



BTM RESOURCES BERHAD

(Company No. 303962-T)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of BTM Resources Berhad ("BTM" or "Company") will be held at Latitude 1.03, Level 1, Hotel Armada, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 29 April 2014 at 11.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions:

SPECIAL RESOLUTION 1

- (I) **PROPOSED REDUCTION OF THE ISSUED AND PAID-UP SHARE CAPITAL OF BTM RESOURCES BERHAD ("BTM") PURSUANT TO SECTION 64(1) OF THE COMPANIES ACT, 1965 ("ACT") INVOLVING THE CANCELLATION OF RM0.80 OF THE PAR VALUE OF EACH ORDINARY SHARE OF RM1.00 EACH IN BTM ("EXISTING SHARE") ("PROPOSED PAR VALUE REDUCTION")**

"THAT subject to and conditional upon the passing of Special Resolutions 2 and 3 and the sanction of the High Court of Malaya for the Proposed Par Value Reduction as well as approvals from all relevant authorities being obtained, approval be and is hereby given to the Company to reduce its issued and paid-up share capital from RM40,734,196 comprising 40,734,196 ordinary shares of RM1.00 each to RM8,146,839 comprising 40,734,196 ordinary shares of RM0.20 each through the cancellation of RM0.80 of the existing par value of RM1.00 of each existing ordinary share in BTM in issue AND THAT the credit of RM32,587,357 arising from the Proposed Par Value Reduction be used to set-off against the accumulated losses of the Company and in the event that there may be excess credit after the set-off of the accumulated losses of the Company, such excess credit shall be credited to BTM's retained earnings account which is distributable and may be used to frank future dividends;

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Par Value Reduction with full power to assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities/parties and/or High Court of Malaya."

(II) SPECIAL RESOLUTION 2

- PROPOSED REDUCTION OF RM3,959,431 FROM THE SHARE PREMIUM ACCOUNT OF BTM PURSUANT TO SECTION 60(2) AND 64(1) OF THE ACT ("PROPOSED SHARE PREMIUM REDUCTION")**

"THAT subject to the passing of Special Resolutions 1 and 3 and the sanction of the High Court of Malaya for the Proposed Share Premium Reduction as well as approvals from all relevant authorities being obtained, approval be and is hereby given to the Company to reduce an amount of RM3,959,431 in the Company's share premium account AND THAT the credit of RM3,959,431 arising from the Proposed Share Premium Reduction be used to set-off against the accumulated losses of the Company and in the event that there may be excess credit after the set-off of the accumulated losses of the Company, such excess credit shall be credited to BTM's retained earnings account which is distributable and may be used to frank future dividends;

AND THAT authority be and is hereby given to the Directors of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed Share Premium Reduction with full power to assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities/parties and/or High Court of Malaya."

(III) SPECIAL RESOLUTION 3

- PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF BTM ("MA") TO FACILITATE THE CHANGE IN THE PAR VALUE OF THE ORDINARY SHARES IN BTM FROM RM1.00 TO RM0.20 ("PROPOSED MA AMENDMENTS")**

"THAT subject to the passing of Special Resolutions 1 and 2 and the sanction of the High Court of Malaya for the Proposed Par Value Reduction, the deletions, alterations, modifications and/or additions to the Memorandum of Association of BTM as set out in Section 2.3 of the circular to shareholders of the Company dated 7 April 2014 ("Circular") be and are hereby approved;

AND THAT authority be and is hereby given to the Directors and/or the Secretary of the Company to do all such deeds, acts and things and execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to and implement the Proposed MA Amendments with full power to assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities/parties."

(IV) ORDINARY RESOLUTION 1

- PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 118,734,576 NEW ORDINARY SHARES OF RM0.20 EACH IN BTM ("BTM SHARES") ("RIGHTS SHARES") TOGETHER WITH UP TO 47,493,830 FREE NEW DETACHABLE WARRANTS ("WARRANTS") AT AN ISSUE PRICE OF RM0.20 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) BTM SHARE HELD AFTER THE PROPOSED PAR VALUE REDUCTION TOGETHER WITH FOUR (4) WARRANTS FOR EVERY TEN (10) RIGHTS SHARES SUBSCRIBED, BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 36,328,586 RIGHTS SHARES TOGETHER WITH 14,531,434 WARRANTS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")**

"THAT, subject to and conditional upon the passing of Special Resolutions 1 and 3 and Ordinary Resolution 2 and subject to all approvals being obtained from the relevant authorities, including but without limiting to the approval-in-principle of Bursa Malaysia Securities Berhad ("Bursa Securities") being obtained for the listing of and quotation for the Rights Shares, Warrants and the new Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities, approval be and is hereby given to the Board of Directors of BTM to provisionally allot and issue by way of a renounceable rights issue of up to 118,734,576 Rights Shares together with up to 47,493,830 free detachable Warrants to the registered shareholders of the Company whose names appear in the Record of Depositors at the close of business on a date to be determined by the Directors of the Company as they may deem fit, on the basis of 2 Rights Shares for every 1 existing BTM Share held and 4 Warrants for every 10 Rights Shares subscribed;

THAT the Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing BTM Shares in issue, save and except that they will not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid prior to the allotment and issue of the Rights Shares;

THAT the new BTM Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing BTM Shares in issue, save and except that they will not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid prior to the allotment and issue of the new BTM Shares;

THAT any fractional entitlements under the Proposed Rights Issue with Warrants will be disregarded and shall be dealt with in such manner as the Board shall in its absolute discretion think expedient in the best interests of the Company;

THAT the Directors be and are hereby authorised to do all acts and things as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required, or imposed by the relevant authorities, and to take all steps and to enter into all such agreements, arrangements, undertakings, indemnities, transfer, assignments and guarantees with any party or parties and to carry out any other matters as may be required to implement, finalise and give full effect to the Proposed Rights Issue with Warrants;

THAT the Directors be and are hereby authorised with full power to issue and allot the Warrants and new BTM Shares as may be required arising from any exercise by the Warrant holders or pursuant to any adjustment in the number of Warrants which may be carried out in accordance with the Deed Poll;

AND THAT the Directors be and are hereby authorised to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll."

(V) ORDINARY RESOLUTION 2

- PROPOSED EXEMPTION FOR DATO' SERI YONG TU SANG ("DSYTS") AND PERSONS ACTING IN CONCERT WITH DSYTS FROM THE OBLIGATION TO UNDERTAKE A TAKE-OVER OFFER FOR ALL THE REMAINING BTM SHARES AND CONVERTIBLE SECURITIES NOT ALREADY OWNED BY THEM UNDER PARAGRAPH 16.1 OF PRACTICE NOTE 9 OF THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS 2010 ("CODE") ("PROPOSED EXEMPTION")**

"THAT, subject to and conditional upon the passing of Ordinary Resolution 1 and approvals being obtained from all relevant authorities, including but not limited to compliance with such conditions as may be imposed by the Securities Commission Malaysia, approval be and is hereby given to exempt DSYTS and the persons acting in concert with DSYTS ("PACs") under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-overs and Mergers, 2010 from the obligation to undertake a mandatory take-over offer for all the remaining Shares and convertible securities in BTM not already held by them pursuant to the Proposed Rights Issue with Warrants."

AND THAT the Directors be and are hereby authorised to do all acts, deeds and things and execute all necessary documents as they may consider necessary or expedient in the best interests of the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities, and to take all steps and actions as the Directors may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Exemption."

By Order of the Board

Heng Ji Keng (MIA 926)
Mary Margret A/P V. Pelly (LS 04402)
Chong Seok Tian (MIA 2502)
Joint Company Secretaries

Kuala Lumpur
7 April 2014

Notes:

- A member entitled to attend the meeting may appoint another person as his proxy to attend and vote in his stead at the meeting and such proxy shall have the same right as the member he represents including the right to vote on a show of hands and on a poll and to demand a poll.
A proxy may but need not be a member.
- Where the member of the Company appoints two or more proxies, the appointments shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- If the appointer is a corporation, the proxy shall be executed under its common seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited at the registered office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- Only members whose names appear in the Record of Depositors as at 22 April 2014 will be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on their behalf.