

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS BTM Resources Berhad ("BTM "or "the Company") -Variation of utilisation of proceeds pursuant to Rights Issue with Warrants

BTM RESOURCES BERHAD

Type Announcement
 Subject TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
 NON RELATED PARTY TRANSACTIONS
 Description BTM Resources Berhad ("BTM "or "the Company") -Variation of utilisation of proceeds pursuant to Rights Issue with Warrants

We refer to the Company's announcements dated 6 January 2015 and 20 July 2016 in relation to variation to the utilisation of proceeds raised by our Company pursuant to the Rights Issue with Warrants as set out in the Agridged Prospectus dated 29 September 2014 ("Announcements"). Unless otherwise stated all abbreviations used herein shall have the same meanings as those used in the Announcements.

The Board of BTM wishes to announce that the Board had resolved to further vary part of the Rights issue with Warrants proceeds that was allocated for working capital requirements. The revision is to allocate additional proceeds for the purpose of setting up the wood pellets manufacturing factory and purchase the required plant and machineries for wood pellet business, which is to be undertaken by BTM's wholly owned subsidiary company, BTM Biomass Products Sdn Bhd (formally known as BTM Global Holdings Sdn Bhd). The revision is necessary as the construction cost of the factory and the cost of plant and machineries had gone up from the estimated RM5.0 million to RM7.5 million due to weakening of Ringgit against US Dollars.

The details of utilisation of proceeds are set out in the table below

Details of the utilisation of Proceeds	Proceeds Utilisation as set out the abridged prospectus dated 29 September 2014 (RM'000)	Revised Utilisation announced on 6 January 2015 (RM'000)	Proposed Variation (RM'000)
Working Capital	14,224	9224	7132

requirements			
Repayment of borrowings	1,100	1,100	1,100
Estimated Expenses	970	970	562
To set up factory and purchase of plant and machineries for manufacturing of wood pellet business("Investment of Wood Pellets Manufacturing Factory")	-	5,000	7,500
Total	16,294	16294	16294

As the proceeds to be utilised for the Investment of the Wood Pellets Manufacturing Factory represents 46.0% of the total proceeds raised pursuant to the Rights Issue with Warrants, such revision is considered as a material variation pursuant to the Section 8.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Hence, the Board intends to issue a circular to the shareholders of the Company to seek the shareholders' approval of such material variation.

The announcement is dated 22 July 2016