
MINING OPERATIONS - EXPIRY OF MINE 1 EXPLORATION RIGHT AND EFFECT OF LANDSLIDE IN SICHUAN PROVINCE, PRC

Capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the offer document dated 25 September 2013 and registered by the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 25 September 2013 (the “Offer Document”).

The Board of Directors (the “**Board**”) of AsiaPhos Limited (the “**Company**”) wishes to inform Shareholders of the following matters:

EXPIRY OF MINE 1 EXPLORATION RIGHT

The Board refers to page 110 of the Offer Document, which states, *inter alia*, that the Company’s wholly-owned subsidiary, Mianzhu Norwest, has been granted (i) for Mine 1, (a) a mining right relating to 1.6491 square kilometres (“**Mine 1 mining area**”); and (b) an exploration right relating to 0.55 square kilometres (“**Mine 1 exploration area**”) (“**Mine 1 exploration right**”); and (ii) for Mine 2, (a) a mining right relating to 2.0237 square kilometres; and (b) an exploration right relating to 1.28 square kilometres, and further, that the Mine 1 exploration right expires on 9 April 2014.

In preparation for the conversion of the Mine 1 exploration right to a mining right, Mianzhu Norwest applied to the Sichuan Land Department (“**Authority**”) in or around December 2013 to have the Mine 1 exploration area expanded to approximately 1.54 square kilometres (“**Expansion Application**”). On 9 April 2014, Mianzhu Norwest was informed by the Authority that the Expansion Application is pending approval.

It is expected that, barring unforeseen circumstances, the Expansion Application will be granted in due course. In any event, based on the status of the Expansion Application on the official website of the Sichuan Government Affairs Service Hall (四川省政务服务大厅), a decision from the Authority is expected to be received within 40 working days from the date of this Announcement, barring unforeseen circumstances.

In the event that the Company ceases activities in relation to the Mine 1 exploration area pending the Authority’s decision on the Expansion Application, and the Authority does not grant the Expansion Application within the above-mentioned timeline, the Group’s mining output, and correspondingly, the Group’s financial performance for the financial year ending 31 December 2014 may be adversely affected. The Company will make further announcements as and when there are material developments on the above.

EFFECT OF LANDSLIDE IN SICHUAN PROVINCE, PRC

On 8 April 2014, Mining Operations for two of the Group's mining adits were disrupted by a landslide which occurred in the vicinity of the Mine 1 mining area. Based on presently available information, none of the Group's staff or workers has been injured, and none of the Group's property or equipment has been damaged. As a safety precaution, however, the Group has decided to temporarily suspend Mining Operations to carry out safety inspections and checks on the Mines. It is expected that, barring unforeseen circumstances, the Group will resume Mining Operations by next week, and such temporary suspension of Mining Operations is not expected to have a material impact on the earnings per share or the net tangible assets per share of the Company for the financial year ending 31 December 2014.

The Company will make further announcements as and when there are material developments in these matters.

Shareholders and potential investors should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

BY ORDER OF THE BOARD

Simon Ong Eng Hock
Executive Director
AsiaPhos Limited

10 April 2014

This announcement was prepared by the Company and the contents were reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Corporate Finance and Mr Low Han Keat, Senior Director, Corporate Finance, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6539 1177.