”	:	Financial year ending or ended 28 February or 29 February, as the case may be
“FY2023”	:	Financial Year ended 28 February 2023
“FY2024”	:	Financial Year ending 29 February 2024
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	29 May 2023, being the latest practicable date prior to the release of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“NAV”	:	Net asset value
“New Minerals”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“Notice of EGM”	:	Notice of the EGM dated 12 June 2023, as set out in pages N-1 to N-4 of this Circular
“NTA”	:	Net tangible assets
“Placement”	:	Has the meaning ascribed to it in Section 2.6 of this Circular
“Placement Proceeds”	:	Has the meaning ascribed to it in Section 2.6 of this Circular
“Proposed Diversification”	:	The proposed diversification as described in Section 2.2 of this Circular
“Proposed New Businesses”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM, as set out in pages N-5 to N-6 of this Circular
“Register of Directors’ Shareholdings”	:	A register of the shareholdings of the directors of the Company

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“Register of Members”	:	A register of the members of the Company
“Register of Substantial Shareholders”	:	A register of the Substantial Shareholders
“Relevant Subsidiaries”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“Securities Accounts”	:	The securities account maintained with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore (2020 Revised Edition), as may be amended, supplemented or modified from time to time
“SGXNet”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
“SGX-ST” or the “Exchange”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall, where the context admits, means the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company
“Subsidiary”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“Subsidiary Holdings”	:	Shares held by a Subsidiary in accordance with the Companies Act
“Substantial Shareholder”	:	A person who has an interest or interests (directly or indirectly) in voting Shares representing not less than five per cent. (5%) of all the voting Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
“Treasury Shares”	:	Issued Shares which were (or are treated as having been) purchased or acquired by the Company in circumstances which Section 76H of the Companies Act applies and have, since they were so purchased or acquired, been continuously held by the Company since such Shares were so purchased or acquired

Currencies, units and others

“US\$” and “US\$ cents”	:	United States of America dollars and cents respectively, the lawful currency of the United States of America
“%” or “per cent.”	:	Percentage or per centum

Any reference in this Circular to any enactment is a reference to that enactment for the time being in force, as may be amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules, the SFA, the Take-over Code or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, Catalist Rules, SFA, Take-over Code or its statutory modification, as the case may be, unless the context otherwise requires.

Words importing the singular number shall include the plural number where the context admits and *vice versa*. Words importing the masculine gender shall include the feminine gender where the context admits. Reference to persons shall, where applicable, include corporations.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day or date in this Circular is a reference to a time of day or date, as the case may be,

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in Singapore, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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LETTER TO SHAREHOLDERS

FORTRESS MINERALS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201732608K)

Directors :

Chew Wai Chuen (Independent Non-Executive Chairman)
Dato' Sri Ivan Chee Yew Fei (Executive Director and Chief Executive Officer)
Ng Mun Fey (Executive Director and Chief Operating Officer)
Willa Chee Keng Fong (Non-Executive and Non-Independent Director)
Teh Lip Kim (Non-Executive and Non-Independent Director)
Loong Ching Hong (Non-Executive and Non-Independent Director)
Anita Chew Cheng Im (Independent Non-Executive Director)
Goh Kah Im (Independent Non-Executive Director)

Registered Office :

77 Robinson Road,
#06-03, Robinson 77,
Singapore 068896

12 June 2023

To: The Shareholders of Fortress Minerals Limited

Dear Sir / Madam,

THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE MINING OF NEW MINERALS AND TRADING IN IRON ORE AND NEW MINERALS

1. INTRODUCTION

The Directors are convening the EGM to seek the approval of Shareholders in relation to the Proposed Diversification. The purpose of this Circular is to provide Shareholders with the rationale for and information relating to, and to seek the approval of the Shareholders for the Proposed Diversification to be tabled at the EGM. Please refer to Section 6 of this Circular and the Notice of EGM for further information, including the steps to be taken by Shareholders (and their duly appointed proxy (or proxies)) to participate at the EGM.

If a Shareholder is in any doubt as to the course of action to take, he/she should consult his/her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The SGX-ST assumes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained in this Circular.

2. THE PROPOSED DIVERSIFICATION

2.1 Existing Business of the Group

Our Group is principally in the business of exploration, mining, production and sale of iron ore. We presently produce iron ore mined from our mines located in Bukit Besi, Terengganu, Malaysia (the "**Bukit Besi Mine**") and Mengapaur, Pahang, Malaysia (the "**CASB Mine**"), and sell our iron ore primarily to steel mills in Malaysia and trading companies in China (collectively, the "**Existing Business**"). Our business operations are principally located in Selangor, Malaysia, but our Bukit Besi Mine and CASB Mine are respectively situated in Terengganu and Pahang, Malaysia.

Our Bukit Besi Mine is an open pit mine comprising two (2) pieces of land known as Lot 110548 and Lot 60027, and enjoys access to good public utilities and infrastructure. Our Bukit Besi Mine is located approximately 86km away from the Kemaman Port, and is served by the Sultan Haji Ahmad Shah Airport in Kuantan and the Sultan Mahmud Airport in Kuala Terengganu, both of which are within an approximately one and a half hours (1.5) hours drive away from our Bukit Besi Mine. We operate the mine through our subsidiary, Fortress Mining Sdn. Bhd.

Our CASB Mine was acquired by the Company in April 2021 through the Company's acquisition of Monument Mengapaur Sdn. Bhd., the holding company of Cermat Aman Sdn. Bhd. ("**CASB**") and Star Destiny Sdn. Bhd. Following the acquisition, the name 'Monument Mengapaur Sdn. Bhd.' was changed to 'Fortress Mengapaur Sdn.

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Bhd.'. The tenements held by Fortress Mengapur and its subsidiaries cover approximately 951.68 hectares, and testing and commissioning of operations at the CASB Mine were completed in May 2022, with the commencement of production on 1 July 2022. Please refer to Section 2.2 of this Circular for further details on CASB and Star Destiny Sdn. Bhd.

Currently, we produce high grade magnetite iron ore concentrate with TFe (total iron content by mass) derived from ores mined from our Bukit Besi Mine and CASB Mine. Our iron ore concentrate has various commercially attractive characteristics, including high iron content and low levels of impurities. In general, our iron ore concentrate is preferred by trading companies and steel mills, which may use them for, amongst others, the production of iron ore pellets and iron ore sinter, thus commanding a relatively higher market price. In addition, the relevant deposits of our Bukit Besi Mine also produce different TFe grades of iron ore fines and lumps that fulfil our customers' requirements and which are also sold to trading companies and steel mills in China and Malaysia.

The Group will continue with its Existing Business and remains committed in the continuance of the Existing Business for so long as it remains viable.

2.2 Proposed Diversification

With the overall goal of enhancing shareholder value and providing Shareholders with diversified returns and sustainable long-term growth, subject to Shareholders approval being obtained at the EGM, the Group intends to extend its core business to include:

- (a) the mining of manganese, copper, nickel, cobalt, zinc, lead, tin, chromite, tungsten, gold, silver and other minerals (collectively, the **"New Minerals"**);
- (b) the trading in iron ore and the New Minerals mined from our own mining assets and facilities; and
- (c) the trading in iron ore and the New Minerals sourced from third parties, or business partnerships, cooperation, strategic alliances and/or joint venture(s) between the Group and third parties,

(collectively, the **"Proposed New Businesses"**). The extension of the Group's existing business will change the existing business scope and risk profile of the Company and/or the Group. Accordingly, the Company is seeking Shareholders' approval for the proposed diversification of the Existing Business to include the Proposed New Businesses (the **"Proposed Diversification"**).

The Group does not plan to restrict the Proposed New Businesses to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. Nevertheless, as at the Latest Practicable Date, the Group's plans in relation to the Proposed New Businesses are primarily within Malaysia. As at the Latest Practicable Date, the following licences and approvals for the prospecting and mining of certain New Minerals are held by the following subsidiaries (collectively, the **"Relevant Subsidiaries"**) of the Group:

Company Name	Type of Mineral	Status of licence	Stage of development	Region
Saga Mineral Sdn. Bhd. ⁽¹⁾	Copper	Granted prospecting license for a concession area of 40km ² (expiring 14 December 2024)	On-going exploration activities comprising of surface geological mapping with geochemical survey, pulse electromagnetic survey, magnetic surveys and other ground geophysical surveys to better define the targets for drilling campaigns	Telupid, Sabah, East Malaysia
Kencana Primary Sdn. Bhd. ⁽²⁾	Nickel, copper, cobalt	Granted prospecting license for a concession area of 400km ² (expiring 18 December 2024)	As above	Tongod, Sabah, East Malaysia
CASB ⁽³⁾	Iron, copper, gold, silver	Registered lessee of mining lease no. ML8/2011 ⁽⁴⁾ (expiring 31 May 2025)	Integrated processing plant design stage ⁽⁵⁾	Bukit Mengapur, Kuantan,

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			Testing and commissioning targeted to commence in 2025	Pahang, Malaysia
Star Destiny Sdn. Bhd. ⁽⁶⁾	Iron, copper, gold, silver	Holder of exploration permit no. SKC(H) No. 1/2008 in relation to the Exploration Land ⁽⁷⁾ and approvals for mining leases of an aggregate of 766.58 hectares at the Exploration Land (expiring in 2034)	Tenement fees paid and mining lease registration submitted to the Pahang Director of Lands and Mines Office (<i>Pejabat Pengarah Tanah dan Galian Negeri Pahang</i>). Pending approval.	Bukit Mengapur, Kuantan, Pahang, Malaysia
Fortress Dredging Sdn. Bhd. ("FDSB") ⁽⁸⁾	Manganese	-	Pending environmental impact assessment report (EIA) approval ⁽⁹⁾	Chiku, Jajahan Gua Musang, Relai, Kelantan, Malaysia

Notes:

- (1) Saga Mineral Sdn. Bhd. was acquired by Fortress Cu Sdn. Bhd., a wholly-owned subsidiary of the Group, in September 2022. Fortress Cu Sdn. Bhd. owns sixty-five per cent. (65%) of the share capital of Saga Mineral Sdn. Bhd. Further details on Saga Mineral Sdn. Bhd. and the relevant licence can be found in the announcements made by the Company on 6 March 2023 and 8 March 2023 on SGXNet.
- (2) Kencana Primary Sdn. Bhd. was acquired by Fortress Ni Sdn. Bhd., a wholly-owned subsidiary of the Group, in December 2022. Fortress Ni Sdn. Bhd. owns fifty-one per cent. (51%) of the share capital of Kencana Primary Sdn. Bhd. Further details on Kencana Primary Sdn. Bhd. and the relevant licence can be found in the announcements made by the Company on 6 March 2023 and 8 March 2023 on SGXNet.
- (3) Further details on CASB and the relevant licence can be found in the announcements made by the Company on 11 January 2021, 14 January 2021, 24 January 2021, 16 February 2021 and 7 April 2021 on SGXNet.
- (4) In respect of a parcel of mining land bearing the particulars Lot 10210, Bukit Mengapur, Mukim Hulu Lepar, District of Kuantan, State of Pahang, Malaysia, except the free digging oxide magnetite iron materials contained on the top soil at certain areas of ML8/2011.
- (5) As announced by the Company on 6 March 2023 and 8 March 2023 on SGXNet, the Group is building up its production capabilities at the CASB Mine, which commenced production in July 2022. The Group is looking to add a new integrated processing plant which will enhance production capability at the CASB Mine and enable the Group to produce high grade iron ore, copper and pyrrhotite concentrate. The Mineral Resource Estimate as at 28 February 2023 can further be found in the Summary Qualified Person's Report for Fortress Mengapur announced via SGXNet on 26 April 2023.
- (6) Further details on Star Destiny Sdn. Bhd. and the relevant permit can be found in the announcements made by the Company on 11 January 2021, 14 January 2021, 24 January 2021, 16 February 2021 and 7 April 2021 on SGXNet.
- (7) Exploration Land refers to compartment 110 and part of compartments 108, 109, 111, 112 of Hutan Simpan Berkelah at Bukit Mengapur Mukim Hulu Lepar, District of Kuantan, State of Pahang, Malaysia.
- (8) FDSB was incorporated as a wholly-owned subsidiary of the Company in February 2020. The intended principal activity of FDSB is extraction, dredging and dealing of industrial sand, acquisition of mines, mining rights, metalliferous land, quarries and dealing in minerals.
- (9) An EIA was submitted by FDSB on 23 February 2023 to the Department of Environment of Kelantan (the "Department") in respect of FDSB's proposed mining scheme. A site visit was subsequently conducted by the Department on 23 May 2023.

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Subject to Shareholders approval being obtained at the EGM, the Group intends to grow its mining portfolio to include the New Minerals and to further diversify its revenue streams through trading in iron ore and the New Minerals.

Further, the Group may, as part of the Proposed New Businesses, invest in or dispose of shares or interests in any entity that is in the Proposed New Businesses. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Proposed New Businesses as and when the opportunity arises. The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required, and economic conditions, taking into account the opportunities available.

As at the Latest Practicable Date, save in respect of the Relevant Subsidiaries, the Group has not identified or committed to any other specific business opportunity or investment under the Proposed New Businesses.

2.3 Rationale for the Proposed Diversification

The Proposed Diversification is part of the corporate strategy of the Group in recalibrating its growth strategy and providing Shareholders with sustainable long-term value. The Proposed New Businesses present opportunities to provide earnings and growth opportunities, and deliver new revenue streams to improve the financial condition of the Group. The Company believes that the Proposed Diversification will reduce the Group's reliance on its existing business activities, offer new business opportunities, provide the Group with new revenue streams and improve its growth prospects, which in turn will contribute positively to the Group's financial condition and enhance long-term value for Shareholders. In particular:

(1) Additional Revenue Streams

The Board is of the view that the Proposed Diversification will allow the Group to achieve a commodity mix which would enhance the Group's overall asset portfolio and expand its product offerings. This would enable the Group to meet the growing needs and demands of the commodities market and provide the Group with access to cash flow streams from a greater segment of the market. The Proposed Diversification will reduce the Group's dependence on the price of iron ore, which is highly volatile and subject to rapid and sudden fluctuations, and expand the Group's revenue streams into other minerals and commodities which may present a more stable growth prospect. Overall, it is expected that the Proposed Diversification will provide better prospects for the Group to achieve increased profitability from more business opportunities and to ensure longer-term growth.

(2) Synergy with the Existing Business

The Board further believes that the Proposed Diversification into the mining of the New Minerals and the trading of minerals mined from the Group's own mining assets and facilities or sourced from third parties or business partnerships, cooperation, strategic alliances and/or joint venture(s) between the Group and third parties, represents an opportunity to establish a new and complementary business segment for the Group that is synergistic with the Existing Business. The Group's current expertise and relevant experience from the Existing Business is also directly applicable to the Proposed New Businesses and the Group intends to leverage on the knowledge and capabilities of its key management team and technical teams to achieve new milestones for the Group with the Proposed New Businesses.

Should the Shareholders pass the resolution to approve the Proposed Diversification, the Group will be able to enter into new time-sensitive trades and transactions relating to the Proposed New Businesses that may not constitute a major transaction (for which approval by Shareholders will not be required). This would indirectly benefit the Company by reducing additional costs associated with having to convene general meetings.

(3) Enhance Shareholders Value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and sustainable long-term growth. It may also provide the Group with additional funds, which can be channelled towards the enhancement of Shareholder value over the long term. Additionally, the Board believes that the Proposed Diversification can offer new business opportunities,

LETTER TO SHAREHOLDERS

provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders value for the Company.

2.4 Application of Chapter 10 of the Catalist Rules

Upon the approval by Shareholders of the Proposed Diversification, any acquisition or disposal which is in or in connection with, the Proposed New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules.

Accordingly, the Group may possibly, in its ordinary course of business, enter into transactions relating to the Proposed New Businesses which do not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders approval as and when such potential transactions arise. This will substantially reduce the administrative time and expenses required in convening such meetings, without compromising the corporate objectives and/or adversely affecting the business opportunities available to the Group.

As set out in Practice Note 10A of the Catalist Rules, an acquisition that is regarded to be in, or in connection with, the ordinary course of an issuer's business, is not subject to the requirements under Chapter 10 of the Catalist Rules (except for Part VIII on very substantial acquisitions or reverse takeovers). An acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile.

Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules (a) exceeds seventy-five per cent. (75%) but is less than one hundred per cent. (100%) (for an acquisition) or (b) exceeds fifty per cent. (50%) (for a disposal or the provision of financial assistance), and must be made conditional upon approval by shareholders in a general meeting.

In accordance with the Exchange's recommended practice in relation to the diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds seventy-five per cent. (75%), such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval at a general meeting. For the avoidance of doubt, notwithstanding that Shareholders approval of the Proposed Diversification has been obtained:-

- (a) where an acquisition of assets (whether or not the acquisition is deemed in the ordinary course of business of the Company) is one where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is one hundred per cent. (100%) or more, or is one which will result in the change of control of the Company whether or not in the Company's ordinary course of business (which will include the Proposed New Business), the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Rule 1015 of the Catalist Rules and the approval of Shareholders at a general meeting;
- (b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Rule 1002(1) of the Catalist Rules) that changes the risk profile of the Company;
- (c) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders approval at a general meeting, if applicable; and
- (d) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such a transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last twelve (12) months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

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The Company will also be required to comply with any applicable and prevailing Catalyst Rules as amended or modified from time to time.

2.5 Management of the Proposed New Businesses

The Proposed New Businesses will be initially spearheaded by the Chief Executive Officer and Executive Director of the Company, who will be supported by the Chief Operating Officer and Executive Director and senior management of the Group, and they will be responsible for overseeing the entire operations of the Proposed New Businesses.

Dato' Sri Ivan Chee Yew Fei is the Chief Executive Officer and Executive Director of the Company and has been with the Group since 2011. He has over twenty (20) years of civil and structural engineering experience and approximately twelve (12) years of experience in the mining industry. Dato' Sri Ivan Chee Yew Fei will continue to be responsible for the overall management and operations of the Group, including formulating, implementing and monitoring the Group's strategic directions, growth plans, and financial and risk management.

Mr. Ng Mun Fey is the Chief Operating Officer and Executive Director of the Company and has been with the Group since 2015. Mr. Ng has approximately eight (8) years of relevant experience in the mining industry. Mr. Ng will continue to be responsible for the overall mine management including but not limited to heading our Group's marketing, geology, mining, processing and other supporting divisions.

The Group will carefully monitor developments and progress in the Proposed New Businesses and will remain prudent in determining the transactions relating to the Proposed New Businesses that the Group enters into, whether on a direct undertaking basis or in collaboration, joint venture or strategic alliance with business partners. The decision whether the Proposed New Businesses should be undertaken by the Group on its own or in collaboration, joint venture or strategic alliance with business partners will be made by the Board after taking into consideration various factors, such as the financial condition of the Group, the nature and scale of each transaction, amount of investment and nature of expertise required, and the period of time within which the transaction must be completed. Where necessary, the Group will strengthen the relevant management and execution team of the Proposed New Businesses with additional candidates with the credentials and experience relevant to the Proposed New Businesses. The Group will also continually evaluate the manpower and expertise required for the Proposed New Businesses and will, as and when required, engage suitably qualified external personnel, consultants, industry experts and professionals for the Proposed New Businesses. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area.

In addition, the Audit Committee will regularly review the risk exposure of the transactions relating to the Proposed New Businesses and report to the Board on material findings. Further, before undertaking any major transaction (as defined in the Catalyst Rules, for which Shareholders' approval is required) relating to the Proposed New Businesses, the management of the Company may prepare a feasibility study to assess the suitability of the Group's undertaking of the major transaction.

2.6 Funding the Proposed New Businesses

The proposed diversification into the Proposed New Businesses will be funded primarily through internal funds and/or borrowings from financial institutions. As and when necessary and deemed appropriate, the Company may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

In particular, the Group will be utilising the proceeds (the "**Placement Proceeds**") from the Company's recent placement exercise which was completed on 10 April 2023 (the "**Placement**") to fund certain aspects of the Proposed New Businesses. Specifically, the Placement Proceeds will be used to fund the Group's efforts to build up its production capabilities at the CASB Mine for the mining of certain New Minerals, as well as to fund prospecting expenditures in relation to the prospecting licences in Sabah held by two (2) Relevant Subsidiaries, Saga Mineral Sdn. Bhd. and Kencana Primary Sdn. Bhd., for the prospecting and mining of certain New Minerals. Details on the Relevant Subsidiaries and the New Minerals have been set out in Section 2.2 above. Further details on the Placement and the use of the Placement Proceeds can be found in the announcements made by the Company on 20 March 2023, 29 March 2023 and 10 April 2023 on SGXNet.

The Company will remain prudent and take into account the financial condition of the Company in deciding the types of projects and related investments it undertakes in relation to the Proposed New Businesses, and the amounts thereof.

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2.7 Risk Management Procedures

The Board will be assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the Proposed New Businesses. The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies and be involved in identifying and managing the various business risks for the Proposed New Business. The Company will endeavour to ensure that the risk management systems implemented are commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the Proposed New Businesses and will review such risk management systems periodically to assess adequacy.

The risk management and internal control systems, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, and such disruption to the risk management system may have an adverse effect on the Group's financial condition and results of operations.

2.8 Risk Factors

The Group believes that the Proposed Diversification may change the risk profile of the Group. The Group could be affected by a number of risks that may relate to the Proposed New Businesses, or risks that may relate to the markets in which the Proposed New Businesses are intended to be engaged. Risks may arise from, *inter alia*, economic, business, market and political factors. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed New Businesses, this may have a material and adverse impact on the overall results of operations, financial condition and prospects of the Group or the Group's business.

The risks declared below are not intended to be exhaustive. New risk factors may emerge from time to time and it is not possible for the management to predict all risk factors, nor can the Company assess the impact of all factors on the Proposed New Businesses or the extent to which any factor or combination of factors may materially affect the Group's business, financial position, operating results and/or cash flow. In that event, the market price of the Shares could decline, and Shareholders may lose all or part of their investments in the Shares. Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM. Shareholders should consider the risk factors in light of their own investment objectives and financial circumstances. If a Shareholder is in any doubt as to the action he/she/it should take, he/she/it should consult his/her/its stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

To the best of the Board's knowledge and belief, all the risk factors that are material to Shareholders in making an informed decision on the Proposed Diversification are set out below:

Risk factors specifically associated with the mining of New Minerals as part of the Proposed New Businesses

- (a) The financial condition and performance of our Group in the Proposed New Businesses is dependent on the level and availability of mineral resource in our mine sites

As at the Latest Practicable Date, the Relevant Subsidiaries hold licences, permits and approvals for the prospecting and mining of the New Minerals set out in Section 2.2 above. It is envisaged that the mining and subsequent sale of the New Minerals pursuant to such licences, permits and approvals will be our Group's main source of revenue for the Proposed New Businesses.

Therefore, the future and continued success of the Proposed New Businesses will depend on the Group's ability to find additional mineral resources within our existing mine sites or develop or acquire additional mine(s) under which there are sufficient and viable mineral resources for exploitation. There is no assurance that the further exploitation of our existing mine sites and/or the acquisition of the additional mine(s) will be successful, as they are dependent on various factors such as the availability of financing for further exploration or acquisition, the availability of suitable acquisition or investment targets as well as the level of competition for such acquisitions and investments. In addition, there is no assurance that our Group will be able to successfully integrate and operate its acquisitions and investments due to various reasons such as lack of availability of expertise and financial resources.

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In the event that our Group's current mineral resource is depleted and it is not able to further explore our existing mine sites for additional mineral resource or acquire additional mine(s) under which there are sufficient and viable mineral resource for exploitation, our business, financial results, financial position and prospects will be adversely affected. Furthermore, there is no assurance that future acquisitions of additional mine(s) will allow our Group to maintain the required level of mineral resource or quality in order for its operations to be economically feasible.

- (b) The Group may not be able to obtain or renew governmental permits necessary for exploration, mining or production at the mine sites

The Proposed New Businesses is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group or its joint venture partners operate and the countries or industries its clients operate. Mining companies are usually required to seek governmental permits and approvals for exploration and mining, expansion and renewal of existing operations or for the commencement of new operations. Obtaining or renewing the necessary governmental permits and approvals can be a complex and arduous process involving several layers of approvals from government and regulatory bodies and often involving costly undertakings on our part. The duration and success of obtaining such approvals are contingent upon many variables and are dependent on the decisions of the regulatory authorities. Environmental protection and rehabilitation requirements, including the approvals of environmental assessment reports, environmental management plans, rehabilitation plans and compliance with the environmental monitoring requirements, may increase our costs and cause delays depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. There can be no assurance that all necessary permits and approvals for our activities will be obtained and, if obtained, that the costs involved will not exceed those estimated by the Group. It is possible that the costs and delays associated with complying with such standards and regulations could affect the Group's ability to proceed with the development or operation of a mine or mines. Failure by the Group to obtain, renew or maintain the required licences, permits, consents or approvals, or a cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the Proposed New Businesses and/or in the interruption of its operations and may have a material adverse effect on its business. Accordingly, the Group's operations, financial results, financial position and future growth will be adversely affected in such circumstances.

- (c) The Group's mining activities under the Proposed New Businesses are subject to operational risks, hazards and unexpected disruptions

The Group's mining operations are subject to a number of operational risks and hazards which could delay the production and delivery of products, increase the cost of mining or result in accidents at the mine sites. Risks and hazards, some of which are beyond the Group's control, include unexpected maintenance or technical problems, periodic interruptions due to steep topography, inclement or hazardous weather conditions, natural disasters, tropical rainstorms, industrial accidents, power or fuel supply interruptions, critical equipment failure, and unusual or unexpected variations in geological or mining conditions.

These risks and hazards may result in personal injury, damage to or destruction of properties or production facilities, environmental damage, business interruption, possible legal liability, damage to the Group's business reputation and corporate image and, in severe cases, casualties. Any disruption for a sustained period to the operations of the Group's mine sites may materially and adversely affect the Group's business, financial condition, results of operations and prospects. In addition, there is also no assurance that any future accidents will not materially and adversely affect the Group's business, results of operations and financial condition.

- (d) Mining is a capital-intensive industry and the Group's ability to carry out business activities depends on the availability of funding

The availability of adequate financing is critical to the Group's ability to invest in its processing facilities and mining operations. There is no assurance that the Group will have sufficient internal funds for such investments. The Group's ability to arrange for external financing on terms that will allow the Group a commercially acceptable return and the cost of such financing are dependent on numerous factors that are beyond its control, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, the success of the Group's

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businesses, tax and securities laws that may be applicable to our efforts to raise capital, changes in laws and regulations which may affect the terms on which financial institutions are willing to extend credit to the Group, any restrictions imposed by various banking institutions on providing financing to companies operating in the mining sector in the relevant countries, and political and economic conditions.

The Group may consider obtaining such funding from a new issuance of equity, debt instrument(s) and/or external bank borrowings, subject to the factors above. In addition, the Group may need to obtain additional equity or debt financing for other business opportunities that the Group deems favourable to its future growth and prospects. Funding through the new issuance of equity may lead to a dilution in the interests of the Shareholders. An increase in debt financing may be accompanied by conditions that restrict the Group's ability to pay dividends or may require the Group to seek lenders' consent for payment of dividends, or restrict the Group's freedom to operate its business by requiring lenders' consent for certain corporate actions. If the Group is not able to secure adequate financing, its business and growth may be negatively affected.

Risk factors specifically associated with the trading in iron ore and New Minerals as part of the Proposed New Businesses

(e) The Group's revenue and earnings are susceptible to fluctuations in the prices of iron ore and the New Minerals mined

The Group's revenue and earnings under the Proposed New Businesses will be dependent on the sales of iron ore and the New Minerals mined. The prices agreed between the Group and its customers for such products are dependent on movements in the relevant international benchmark prices which may fluctuate significantly on a daily basis, are cyclical, difficult to forecast and affected by numerous factors beyond the Group's control such as global demand and supply situations which are in turn affected by global economic activities, speculative activities and expectations of other market participants on the forward direction of such prices. Additionally, any changes in the regulations in countries that produce the products that the Group mines may affect the prices of such products.

A substantial decline in the international benchmark prices of the minerals that the Group mines may not only decrease our revenue but also reduce the economic viability or the production levels of our mines or of projects planned or in development to the extent that production costs exceed anticipated revenue from such production. If the prices of the Group's products are not as favourable as anticipated, the Group may (i) delay the sales of products; (ii) delay exploration and development activities at mine sites; and/or (iii) slow down the production levels and/or place mine sites under care and maintenance.

While the Group studies the historical trends in prices in assessing our business strategy, the Group currently does not have a hedging policy against fluctuations in the prices of its products. Additionally, there can be no assurance that the business strategies based on our predictions of the benchmark prices will be successful. In the event of significant fluctuations in the prices of the minerals that the Group mines, the Group's business, results of operations and financial condition may be materially and adversely affected.

(f) The Group will be reliant on third parties and non-controlled entities to source for iron ore and the New Minerals

As the Proposed New Businesses involve the trading in iron ore and the New Minerals sourced from third parties and non-controlled entities, the Group will be reliant on such third parties and non-controlled entities for the supply of such commodities. Accordingly, the Group's revenue and earnings under the Proposed New Businesses will be affected by fluctuations in either supply or the cost of such commodities. Supply agreements entered into between the Group and third parties may differ in duration and there is no assurance that third parties will renew supply agreements which have expired for the same term or at the same agreed price. Should there be any disruption in supply or increase in the cost of commodities sourced from third parties, the Group's revenue and earnings arising from the Proposed New Businesses may be materially and adversely affected. Factors that may also affect the supply and cost of commodities include adverse weather conditions, disasters, production failure, or changes in law and regulations. In the event that the Group is unable to find an acceptable source of supply at similar rates or pass on increases in costs to its customers on a timely basis, the Group's business, financial condition and prospects may be adversely affected.

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- (g) The success of the Group's trading activities depends in part on its ability to identify and take advantage of arbitrage opportunities

The commodity markets in which the Group operates may be fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities, including iron ore and the New Minerals. The Group's profitability is accordingly, to some extent, dependent on its ability to identify and exploit such arbitrage opportunities. A lack of such opportunities, for example due to a prolonged period of pricing stability in a particular market, or an inability to take advantage of such opportunities when they present themselves, because of, for example, a shortage of liquidity or an inability to access required logistics assets or other operational constraints, could adversely impact the Group's business, results of operations and financial conditions.

- (h) The Group is exposed to counterparty risks in its trading activities

As part of the Proposed New Businesses, the Group is, or will be, a party to agreements with third parties and other non-controlled entities for the supply of commodities for trading, including spot and long-term agreements which provide certainty of regular supply, as well as sales agreements. The termination of such agreements with key suppliers or key customers, or a failure to renew such agreements at the end of their term on conditions beneficial to the Group could have an adverse effect on the Group's business, results of operations and financial conditions. The Group's trading activities are also subject to the risk of non-performance and default by its suppliers and customers.

For example, (i) a significant increase in pricing of the commodities purchased by the Group may result in suppliers defaulting on their contractual commitments to sell commodities to the Group at pre-agreed prices; (ii) a significant reduction in pricing of the commodities sold by the Group may result in customers being unwilling or unable to honour their contractual commitments to purchase commodities from the Group at pre-agreed prices; and (iii) customers may take delivery of commodities from the Group but default on their payment obligations due to financial distress or any other reason.

Such failure of the counterparty(ies) to fulfil their contractual obligations in the future may lead to unintended and unmatched commodity price exposure and may adversely impact the Group's business, results of operations and financial conditions.

- (i) The Proposed New Businesses will require access to significant freight, storage, infrastructure and logistics support and the Group is exposed to risks of increases in external costs

The Group's trading activities will require access to significant freight, storage, infrastructure and logistics support and the Group is exposed to risks of increases in external costs. While the Group is able to leverage its modern logistics business to provide freight, storage, infrastructure and logistics support for its trading activities, the Group nevertheless requires additional support from third party service providers. Any inability to engage third party service providers or any material increase in the prices of the relevant support services provided by third party service providers could adversely affect the Group's business, results of operations and financial conditions. While the Group has established relationships with third party suppliers of freight, there can be no guarantee that the Group will continue to be able to access freight to support its operations at reasonable prices.

The Group also requires significant storage capacity for its commodities, which it sources pursuant to rental agreements with various warehouses and other storage facilities. An increase in the price at which the Group can acquire storage capacity and the inability to transfer costs to downstream customers in a timely manner could have an adverse effect on the Group's business by making it less profitable.

All other risk factors associated with the Proposed New Businesses

- (j) The Group does not have a proven track record and/or business history in the Proposed New Businesses

As the Group does not have a proven track record in transactions relating to the Proposed New Businesses, the Group will face the usual risks, uncertainties and problems associated with the entry

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into any new business in which it has limited prior experience or track record, and there is no assurance that the Group will be able to eliminate or otherwise mitigate such business risks, or that the Proposed New Businesses will be commercially successful. If the Group does not derive sufficient revenue from the Proposed New Businesses effectively, the overall financial position and profitability of the Group may be adversely affected.

The Proposed New Businesses may also require high capital commitment and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets and new businesses. There is no assurance that the Group's experience and expertise will be sufficient, or that the Group will be able to hire employees with the relevant experience and knowledge. There is no assurance that the Group will be able to compete successfully with the existing competitors or new market entrants. For example, the mining for the New Minerals may involve the use of different types of equipment that the Group has no experience with and would have to learn and set up new facilities to process the resources extracted from the relevant mines. These risks, uncertainties and problems include the inability to manage the operations and costs, the failure to attract customers, the failure to provide the results, level of revenue and margins the Group is expecting, the failure to identify, attract, retain and motivate qualified personnel, and the inability to find the suitable joint venture, strategic or other business partners.

As such, positive impact may not be experienced by the Group immediately, or at all. If the Group fails to manage transactions relating to the Proposed New Businesses profitably, it may result in the Group's expansion plans not being met, and may affect its business, operations and financial condition.

- (k) The Group evaluation of the Proposed New Businesses involves reserve and resource estimates, which are subject to change; further the Group may be unable to identify and secure new projects beyond the Relevant Subsidiaries to grow the Proposed New Businesses

The Group evaluates the viability of a potential investment on several factors, including the mineral reserve and resource estimates. Such estimates are based on certain assumptions and involve expressions of judgment based on various factors such as knowledge, experience and industry practice, and the accuracy of these estimates may be affected by many factors, including the quality of the results of exploration drilling and analysis of mineral samples, as well as the procedures adopted by and the experience of, the person making the estimates. Estimates of the reserves and resources may change significantly when new information becomes available or new factors arise, and interpretations and deductions on which reserves and resource estimates are based may prove to be inaccurate. Following investment into a project, the Group may encounter mineralisation different from that predicted by past drilling, sampling and similar examination, and in such cases, mineral resource and/or reserve estimates may have to be adjusted downward. This downward adjustment could materially affect the development and mining plans, which could materially and adversely affect the Group's business, results of operations and financial condition.

The continued performance and success of the Proposed New Businesses also depends on the Group's ability to identify profitable projects (beyond the Relevant Subsidiaries) and following such identification, to successfully implement and complete such projects. The project may take the form of securing a new site for exploration or investing in or acquiring and operating existing mines, among others. This ability may be negatively affected by various factors, including competition for new sites from other competitors, changes to the general economic conditions in countries where the Group intends to operate its Proposed New Businesses or the acquisition price of these projects may be very high due to high demand from other investors. There is thus no guarantee that the Group will always be successful in identifying suitable projects or completing such projects profitably. The Group's inability to identify and secure projects at commercially acceptable prices could impair its ability to compete with other competitors and materially and adversely affect the Group's ability to grow the Proposed New Businesses.

- (l) The Group may face competition from existing competitors and new market entrants

The Group may face competition from existing as well as other new entrants to the Proposed New Businesses. Some of these competitors may have greater financial and/or other resources, operating histories, or may be better entrenched in the markets they operate in. There is no assurance that the Group will be able to compete successfully with the existing competitors or new market entrants. In the event the Group is unable to compete effectively or respond with appropriate measures, the Group's business, financial performance, financial condition and cash flow may be adversely affected.

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(m) Future acquisitions, joint ventures or investments may expose the Group to increased risks

Following the Proposed Diversification, the Group will, as a matter of business strategy, undertake larger investments in or acquisitions of other entities in the Proposed New Business. Acquisitions that the Group may undertake, along with potential joint ventures and other investments, may expose the Group to additional business and operating risks and uncertainties, including but not limited to the following:

- (i) the direct and indirect costs in connection with such transactions;
- (ii) the inability to effectively integrate and manage the acquired businesses;
- (iii) the inability of the Group to exert control over the actions of its joint venture partners, including any non-performance, default or bankruptcy of the joint venture partners;
- (iv) the inability of the Group to exert control over strategic decisions made by these companies;
- (v) the time and resources expended to coordinate internal systems, controls, procedures and policies;
- (vi) the disruption in ongoing business and diversion of management's time and attention from other business concerns;
- (vii) the risk of entering markets in which the Group may have no or limited prior experience;
- (viii) the potential loss of key employees and customers of the acquired businesses;
- (ix) the risk that an investment or acquisition may reduce the Group's future earnings; and
- (x) exposure to unknown liabilities.

If the Group is unable to successfully implement its acquisition or extension strategy or address the risks associated with such acquisitions or extensions, or if the Group encounters unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the extension of operations, the Group's growth and ability to compete may be impaired, and the Group may fail to achieve acquisition synergies and instead be required to focus resources on integration of operations, rather than on its business. This will have a negative impact on the financial performance of the Group.

Activities to extend its operations may also bring the Group into contact, directly or indirectly, with new entities or new markets. These business activities expose the Group to new and enhanced risks including reputation risks arising from dealing with a range of new counterparties, along with these activities bringing exposure to the range of risks described in this Circular. If any of the above risks materialise, the Group's business, results of operations and financial condition may be materially and adversely affected.

(n) The Proposed New Businesses will be dependent on the recruitment and retention of qualified employees and consultants for its operations and profitability and may be affected by a shortage of skilled resources

In addition to the existing management team, the Company may recruit appropriate management resources for its Proposed New Businesses to provide guidance, and/or approach investment partners to jointly undertake the projects coming within the Proposed New Business. The Company cannot guarantee that it will not experience initial operational difficulties or disputes with its investment partners or that its operations will achieve the expected level of revenue and profitability. The growth of the Proposed New Businesses will be dependent on the Group's ability to identify, recruit, train and retain qualified employees to form a relevant and strong management team with the requisite technical expertise to oversee the operations of the Proposed New Business. The competition for qualified personnel in the Proposed New Businesses may be intense, and the loss of services of one or more of such individuals without adequate replacement, or the inability to attract qualified personnel at a reasonable cost, could have a material and adverse effect on the Group's business, financial condition, results of operations and prospects.

(o) The Group is subject to the Malaysian regulatory regime and its business is subject to political, economic, regulatory and social conditions in Malaysia

The Proposed New Businesses (to the extent that operations take place in Malaysia) and the Relevant Subsidiaries, are subject to various Malaysian laws, regulations, policies, guidelines, standards and requirements in relation to, among other things, mine exploration, development, production, taxation, labour standards, occupational health and safety, waste treatment and environmental protection and operation management. Any changes to the laws, regulations, policies, standards and requirements

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concerning any of the aforesaid matters (including any change to the policy regarding the grant of the mining lease or mining rights in Malaysia that is unfavourable to our Group) or to the interpretation or enforcement thereof may increase our operating costs and/or may affect our Group adversely. There is no assurance that the Group will be able to comply with any new Malaysian laws, regulations, policies, standards and requirements applicable to the mining industry or any changes in existing laws, regulations, policies, standards and requirements economically or at all. Further, any such new Malaysian laws, regulations, policies, standards and requirements or any such change in existing laws, regulations, policies, standards and requirements may also constrain our future expansion plans and adversely affect the financial results and financial position of the Group.

Additionally, the Group's business operations are also dependent on the political, economic, and social conditions in Malaysia. Any changes in the policies implemented by the government of Malaysia which may result in currency and interest rate fluctuations, inflation, capital restrictions, price and wage controls, expropriation and changes in taxes and duties detrimental to our business may materially affect the Group's operations, financial performance and future growth. In particular, in the event of expropriation, the Group may not be able to continue its business as the Group would not be able to enforce any mining or exploration rights the Group had obtained, or receive any compensation for the loss of such mining or exploration rights. Unfavourable changes in the social, economic and political conditions of Malaysia or in the Malaysian government policies in the future may have a negative impact on the operations and business in Malaysia, which will in turn adversely affect the overall financial performance of our Group. Malaysia's foreign exchange control may also limit our ability to utilise our cash effectively and affect our ability to receive dividends and other payments from the Relevant Subsidiaries.

(p) The Group is subject to risks associated with the operation of businesses outside of Malaysia in respect of the Proposed New Businesses

To the extent the Group does not plan to restrict the Proposed New Businesses to any specific geographical market, there are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and the business, results of operations and financial position of the Group may be adversely affected.

Specifically, the Group will have to comply with the applicable laws and regulations in the jurisdiction(s) in which it operates, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Any changes in applicable laws and regulations could result in higher compliance costs and materially and adversely affect the Group's business, results of operations and financial condition. Further, the revenue from the Proposed New Businesses may be generated from overseas markets and in foreign currencies. To the extent that the Group's revenue, purchases and operating costs are not matched in the same currency and to the extent there are timing differences between invoicing and collection of payment, as the case may be, the Group may be exposed to any unfavourable fluctuations of such currencies of the jurisdictions in which the Group will be engaging in to conduct the Proposed New Businesses, and the Group's operating results may be materially or adversely affected.

(q) The Proposed New Businesses may be affected by outbreaks of diseases and other events that are beyond the Group's control

The Proposed New Businesses is susceptible to outbreaks of diseases and other events beyond the Group's control which may lead to many uncertainties and cause disruptions to parts of its business and have an adverse effect on its business operations and financial performance. The Proposed New Businesses may also be materially and adversely impacted if the Group's employees, customers, and suppliers of the Proposed New Businesses are affected by such occurrences and are unable to contribute or provide in their respective capacities in a manner acceptable to the Group. The Group may also be unable to proceed with its usual business operations due to control orders imposed by the government in view of any outbreak of any contagious disease.

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2.9 Future Plans and Prospects

The Group will continue with its Existing Business and remains committed to the continuance of the Existing Business for so long as it remains viable. The entry into the Proposed New Businesses is intended to be a diversification of the Group's Existing Business as part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. The Proposed Diversification will offer new business opportunities and provide the Group with new revenue streams so as to enhance Shareholders value for the Company.

2.10 Changes to the Board of Directors Arising from the Proposed Diversification

There will be no new appointment to the Board of Directors arising from the Proposed Diversification.

2.11 Financial Effects of the Proposed Diversification

As at the Latest Practicable Date, the Company has no affirmative and binding plans in relation to the Proposed New Businesses that is expected to have a significant or material impact on the Company's NTA per Share and EPS for FY2024. In particular, the proposed mining of the New Minerals by the Relevant Subsidiaries is still in a very early phase of prospecting and exploration (in the case of Saga Mineral Sdn. Bhd. and Kencana Primary Sdn. Bhd.), testing and commissioning (in the case of CASB) and environmental impact assessment (in the case of FDSB). Details of the Relevant Subsidiaries have been set out in Section 2.2 above.

The Company will make the necessary announcements as and when appropriate, in the event the Group enters into any affirmative and/or binding transactions or if there are any developments in relation to the Proposed Diversification and/or the Proposed New Businesses that may have a material impact on the Group.

2.12 Financial Reporting

For the purposes of reporting the financial performance of the Group, in accordance with the applicable accounting standards and the Catalist Rules, where the financial result of any part of the Proposed New Businesses is material, it will be accounted for and disclosed as a separate business segment in the Group's financial statements. The Group's financial statements, which could include the financial results of the Proposed New Businesses, will continue to be periodically announced in accordance with the requirements set out in Chapter 7 of the Catalist Rules.

3. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS INTERESTS

The interests of Directors and Substantial Shareholders in the Shares as recorded in the Register of Directors Shareholdings and Register of Substantial Shareholders, respectively, as at the Latest Practicable Date, are as follows:

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾	No. of shares	% ⁽¹⁾
Directors						
Dato' Sri Ivan Chee Yew Fei ⁽²⁾	530	0.00	253,249,470	48.39	253,250,000	48.39
Ng Mun Fey ⁽³⁾	-	-	36,593,750	6.99	36,593,750	6.99
Teh Lip Kim ⁽⁴⁾	1,679,300	0.32	166,465,625	31.81	168,144,925	32.13
Loong Ching Hong ⁽⁵⁾	2,026,000	0.39	5,234,375	1.00	7,260,375	1.39
Chew Wai Chuen	-	-	-	-	-	-
Willa Chee Keng Fong	-	-	-	-	-	-
Anita Chew Cheng Im	-	-	-	-	-	-
Goh Kah Im	-	-	-	-	-	-

LETTER TO SHAREHOLDERS

Substantial Shareholders (other than Substantial Shareholders who are Directors)

Y F Chee Holdings Pte. Ltd.	216,655,720	41.40	-	-	216,655,720	41.40
Greger International Sdn. Bhd.	36,593,750	6.99			36,593,750	6.99
SDB Mining Sdn. Bhd. ⁽⁴⁾⁽⁶⁾	154,937,500	29.61	-	-	154,937,500	29.61
Selangor Dredging Berhad ⁽⁶⁾	-	-	-	-	-	-
Teh Wan Sang & Sons Sdn. Bhd. ⁽⁶⁾⁽⁷⁾	4,200,000	0.80	154,937,500	29.61	159,137,500	30.41
Teh Lip Bin ⁽⁸⁾	-	-	159,137,500	30.41	159,137,500	30.41

Notes:

- (1) Based on the total number of 523,316,100 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date. The Company does not have any Treasury Shares or subsidiary holdings. Percentage figures are rounded to the nearest two (2) decimal places.
- (2) Dato' Sri Ivan Chee Yew Fei is deemed interested in (a) the 216,655,720 Shares held by Y F Chee Holdings Pte. Ltd. as he owns one hundred per cent. (100%) of the issued share capital of Y F Chee Holdings Pte. Ltd. and (b) the 36,593,750 Shares held by Greger International Sdn. Bhd. as he holds seventy per cent. (70%) of the issued share capital of Greger International Sdn. Bhd.
- (3) Ng Mun Fey is deemed interested in the 36,593,750 Shares held by Greger International Sdn. Bhd. as he holds thirty per cent. (30%) of the issued share capital of Greger International Sdn. Bhd.
- (4) Teh Lip Kim is deemed interested in (a) the 7,328,125 Shares in the Company held by Smith St Investment Pte. Ltd. as she holds one hundred per cent. (100%) of the issued share capital of Smith St Investment Pte. Ltd.; (b) the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as she holds (directly and indirectly) approximately sixty point three five per cent. (60.35%) of the issued shares of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.; and (c) the 4,200,000 Shares held by Teh Wan Sang & Sons Sdn. Bhd. which is owned by members of the Teh family which includes Teh Lip Kim. Teh Lip Kim and Teh Lip Bin, who are siblings.
- (5) Loong Ching Hong is deemed interested in the 5,234,375 Shares held by Western Capital Sdn. Bhd. as he owns one hundred per cent. (100%) of the issued share capital of Western Capital Sdn. Bhd.
- (6) Selangor Dredging Berhad is deemed interested in the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as it holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.
- (7) Teh Wan Sang & Sons Sdn. Bhd. is deemed interested in the 154,937,500 Shares held by SDB Mining Sdn. Bhd., as it holds twenty-three point one zero per cent. (23.10%) of the issued share capital of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd.
- (8) Teh Lip Bin is deemed interested in (a) the 154,937,500 Shares held by SDB Mining Sdn. Bhd. as he holds (directly and indirectly) approximately thirty-nine point eight four per cent. (39.84%) of the issued share capital of Selangor Dredging Berhad, which in turn holds one hundred per cent. (100%) of the issued share capital of SDB Mining Sdn. Bhd. and (b) the 4,200,000 Shares held by Wan Sang & Sons Sdn. Bhd. which is owned by members of the Teh family which includes Teh Lip Bin. Teh Lip Kim and Teh Lip Bin, who are siblings.

None of the Directors, Substantial Shareholders or their respective associates, have any interest, direct or indirect, in the Proposed Diversification, other than through their respective shareholding interest (if any) in the Company.

LETTER TO SHAREHOLDERS

4. DIRECTORS RECOMMENDATION

The Board, having carefully considered the terms and rationale of the Proposed Diversification, are of the view that the Proposed Diversification is in the best interests of the Company and accordingly, recommend that Shareholders vote in favor of the ordinary resolution to approve the Proposed Diversification.

Shareholders, in deciding whether to vote in favour of the Proposed Diversification, should read carefully the rationale for and information relating to the Proposed Diversification. In giving the above recommendation, the Board has had no regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his/her/its specific investment portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which has been announced on 12 June 2023, will be held at Esplanade Room 1, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on 28 June 2023 at 2:30 p.m. (or as soon as thereafter following the conclusion or adjournment of the AGM of the Company to be held at 2:00 p.m. on the same day) for the purposes of considering and, if thought fit, passing, with or without modification, the ordinary resolution relating to the Proposed Diversification.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

The EGM is being convened and will be held in a wholly physical format pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be no option for the members to participate virtually. Printed copies of the Notice of EGM and Proxy Form will not be sent to members of the Company. Instead, these documents will be made available to members via publication on the Company's website at the URL <https://www.fortress.sg> and made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. The members of the Company may participate in the EGM by:

- (a) attending the EGM in person;
- (b) raising questions at the EGM or submitting questions in advance of the EGM; and/or
- (c) voting at the EGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

Members will need to bring along their NRIC/passport so as to enable the Company to verify their identity.

A member who is unable to attend the EGM and wishes to appoint proxy(ies) to attend, speak and vote at the EGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon. The proxy need not be a member of the Company. In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the EGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:

- (i) if sent personally or by post, by depositing a physical copy at the registered office of the Company at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896; or

LETTER TO SHAREHOLDERS

- (ii) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S Private Limited at main@zicoholdings.com,

in either case, by 2:30 p.m. on 25 June 2023 (being not less than seventy-two (72) hours before the time fixed for holding the EGM).

A member who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form as set out in pages N-5 to N-6 of this Circular, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Shareholders should refer to the Notice of EGM as set out in pages N-1 to N-4 of this Circular, for further information, including the steps to be taken by Shareholders to participate at the EGM.

7. LEGAL ADVISER

The Company has appointed Shook Lin & Bok LLP as its legal adviser in respect of the Proposed Diversification.

8. CONSENT

Shook Lin & Bok LLP, named as the legal adviser to the Company in respect of the Proposed Diversification, has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

9. DIRECTORS RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Diversification, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The Constitution of the Company, annual report of the Company for FY2023 and the letter of consent from the legal adviser to the Company (referred to in Section 8 above) are available for inspection at the registered office of the Company at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, during normal business hours from the date of this Circular up to and including the date of the EGM.

This Circular is also available on the Company's corporate website at <https://www.fortress.sg> and SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Yours faithfully
For and on behalf of the Board of Directors of
FORTRESS MINERALS LIMITED

Dato' Sri Ivan Chee Yew Fei
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

FORTRESS MINERALS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201732608K)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of **FORTRESS MINERALS LIMITED** (the “**Company**”) will be held at Esplanade Room 1, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Wednesday, 28 June 2023 at 2:30 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2:00 p.m. on the same day), for the purpose of considering and, if thought fit, passing with or without any modifications, the resolution as set out below.

*Unless otherwise defined, all capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular issued by the Company to its Shareholders dated 12 June 2023 (the “**Circular**”).*

ORDINARY RESOLUTION: PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS

RESOLVED THAT pursuant to the Constitution:

- (a) approval be and is hereby given for the Company to diversify into, and undertake, the Proposed Diversification, including entry by the Company into any contracts, agreements, arrangements and undertakings as the Directors may deem desirable, necessary or expedient to undertake, or relating to, the Proposed Diversification;
- (b) subject to compliance with all applicable laws and regulations, the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the New Businesses on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors and each of them be and are hereby authorised to do all acts and things, and to approve, modify, ratify and execute such documents, acts and things as they or each of them deem desirable, necessary, or expedient to give effect to the diversification of the Group’s business to include the New Businesses as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company to give full effect to this Resolution.

BY ORDER OF THE BOARD

Dato’ Sri Ivan Chee Yew Fei
Executive Director and Chief Executive Officer
12 June 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Attendance

The EGM will be held in a wholly physical format, at Esplanade Room 1, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on Wednesday, 28 June 2023 at 2.30 p.m. pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be no option for the members to participate virtually.

Members must bring along their NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process and are advised not to attend the EGM if they are feeling unwell. Members are strongly encouraged to exercise social responsibility to rest at home and consider appointing a proxy(ies) to attend the Meeting. We encourage members to mask up when attending the EGM.

A member who is unable to attend the EGM and wishes to appoint proxy(ies) to attend, speak and vote at the EGM on his/her/its behalf should complete, sign and return the instrument of proxy in accordance with the instructions printed thereon. The proxy need not be a member of the Company.

2. Notice of EGM and the Circular

Printed copies of this Notice of EGM and Proxy Form will not be sent to members of the Company. Instead, these documents will be made available to members via publication on the Company's website at the URL <https://www.fortress.sg> and made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

3. Submission of Questions in Advance

Members may submit questions related to the resolutions to be tabled for approval for the EGM in advance of the EGM within seven (7) calendar days from the date of this Notice of EGM, i.e. no later than 2.30 p.m. on 20 June 2023:

(i) email to corporate@fortress.sg; or

(ii) post to the Company's registered office at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

The Company will address all substantial and relevant questions submitted prior to the EGM by publishing the responses to such questions on the Company's corporate website and on SGXNet by 2.30 p.m. on 23 June 2023. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions received after 2.30 p.m. on 23 June 2023 which have not already been addressed prior to the EGM, at the EGM itself. For questions addressed during the EGM, the responses to such questions will be included in the minutes of the EGM which will be published on the Company's corporate website and on SGXNet within one (1) month after the EGM.

4. Voting

Live voting will be conducted during the EGM for members and Proxy(ies) attending the EGM.

In relation to the appointment of proxy(ies) to attend, speak and vote on his/her/its behalf at the EGM, a member (whether individual or corporate) appointing his/her/its proxy(ies) should give specific instructions as to his/her/its manner of voting, or abstentions from voting, in respect of a resolution in the instrument of proxy. If no specific instructions as to voting are given, or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) will vote or abstain from voting at his/her/their discretion.

For investors who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967 of Singapore), including Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM. CPF/SRS Investors should contact their respective CPF Agent Banks or SRS Operators for any queries they may have with regard to the appointment of proxy for the EGM.

A member who is not a Relevant Intermediary (defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote on his/her/its behalf at the EGM. Where such member appoints two (2) proxies, the proportion of his shareholding to be represented by each proxy shall be specified. If no proportion is specified, the

NOTICE OF EXTRAORDINARY GENERAL MEETING

Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named.

“**Relevant Intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore:

- (i) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (iii) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The instrument appointing the proxy shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.

A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.

If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the Chairman as proxy will vote or abstain from voting at his discretion.

Shareholders who wish to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting the signed Proxy Form through any one of the following means:

- (i) if submitted by post, be lodged at the Company’s registered address at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (ii) if submitted electronically, be submitted via email to the Company’s Share Registrar, B.A.C.S Private Limited at main@zicoholdings.com,

in either case, by no later than 2:30 p.m. on 25 June 2023 (the “**Cut-off time**”), being seventy-two (72) hours before the time appointed for holding the EGM.

Where a Proxy Form is signed on behalf of the appointer by an attorney, the letter or the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form (or if submitted electronically via email, be emailed with the Proxy Form), failing which the Proxy Form may be treated as invalid. The Proxy Form must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to the Companies Act 1967 of Singapore is applicable at this EGM.

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy(ies). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if the members, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Further developments

Members should note that the manner of conduct of the EGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conduct of the EGM will be announced by the Company on SGXNet and the Company's website at the URL <https://www.fortress.sg>. Members are advised to check SGXNet and the Company's website regularly for further updates.

The Company seeks the understanding and co-operation of all members in enabling the Company to hold and conduct the EGM in compliance with the safe distancing measures to stem the spread of COVID-19 infections.

Personal data privacy:

By submitting (a) a Proxy Form appointing a proxy(ies) to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) The member's particulars for pre-registration to contemporaneously observe the EGM proceedings, or (c) any questions prior to the EGM in accordance with this Notice of EGM, the member consents to the collection, use and disclosure of the member's personal data by the Company (or its agents, advisers or service providers, as the case may be) for the following purposes:

- (i) processing and administration by the Company (or its agents, advisers or service providers, as the case may be) of the Proxy Form appointing a proxy(ies) for the EGM (including any adjournment thereof);
- (ii) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (iii) processing of pre-registration for participation at the EGM for purpose of granting access to members to the EGM and providing them with any technical assistance when necessary;
- (iv) addressing relevant and substantial questions related to the resolutions to be tabled for approval at the EGM from members received before the relevant time prior to the EGM and if necessary, following up with the relevant members in relation to such questions; and
- (v) enabling the Company (or its agents, advisers or service providers, as the case may be) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Sound and/or video recordings of the EGM may be made by the Company for record keeping and to ensure the accuracy of the minutes of the EGM. Accordingly, the personal data of a member (such as name, presence at the EGM and any questions raised or motions proposed/seconded) may be recorded by the Company for such purposes.

PROXY FORM

FORTRESS MINERALS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201732608K)

PROXY FORM EXTRAORDINARY GENERAL MEETING

The Notice of EGM dated 12 June 2023 and this Proxy Form has been made available on Company's website at the URL <https://www.fortress.sg> and on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

Please read the notes overleaf before completing this Proxy Form.

IMPORTANT:

1. The Extraordinary General Meeting ("EGM") will be held in a wholly physical format at the venue, date and time stated below pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be no option to participate virtually.
2. Arrangements relating to registering in person to attend the EGM, submission of questions, addressing of substantial and relevant questions and voting at the EGM are set out in the Notice of EGM dated 12 June 2023.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investors") and/or Supplementary Retirement Scheme ("SRS Investors") and wishes to vote should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes to appoint their proxy(ies) at the EGM at least seven (7) working days before the EGM.
4. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*, _____ (Name)
with NRIC/Passport/Company Registration
Number* _____ of _____ (Address) being a
member/members* of **FORTRESS MINERALS LIMITED** ("Company"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
*and/or			

or if no persons are named above, the Chairman of the Meeting as my/our* proxy, to attend and vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Esplanade Room 1, Level 3 of Singapore Recreation Club, B Connaught Drive, Singapore 179682 on 28 June 2023 at 2:30 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day) and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against or to abstain from voting on the resolution(s) to be proposed at the EGM as indicated hereunder.

Voting will be conducted by poll. If you wish your proxy/proxies to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" or a "✓" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" or a "✓" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the below resolutions if no voting instruction is specified, and on any other matter arising at the EGM and at any adjournment thereof.

Ordinary Resolution(s)	For	Against	Abstain
To approve the Proposed Diversification			

* Please delete as appropriate

Dated this _____ day of _____ 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Member(s) /
Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular issued by the Company to the Shareholders dated 12 June 2023 (the "Circular"), including supplements and modifications thereto.

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the register of members of the Company (the "**Register of Members**"), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy(ies) (the "**Proxy Form**") shall be deemed to relate to all the shares held by you.
2. A member (whether individual or corporate) may appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM, but this is not mandatory.
3. A proxy need not be a member of the Company.
4. Where a member (whether individual or corporate) appoints a proxy(ies), he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the proxy(ies) for that resolution will be treated as invalid.
5. The instrument appointing a proxy(ies) must be duly executed and submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged at the Company's registered address at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
 - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S Private Limited at main@zicoholdings.com,
6. in either case, by no later than 2:30 p.m. on 25 June 2023, being seventy-two (72) hours before the time appointed for holding the EGM.
7. Where a Proxy Form is signed on behalf of the appointer by an attorney, the letter or the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form (or if submitted electronically via email, be emailed with the Proxy Form), failing which the Proxy Form may be treated as invalid.
8. The Proxy Form must be under the hand of the appointer or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The dispensation of the use of common seal pursuant to the Companies Act 1967 of Singapore is applicable at the EGM.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy(ies). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged if the members, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 June 2023.