



FORTRESS MINERALS LIMITED

(Company Registration No.: 201732608K)

MATERIAL VARIANCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcement dated 26 April 2023.

The board of directors (“**Board**”) of Fortress Minerals Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company relating to its unaudited financial results for the financial year ended 28 February 2023 (“**FY2023**”) (the “**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Company for FY2023 (the “**Audited Financial Statements**”) and the report thereon by the Company's independent auditor included in the Company's annual report for FY2023 which will be released on the SGXNet by 12 June 2023.

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments and reclassifications were made to the Unaudited Financial Statements following the finalisation of the audit by the Company's external auditor.

The material variances between the Unaudited Results and Audited Results are set out below:

Consolidated Statement of Financial Position

Group 28 February 2023	Audited	Unaudited	Variance		Note
	US\$	US\$	US\$	%	
Non-current assets					
Exploration and evaluation assets	6,501,873	6,501,873	-	-	
Mining properties	40,128,657	40,128,657	-	-	
Plant and equipment	22,911,961	22,911,961	-	-	
Right-of-use assets	682,770	682,770	-	-	
Intangible asset	3,010,462	3,267,053	(256,591)	(7.9)	(1)
	<u>73,235,723</u>	<u>73,492,314</u>	(256,591)	(0.3)	
Current assets					
Inventories	4,672,007	4,672,007	-	-	
Trade receivables	3,914,647	3,914,647	-	-	
Other receivables, deposits and prepayments	4,534,959	4,534,959	-	-	
Current income tax receivable	196,637	196,637	-	-	
Financial assets at fair value through profit or loss	1,466,377	1,466,377	-	-	
Cash and bank balances	5,669,596	5,669,596	-	-	
	<u>20,454,223</u>	<u>20,454,223</u>	-	-	
Total assets	<u>93,689,946</u>	<u>93,946,537</u>	(256,591)	(0.3)	

Consolidated Statement of Financial Position (cont'd)

Group	Audited	Unaudited	Variance		
28 February 2023	US\$	US\$	US\$	%	Note
Equity and liabilities					
Equity					
Share capital	22,463,273	22,463,273	-	-	
Other reserves	(7,964,631)	(7,714,468)	(250,163)	3.2	(1)
Retained earnings	47,741,243	48,238,237	(496,994)	(1.0)	(2)
Equity attributable to owners of the Company	62,239,885	62,987,042	(747,157)	(1.2)	
Non-controlling interest	(25,183)	(25,183)	-	-	
Total equity	62,214,702	62,961,859	(747,157)	(1.2)	
Non-current liabilities					
Bank borrowings	7,734,972	7,734,972	-	-	
Lease liabilities	52,133	52,133	-	-	
Deferred tax liabilities	3,577,057	3,086,492	490,565	15.9	(2)
Other payables	2,250,031	2,250,031	-	-	
	13,614,193	13,123,628	490,565	3.7	
Current liabilities					
Bank borrowings	7,129,528	7,129,528	-	-	
Lease liabilities	627,985	627,985	-	-	
Trade payables	1,250,832	1,250,832	-	-	
Other payables and accruals	8,759,330	8,759,329	-	-	
Amounts due to directors	36,757	36,757	-	-	
Current income tax payables	56,619	56,619	-	-	
	17,861,051	17,861,050	-	-	
Total liabilities	31,475,244	30,984,678	490,566	1.6	
Total equity and liabilities	93,689,946	93,946,537	(256,591)	(0.3)	

Notes:

- (1) The variance is due to foreign currency translation adjustments from Ringgit Malaysia to United States Dollar.
- (2) The variance is due to the adjustments made for deferred tax as disclosed in Note (4).

Consolidated Statement of Comprehensive Income

Group 28 February 2023	Audited	Unaudited	Variance		Note
	US\$	US\$	US\$	%	
Revenue	53,547,150	53,547,150	-	-	
Cost of sales	<u>(15,795,541)</u>	<u>(15,795,541)</u>	-	-	
Gross profit	37,751,609	37,751,609	-	-	
Interest income	33,297	33,297	-	-	
Other income	80,668	435,845	(355,177)	(81.5)	(3)
Selling and distribution expenses	(6,833,410)	(6,833,410)	-	-	
Other operating expenses	(9,175,357)	(9,175,357)	-	-	
Administrative expenses	(1,500,797)	(1,855,974)	355,177	(19.1)	(3)
Fair value changes on contingent consideration	(1,786,924)	(1,786,924)	-	-	
Finance costs	<u>(1,012,514)</u>	<u>(1,012,514)</u>	-	-	
Profit before income tax	17,556,572	17,556,572	-	-	
Income tax expense	<u>(5,461,385)</u>	<u>(4,964,391)</u>	(496,994)	10.0	(4)
Profit for the financial year	12,095,187	12,592,181	(496,994)	(3.9)	
Other comprehensive (loss):					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	<u>(3,770,807)</u>	<u>(3,520,649)</u>	(250,158)	7.1	(1)
Other comprehensive loss for the financial year, net of tax	<u>(3,770,807)</u>	<u>(3,520,649)</u>	(250,158)	7.1	
Total comprehensive income for the financial year	<u>8,324,380</u>	<u>9,071,532</u>	(747,152)	(8.2)	
Profit/(Loss) for the financial year attributable to:					
- Owners of the Company	12,116,676	12,613,670	(496,994)	(3.9)	(4)
- Non-controlling interest	<u>(21,489)</u>	<u>(21,489)</u>	-	-	
	12,095,187	12,592,181	(496,994)	(3.9)	
Total comprehensive income/(loss) for the financial year attributable to:					
- Owners of the Company	8,344,584	9,091,741	(747,157)	(8.2)	(1, 4)
- Non-controlling interest	<u>(20,204)</u>	<u>(20,209)</u>	5	nm	
	<u>8,324,380</u>	<u>9,071,532</u>	(747,152)	(8.2)	

Notes:

- (3) The variance is due to reclassification from administrative expenses to other operating income to net-off foreign exchange differences for presentation purposes in the audited financial statements.
- (4) The variance is due to adjustments made for deferred tax in a subsidiary.
- (5) There were no material differences between the audited and unaudited consolidated statement of cash flows for the financial year ended 28 February 2023.

**BY ORDER OF THE BOARD OF
FORTRESS MINERALS LIMITED**

Dato' Sri Ivan Chee Yew Fei
Chief Executive Officer
9 June 2023

*This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 document. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

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