
MINING OPERATIONS – EXPIRY OF MINE 1 EXPLORATION RIGHT AND APPLICATION FOR RENEWAL, AND UPDATE ON THE ONGOING NEGOTIATIONS WITH THE SICHUAN PROVINCIAL 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 3 March 2017, 24 November 2017, 30 November 2017, 4 December 2017, 24 January 2018, 9 February 2018, 28 February 2018 and 28 March 2018.

1. INTRODUCTION

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 18 April 2016 in relation to the receipt of the exploration permit for Mine 1 from the Department of Land and Resources of Sichuan Province (四川省国土资源厅) (the “**Sichuan Provincial Authority**”), which is valid from 9 April 2016 to 9 April 2018 and for an exploration area of approximately 1.54 square kilometres (the “**Mine 1 Exploration Right**”).

The Board wishes to inform shareholders of the Company (“**Shareholders**”) that Mianzhu Norwest had on 2 April 2018, submitted an application to the Sichuan Provincial Authority for the renewal of the Mine 1 Exploration Right.

2. UPDATE ON THE ONGOING NEGOTIATIONS WITH THE SICHUAN PROVINCIAL GOVERNMENT

As at the date of this Announcement, and with reference to the Group's announcement dated 9 February 2018, the Group is still in negotiations with the Sichuan Provincial Government for a settlement in relation to, *inter alia*, the non-renewal of the Mine 1 Mining Right and the Request for Undertaking. The Board will in due course, make a decision on whether to proceed with arbitration under an investment treaty, in the event that the Group and the Sichuan Provincial Government are unable to reach a satisfactory settlement within a timeframe acceptable to the Board.

3. FURTHER ANNOUNCEMENTS

The Board confirms that, save for information which has not been disclosed with respect to ongoing negotiations with the Sichuan Provincial 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 this matter.

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 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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