



FORTRESS MINERALS LIMITED

(Company Registration No.: 201732608K)

PROPOSED ACQUISITION OF 10% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF STRATEGIC VENTURE PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

The Board of Directors (“**Board**”) of Fortress Minerals Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 7 May 2025 entered into a share and purchase agreement (the “**SPA**”) with Dato’ Sri Ivan Chee Yew Fei (the “**Vendor**” or “**DSI**”), the Company’s Executive Director and Chief Executive Officer (“**CEO**”), to acquire 10% of the issued and paid-up share capital (comprising 10 ordinary shares) (the “**Sale Shares**”) of Strategic Venture Pte. Ltd. (“**SVPL**”) from the Vendor (the “**Proposed Acquisition**”). Please refer to paragraph 2 below for information on the shareholdings of SVPL.

As the Vendor is the Company’s Executive Director and CEO, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Catalyst Rules (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Please refer to paragraph 2 of this announcement for further details on SVPL and paragraph 5 of this announcement for further details on the Proposed Acquisition as an interested person transaction.

On 28 June 2023, Shareholders have granted the Company a diversification mandate to extend its core business to include, amongst others, new minerals (the “**Diversification Mandate**”). The Proposed Acquisition is made pursuant to the Diversification Mandate.

2. INFORMATION ON SVPL

SVPL is a private limited company incorporated in Singapore with its registered address at 62 UBI Road 1, #08-03, Oxley Bizhub 2, Singapore 408734. SVPL has two directors being Dato’ Sri Ivan Chee Yew Fei and Chee Sook Ping.

SVPL is the holding company of Cheroh Mining PNG Limited (“**Cheroh PNG**”) which is in the business of minerals exploration and mining in Papua New Guinea (“**PNG**”). Cheroh PNG has obtained an exploration licence over such area known as EL2396 which is located in West Coast Manus, Manus Province and will be applying for the relevant operation licence to carry out mining operations over EL2396.

SVPL currently has an issued and paid-up share capital of S\$100 comprising 100 ordinary shares held by the parties set out below in the proportion as follows:

<u>Name</u>	<u>Number of ordinary shares in the SVPL</u>	<u>Percentage</u>
Cheong Chang Kok	20	20%
Chee Sook Ping	1	1%
Chee Yew Fei	79	79%
TOTAL	100	100%

Upon Completion (as defined below), the proportion of the shareholdings in SVPL shall be as follows:

<u>Name</u>	<u>Number of ordinary shares in the SVPL</u>	<u>Percentage</u>
Cheong Chang Kok	20	20%
Chee Sook Ping	1	1%
Chee Yew Fei	69	69%
Fortress Minerals Limited	10	10%
TOTAL	100	100%

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Board is of the opinion that the Proposed Acquisition is beneficial to the Group for the following reasons:

(a) Resource Diversification

Investing in bauxite mining allows the Group to diversify its resource base. This strategic move mitigates risks associated with market fluctuations on a single commodity and positions the Group to capitalise on the growing demand for aluminium, essential for various industries including automotive, aerospace, construction and in renewable energy.

(b) Alignment with Sustainability Goals

Investing in bauxite mining aligns with global sustainability initiatives, particularly in the area of energy transition. Bauxite is a critical raw material for aluminium production, which is increasingly used in renewable energy infrastructure and electric vehicles. By securing a stake in bauxite mining, the Group can position itself within the green metals supply chain, contributing to the global decarbonisation efforts.

(c) Economic Upside

With rising global demand for aluminium, the economic potential of bauxite assets is expected to grow. The Proposed Acquisition offers the prospect of long-term capital appreciation and future dividend income, supporting the Group's financial objectives.

(d) **Strategic Alignment with Group Vision and Mission**

The Proposed Acquisition aligns with the Group's Diversification Mandate, the vision to expand into strategic mineral resources and its mission to deliver sustainable value to stakeholders through responsible and income-generating ventures.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

4.1 Defined Terms under the SPA

Where the context so admits, the following words and expressions shall have the following meanings:

“Authority”	: any government or governmental, administrative, fiscal, judicial, or government-owned body, department, commission, authority, tribunal, agency or other fiscal, monetary or other authority;
“Cheroh PNG”	: refers to Cheroh Mining PNG Limited (Company Registration No: 1-107492), a wholly owned subsidiary of SVPL in the business of minerals exploration and mining in Papua New Guinea.
“Completion”	: means completion of the transfer of the Sale Shares to the Company;
“Conditions Precedent”	: means the conditions set out under paragraph 4.4;
“Due Diligence Period”	: means the ninety (90) days from the date of the SPA;
“Express Conditions”	: means the conditions set out under paragraph 4.5;
“Land”	: means the area known as EL 2396 which is located in West Coast Manus, Manus Province
“Mining Lease”	: means such mining lease(s) and/or proprietary mining lease(s), as the case may be, issued or to be issued by the Authority from time to time;
“Mining Operation”	: means mining excavating extracting milling processing selling of mineral(s) on or from the Land and/or other incidental ancillary and/or related works;

“Operation Licence”	: means all relevant approval(s) consent(s) permit(s) licence(s) from the Authority, as may be required by the Company to carry out and/or operate the Mining Operation;
“Parties”	: means collectively the Vendor and the Company and their respective successors and permitted assigns and “Party” shall mean either the Vendor or the Company (as the case may be) and their respective successors and permitted assigns;
“Transaction”	: means the purchase of the 10 ordinary shares in SVPL by the Company upon the terms and subject to the conditions of the SPA;
“Warranties”	: the representation, warranties and undertakings given by the Vendor in the SPA.

4.2 Consideration

Pursuant to the SPA, the consideration for the sale of 10 ordinary shares in SVPL from the Vendor to the Company is United States Dollar Three Million (US\$3,000,000.00) (the **“Consideration”**). The Consideration will be satisfied by the Company in cash on Completion.

4.3 Value attributable to SVPL

Based on unaudited financial statements of SVPL, the negative net asset value of SVPL for the financial year ending 31 December 2024 is S\$73,325. The open value of the shares of SVPL is not available as the shares of SVPL are not publicly traded. No independent valuation was conducted on SVPL for the purpose of the Proposed Acquisition, and the value of the Sale Shares has been agreed upon on a willing buyer and willing seller basis between the Company and the Vendor, taking into account factors such as potential strategic value of the investment. Cheroh PNG is engaged in bauxite mining which provides exposure to the upstream segment of the aluminium supply chain. The Board believes that participation in this sector will offer long-term value and is aligned with the Company’s Diversification Mandate, and broader market trends, including increased demand for materials and minerals that support global decarbonisation efforts.

4.4 Conditions Precedent

Completion of the Proposed Acquisition under the SPA is conditional on the fulfilment of, *inter alia*, the following conditions:

- (a) the results of a due diligence exercise (including but not limited to financial, business, tax, legal, regulatory, technical and compliance due diligence) over the business, affairs, operations, assets, financial condition, prospects and

records of SVPL being satisfactory to the Company in its absolute discretion and in compliance with the requirements of the Catalist Rules;

- (b) the Company obtaining all necessary approvals, waivers or consents as may be required for the Transaction (including any management, corporate and/or shareholder approvals, government or regulatory consents, anti-trust clearances or notifications), and such approvals, waivers or consents not having been revoked, expired, amended or withdrawn on or before the Completion, and where any such approvals, waivers or consents is subject to conditions, such conditions being fulfilled by the relevant date, and such approvals, waivers or consents remaining valid and in full force and effect, where applicable;
- (c) the delivery by the Vendor to the Company of the written consents and/or waivers from Cheong Chang Kok and Chee Sook Ping to the effect that they consent to the sale and purchase of the Sale Shares and agree not to exercise any right (whether of termination, pre-emptive right or otherwise) which may exist in relation to the Sale Shares, whether under the existing shareholders' agreement of the Company, the constitutive documents of the Company, or otherwise.

4.5 Express Conditions

Notwithstanding the fulfilment of the Conditions Precedent above, the Vendor shall within twenty-four (24) months from the date where the Conditions Precedent above are fulfilled (the “**Express Conditions Period**”), obtain or cause to be obtained from the Authority:

- (a) the Mining Lease in favour of Cheroh PNG in respect of the Land or any part of the Land as identified by the Company; and
- (b) all requisite Operation Licence.

4.6 Completion

On Completion, the Vendor shall deposit the following documents with the Company Secretary of the Company:

- (a) all the relevant original share certificate(s) representing the Sale Shares;
- (b) the executed valid and registrable instruments of transfer in the prescribed form for the transfer of the Sale Shares in favour of the Company or its nominees duly executed by the Vendor together with all other documents necessary to give effect to the transfer of the Sale Shares in favour of the Company or its nominees;
- (c) the board and members' resolution of SVPL approving the sale and transfer of the Sale Shares to the Company or its nominee;

- (d) the board and members' resolution of SVPL to the appointment of such persons as the Company may nominate to be directors of the Company; and
- (e) all relevant document(s) necessary to give effect to items (a) to (d) above.

4.7 Termination

The SPA may be terminated by either Party if the following conditions are met:

(a) **Condition Precedents**

In the event that any of the Conditions Precedent is not or cannot be completed or obtained, as the case may be, within the Due Diligence Period, the Vendor may at his absolute discretion grant such further extension of time to the Company or to terminate the SPA and upon termination of the SPA, the SPA shall cease to be of any further effect and all monies paid by the Company under the SPA shall be refunded to the Company within thirty (30) days of termination, free of interest.

In the event any of the Conditions Precedent are not fulfilled to the satisfaction of the Company for any reason whatsoever at the Company's absolute discretion, the Company shall be entitled to terminate the SPA and upon termination of the SPA, the SPA shall cease to be of any further effect and all monies paid by the Company under the SPA shall be refunded to the Company, free of interest, within thirty (30) days of termination.

(b) **Express Conditions**

If all or any of the Express Conditions, as the case may be, is not or cannot be fulfilled or is unable to be fulfilled for any reason whatsoever within the Express Conditions Period, the Company shall be entitled to terminate the SPA without any compensation to the Vendor whereupon all monies paid to the Vendor shall be refunded to the Company, free of interest, within thirty (30) days of termination of the SPA. In exchange for the refund of monies, the Sale Shares shall be re-transferred to the Vendor where all costs and expenses in respect of the re-transfer of the Sale Shares shall be borne by the Vendor, and the Parties shall do all that is necessary to give effect to the re-transfer of the Sale Shares from the Company to the Vendor.

(c) **Default by Parties**

In the event that either Party shall wilfully fail, refuse or neglect to complete the SPA in accordance with its terms or commits any wilful breach of the terms of the SPA, then, the Party not in breach shall be entitled to terminate the SPA by written notice to the Party in breach and upon such termination (the "**Termination Notice**"), the Sale Shares shall be re-transferred to the Vendor where all costs and expenses in respect of the re-transfer of the Sale Shares shall

be borne by the Vendor, and the Parties shall do all that is necessary to give effect to the re-transfer of the Sale Shares from the Company to the Vendor. The Vendor shall refund to the Company the Consideration and all monies paid by the Company to the Vendor within fourteen (14) days from the date of the Termination Notice and the Party in breach shall also compensate the Party not in breach a sum equivalent to ten percent (10%) of the Consideration as agreed liquidated damages.

Thereafter the SPA shall cease to be of any effect save and except for such surviving provisions set out in the SPA.

5. INTERESTED PERSON TRANSACTION

5.1 Proposed Acquisition as an Interested Person Transaction

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an “entity at risk” means a listed company, a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange or an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (b) an “interested person” means a director, CEO or controlling shareholder of a listed company, or an associate (as defined in the Catalist Rules) of such director, CEO or controlling shareholder; and
- (c) an “interested person transaction” means a transaction between an entity at risk and an interested person and includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

Further to paragraphs 1 and 2 above, in relation to the Proposed Acquisition:

- (a) the Company is the “entity at risk” as defined under Rule 904(2) of the Catalist Rules in relation to the Proposed Acquisition; and
- (b) the Vendor is considered an “interested person” as defined in Rule 904(4) of the Catalist Rules.

Accordingly, the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

5.2 Total Value of Interested Person Transactions with the Same Interested Person

There has been no interested person transaction entered into between the Group and the Vendor for the current financial year ending 28 February 2026 (“FY2026”).

The value of this interested person transaction is equivalent to the Consideration for the Sale Shares, being US\$3,000,000, and is approximately 4.32% of the Group’s latest audited net tangible asset (“NTA”) of US\$69,412,220 as of the financial year ended 29 February 2024 (“FY2024”).

As the Total Value does not represent 5% or more of the Group’s latest audited NTA, the Proposed Acquisition does not require shareholders’ approval pursuant to Rule 906(1)(b) of the Catalist Rules.

5.3 Opinion of Audit Committee

As at the date of this announcement, the audit committee of the Company comprises Goh Kah Im (Chairman), Anita Chew Cheng Im and Chew Wai Chuen (“**Audit Committee**”). The Audit Committee of the Company has considered and reviewed the terms of, the rationale for, and benefit of the Proposed Acquisition and is of the view that the Proposed Acquisition are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition is not expected to have any material impact on the net asset value per share and earnings per share of the Group for the financial year ending 28 February 2026.

The Group continues to seek opportunities to grow its commodities portfolio prudently and in a disciplined manner via acquisitions, joint ventures and/or providing mining contracting services both in Malaysia and in the region, where its strong capabilities provide a competitive edge to tap on the demand.

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7. CHAPTER 10 OF THE CATALIST RULES

Based on the latest announced unaudited consolidated financial statements of the Group for FY2026, the relative figures for the Proposed Acquisition computed on the bases set out in Rules 1006(a) to 1006(e) of the Catalist Rules are set out below.

Rule 1006	Bases for Calculation	Relative Figure (%)
(a)	The net asset value ⁽¹⁾ of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable ⁽²⁾
(b)	The net profits ⁽³⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	-0.62% ⁽⁴⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	3.62 ⁽⁵⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁶⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal or mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable ⁽⁷⁾

Notes:

- (1) Under Rule 1002(3)(a) of the Catalist Rules, "**net assets**" means total assets less total liabilities.
- (2) Rule 1006(a) of the Catalist Rules is not applicable as the Proposed Acquisition does not involve a disposal of assets.
- (3) Under Rule 1002(3)(b) of the Catalist Rules, "**net profits**" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (4) The relative figure computed on the basis under Rule 1006(b) of the Catalist Rules for the Proposed Acquisition is determined by dividing the net loss attributable to the Sale Shares of approximately US\$65,150 for the financial year ending 31 December 2023 by the Group's audited net profit of approximately US\$10,467,169 for FY2025.

- (5) The relative figure computed on the basis under Rule 1006(c) of the Catalist Rules for the Proposed Acquisition is determined by dividing the Consideration of US\$3,000,000 by the market capitalisation of the Company of approximately S\$107.3 million (approximately US\$82.9 million) determined by multiplying the number of Shares in issue (excluding treasury shares) being 523,316,100 Shares by the volume weighted average price of S\$0.205 (approximately US\$0.158) per share on 6 May 2025, being the last full market day on which the shares of the Company were traded. An exchange rate of S\$1.2934 to US\$1.00 is applied.
- (6) Rule 1006(d) of the Catalist Rules is not applicable to the Proposed Acquisition as no Shares will be issued as Consideration.
- (7) Rule 1006(e) of the Catalist Rules is not applicable to the Proposed Acquisition.

The relative figures for the Proposed Acquisition as computed on the bases set out in Rule 1006 of the Catalist Rules does not exceed 5%. Accordingly, the Proposed Acquisition is a non-discloseable transaction under Chapter 10 of the Catalist Rules and does not require shareholders' approval. However, the Proposed Acquisition is made pursuant to the Diversification Mandate, and Company is disclosing this transaction for good corporate governance and its status as an interested person transaction. This announcement includes the information required under Rule 1008(2) and Rule 917 of the Catalist Rules.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Acquisition (other than their direct or indirect shareholdings in the Company).

For the avoidance of doubt, DSI being interested in the Proposed Acquisition, has refrained from participating in the Board's deliberation in respect of the Proposed Acquisition and have abstained from voting on all resolutions of the Board in respect of the Proposed Acquisition. In addition, our Executive Director, Mr Edmund Chee Ji Kang, and our Non-Executive and Non-Independent Director, Ms Willa Chee Keng Fong, being the son and daughter of DSI respectively, have also refrained from participating in the Board's deliberation in respect of the Proposed Acquisition and have abstained from voting on all resolutions of the Board in respect of the Proposed Acquisition.

9. CONFLICTS OF INTERESTS

To mitigate any potential conflicts of interests between the Group and DSI and his associates, the Company has taken the following measures:

- (a) DSI has granted a right of first refusal to the Company in respect of any future sale of his remaining 69% shareholding stake in SVPL;
- (b) DSI has provided an undertaking to the Company that, unless with the prior consent of the Company, he and his associates will not, conduct or hold any direct or indirect interests in any business relating to bauxite exploration, mining and/or trading in Singapore, Malaysia or Papua New Guinea (other than in relation to Cheroh PNG's exploration licence over such area known as EL2396 which is located in West Coast Manus, Manus Province);

- (c) There exist clear operational and managerial separation between the Group and SVPL, including the segregation of key personnel and decision-making processes; and
- (d) The Company's Investment Committee, comprising at least one (1) Independent Director, will review and approve the Group's investment matters involving SVPL, with the objective of safeguarding the interests of the Company and its minority shareholders.

Save as disclosed in this announcement, none of the Directors or substantial Shareholders has any interest, direct or indirect, in the Proposed Acquisition (other than their direct or indirect shareholdings in the Company).

For the avoidance of doubt, Dato' Sri Ivan Chee Yew Fei being interested in the Proposed Acquisition, has refrained from participating in the Board's deliberation in respect of the Proposed Acquisition and have abstained from voting on all resolutions of the Board in respect of the Proposed Acquisition.

10. DIRECTOR'S SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. DIRECTORS' RESPONSIBILITY 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.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection by the Shareholders at the registered office of the Company at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896 normal office hours for three (3) months from the date of this announcement.

13. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading in the shares of the Company as there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will proceed to completion. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take. The Company will make further announcements if and when there is any material developments regarding the transactions contemplated herein as and when appropriate.

BY ORDER OF THE BOARD OF FORTRESS MINERALS LIMITED

Dato' Sri Ivan Chee Yew Fei
Chief Executive Officer
7 May 2025

*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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

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