M M P RESOURCES LIMITED

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

PROPOSED ISSUE OF CONVERTIBLE NOTES DUE 2017 FOR AN AGGREGATE PRINCIPAL AMOUNT OF UP TO S$600,000

---

*The Board of Directors ("**Board**") of MMP Resources Limited (the "**Company**" and together with its subsidiaries the "**Group**") refers to the Company's announcements on 2 March 2016 and 19 April 2016 (the "**Announcements**") on the proposed issue of up to S$600,000 in aggregate principal amount of Convertible Notes due 2017 (the "**Convertible Notes Issue**"). Unless otherwise defined herein, all terms and references used herein shall bear the same meaning ascribed to them in the Announcements.*

1. INTRODUCTION

Further to the Announcements, the Board wishes to provide Shareholders with more information on the Convertible Notes and Warrants Issue.

2. RATIONALE

The rationale for the Convertible Notes and the Warrants Issue is to repay the Company's outstanding creditors and to allow the Company to market itself to potential investors for further funding to pursue acquisition opportunities as part of its strategic objectives. The Company intends to use the net proceeds of the Convertible Notes Issue and Warrants Issue for the repayment of loans and creditors and operating expenses.

3. USE OF PROCEEDS

The estimated net proceeds from the Convertible Notes Issue, after deducting estimated fees and expenses of approximately S$21,000, is approximately S$579,000 (the "**Net Proceeds**"). On the basis of the foregoing, and assuming that all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants will be approximately S$175,000.

The Net Proceeds will be utilised by the Company in the following estimated proportions:

Use of Proceeds	Percentage allocation
Repayment of loans	25%
Repayment of Creditors	70%
Operating Expenses	5%

The Company will make periodic announcements on the use of the Net Proceeds as and when they are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation when such funds are materially disbursed.

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

The Directors are of the opinion that, after taking into consideration the present bank facilities and Net Proceeds of the Convertible Notes Issue and Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

4. CONDITIONS TO SUBSCRIPTIONS OF THE CONVERTIBLE NOTES

The Convertible Notes Issue is subject to, amongst other things, receipt of all requisite approvals, including, *inter alia*:

(a) the in-principle approval of the SGX-ST (the "**AIP**") being obtained for the listing of the Conversion Shares and New Shares on the SGX-ST; and

(b) Shareholders' approval for the issue of the Convertible Notes, the Warrants and the New Shares.

The Company will make an application to the SGX-ST for the listing of and quotation for the Conversion Shares and New Shares on the Mainboard of the SGX-ST, and will make the necessary announcement upon receipt of the AIP from the SGX-ST.

An extraordinary general meeting will be convened to seek the Shareholders' approval for the Convertible Notes and Warrants Issue. A circular containing further details of the Convertible Notes Issue and Warrants Issue and the convening of an extraordinary general meeting for the purpose of seeking Shareholders' approval will be despatched to Shareholders in due course.

5. ADJUSTMENTS TO CONVERSION PRICE

In accordance with the requirements of Rule 829, the conversion price of the Convertible Notes shall be subject to adjustments in the event of, but not limited to, rights issues, bonus issues, capital distributions or the occurrence of certain other dilutive events in relation to the issued share capital of the Company.

6. TERMS OF WARRANTS

The Warrants will be issued in registered form and will not be listed or traded on the Main Board of the SGX-ST.

Each Warrant, will, subject to the terms and conditions to be set out in a deed poll constituting the Warrants (the "**Deed Poll**"), carry the right to subscribe for one (1) New Share at the Exercise Price, at any time during the period commencing on and including the date of issue of the Warrants and expiring on a date immediately preceding the second (2^{nd}) anniversary of the date of issue of the Warrants (the "**Exercise Period**"). The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll.

7. EXEMPTION FROM REQUIREMENT OF PROSPECTUS

The Convertible Notes and Warrants Issue are made in reliance on the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. They are not accompanied by a prospectus that is registered by the Monetary Authority of Singapore.

8. INFORMATION ON THE LENDER

The Board would like to clarify that the Lender, Maiora Asian Structured Finance Fund, is a fund run by Maiora Asset Management Pte. Ltd., a registered fund management company based in Singapore with an Asian focus. The Lender presently owns 135,000,000 Shares, which constitutes approximately 7.87% of Shares in the Company.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Convertible Note Subscription Agreement are available for inspection at the registered office of the Company at 6 Eu Tong Sen Street, #12-20, The Central, Singapore 059817 during normal business hours.

10. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares. The Convertible Notes and the Warrants Issue are subject to the relevant approvals (if any) from the Shareholders and the SGX-ST being obtained, and to such further terms and conditions as are customary in similar transactions. Shareholders are also 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
13 June 2016