M M P RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Registration No: 200613299H)

EXECUTION OF NON-BINDING HEADS OF AGREEMENT WITH JRT TRADING LIMITED

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of MMP Resources Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had entered into a non-binding heads of agreement (the "**HOA**") with Clayton Anthony Kernaghan (the "**Vendor**") in respect of the proposed acquisition (the "**Proposed Acquisition**") of the entire issued share capital of JRT Trading Limited ("the "**Target**"). The HOA is intended to be a basis for further negotiations and save for certain exclusivity and confidentiality obligations, does not constitute any legally binding obligation on the Company and the Vendor (collectively, the "**Parties**").

2. INFORMATION ON THE TARGET

The Target is a 10 year old premier mechanised ski (Heli and Snowcat) operator that manages a ski lodge, a Hokkaido tour business and rental business based in Higashiyama, a town located in Niseko, Abuta District, Shiribeshi Subprefecture in Hokkaido, Japan.

The Target's main operations include the operating and/or the running of (i) the Black Diamond Tours, (ii) the Hokkaido Backcountry Club, (iii) the Black Diamond Lodge, and (iv) the Chisenupuri Ski Area leases (which are subject to the final invoice from the town of Rankoshi for ¥10,000,000 and the subsequent lease agreement from the government of Hokkaido for the land usage). The Vendor's Niseko Car Rental operations are not part of this Agreement and are not being considered by MMPR.

The Target additionally owns a two-storey building and associated property of 1,394.4sqm where BDT and HBC are located.

3. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's corporate strategy to focus on construction opportunities, asset acquisitions and brand growth in Tier-1 markets, with a specific focus on the travel, hospitality and leisure industry.

MMPR intends to refurbish and construct additional retail space within the Target's building; bring in several new retail and F&B anchor tenants, which are aligned to provide MMPR with JV opportunities and enhanced revenue models.

4. SALIENT TERMS OF THE HOA

4.1 Purchase Consideration

The purchase consideration for the Proposed Acquisition shall be approximately ¥80,000,000 (the "**Consideration**"), as well as the repayment, over two years, of an existing loan of ¥37,500,000 which the Target owes to such number of loan holders. The Consideration shall be fulfilled by way of a cash payment from the Company to the Vendor.

4.2 Term

The terms of the HOA will remain valid for sixty (60) calendar days from the date of execution of the HOA unless otherwise agreed in writing between the Parties (the "**Term**").

4.3 Entry into the Definitive Agreements

(a) The entry by the relevant parties into the definitive agreements is subject to the following:

(i) the terms of the definitive agreements being satisfactory to each of the relevant parties; and

(ii) the Company being satisfied of the result of its due diligence exercise on the Target including the legal, financial and other information provided to the Company by the Target in respect of its asset and business. During the Term, the Target will provide all reasonable assistance to the Company to enable the Company to complete its due diligence investigations.

(b) The Parties agree to negotiate the content of the definitive agreements in good faith and that such negotiation may contemplate the replacement or addition of entities into the definitive agreements subject to the express written consent of the other Party which is not to be unreasonably withheld.

(c) The Parties will use their reasonable endeavours to execute the definitive agreements within the Term.

(d) The Company will use its reasonable endeavours to provide the Vendor with a draft of the definitive agreements within thirty (30) days from the date of the HOA.

4.4 Completion and Conditions Precedent

Completion of the Proposed Acquisition will occur within sixty (60) business days after the satisfaction of, among others, the following conditions precedent:

(a) the Target providing acceptable financial returns for the preceding three (3) years; and

(b) completion of the due diligence exercise by the Company and the results of such due diligence being to the absolute satisfaction of the Company.

4.5 Termination

(a) Either of the Parties may terminate the negotiations at any time prior to the execution of the definitive agreements after giving forty-eight (48) hours' notice to the other Party.

(b) Unless otherwise agreed in writing by the Parties, the HOA shall automatically terminate if the definitive agreements are not signed for any reason whatsoever on or before sixty (60) days from the signing of the HOA.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective shareholdings, if any, in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

6. REPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that,

to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

7. FURTHER ANNOUNCEMENTS

As the terms of the Proposed Acquisition have not been finalised, the Company will release further announcements to inform Shareholders when there are material developments in respect of the Proposed Acquisition.

8. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. As at the date of this announcement, no definitive documentation has been executed in relation to the Proposed Acquisition and accordingly, there is no certainty or assurance that (i) the definitive agreements will be entered into, (i) the final terms of the definitive agreements with respect to the Proposed Acquisition will not change from that in the HOA, and (iii) the Proposed Acquisition will materialise. The Company will provide further details in subsequent announcements in accordance with the listing rules of the Singapore Exchange Securities Trading Limited at the appropriate junctures. Shareholders and potential investors are advised to consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Paul Andrew Crosio
Executive Director
4 July 2016