
MINING OPERATIONS – UPDATE ON NEGOTIATIONS WITH THE SICHUAN GOVERNMENT

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, and the Company's announcements dated 21 July 2016, 3 March 2017, 24 November 2017, 30 November 2017, 4 December 2017, 24 January 2018, 9 February 2018, 28 February 2018, 28 March 2018, 10 April 2018, 26 April 2018, 22 June 2018 and 29 August 2018 (the “Announcements”).

We refer to the Company's announcement dated 22 June 2018. The Group has been in discussion with the Chinese Government for a settlement in relation to the non-renewal of the mining and exploration rights in respect of Mine 1 and Mine 2 because of the Panda Park and the Mianzhu Government's request to provide undertaking to vacate its mining site in the JiuDingshan Nature Reserve.

To date, while the Company has made continuous efforts in good faith to reach an amicable settlement with the Chinese Government, the parties have been unable to settle the dispute through negotiations.

On 31 August 2018, the Company's lawyers, King and Spalding LLP has written to the Chinese Government to notify them that China is in breach of its obligations under the China-Singapore Bilateral Investment Treaty (“BIT”) and the ASEAN-China Investment Agreement and to request consultation and negotiations with China regarding this dispute under Article 13 of the China-Singapore BIT, and Article 14 of the China-ASEAN Investment Agreement. Should China fail to respond to this request or such discussions fail to result in an amicable resolution of the dispute within six months from 31 August 2018, the Group reserve its rights to submit the dispute at that time to international arbitration under Article 13 of the China-Singapore BIT and Article 14 of the ASEAN-China Investment Agreement.

The Board confirms that, save for information which has not been disclosed with respect to ongoing negotiations with the Chinese Government and wherein there is no certainty or assurance on the outcome of the negotiations, all material disclosures, facts and information (including but not limited to disclosures pertaining to, *inter alia*, material operations and business of the Group, mining operations, and mining and exploration rights) have been provided and announced. Save as announced, the Board is not aware of any facts, information or disclosures, the omission of which would make any statement in this Announcement or previous announcements or disclosures misleading in any material respect.

The Company will make such further announcements at the appropriate juncture, as and when there are material developments in relation to the above 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

31 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by 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.

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