
MINING OPERATIONS – EXPIRY OF MINE 1 EXPLORATION RIGHT AND APPLICATION FOR RENEWAL

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

The board of directors (the “**Board**”) of AsiaPhos Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 13 August 2014 in relation to the receipt of the exploration permit for Mine 1 from the Sichuan Land Department (四川省国土资源厅) (the “**Authority**”), valid from 9 April 2014 to 9 April 2016 and for an exploration area of approximately 1.54 square kilometres (“**Mine 1 Exploration Right**”).

The Board wishes to inform shareholders of the Company (“**Shareholders**”) that Mianzhu Norwest had on 28 March 2016, made an application to the Authority to renew the Mine 1 Exploration Right (“**Mine 1 Exploration Right Renewal Application**”).

The Authority is assessing the Mine 1 Exploration Right Renewal Application together with the Company’s related application to increase the approved production scale for Mine 1 from 50,000 tonnes per year to potentially 400,000 tonnes per year *via* a conversion of the Mine 1 Exploration Right into a mining right (the “**Conversion Application**”). Please refer to the Company’s announcements dated 8 January 2016 and 15 February 2016 for further details regarding the Conversion Application.

As at the date of this announcement, the Mine 1 Exploration Right Renewal Application and Conversion Application are pending approval by the Authority and the Company believes that such applications are procedural in nature as the Group has not encountered any material difficulties in obtaining and/or renewing such permits in the past. Barring unforeseen circumstances, the Company expects the Mine 1 Exploration Right Renewal Application and Conversion Application to be granted in due course.

In the event that the Group ceases exploration activities in relation to Mine 1 pending the Authority’s decision on the Mine 1 Exploration Right Renewal Application, or the Authority does not grant the Group the Mine 1 Exploration Right Renewal Application, the Group’s mining output, and correspondingly, the Group’s financial performance for the financial year ending 31 December 2016 may be adversely affected.

The Company will keep Shareholders updated on the Mine 1 Exploration Right Renewal Application and Conversion Application and make further announcements as and when there are material developments in relation thereto.



Shareholders and potential investors are advised to 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

11 April 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of 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, Equity Capital Markets, and Mr Lim Hoon Khiat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.

