
MINING OPERATIONS – UPDATE ON MINE 1, MINE 2 AND THE FENG TAI MINE – APPOINTMENT OF LEGAL ADVISERS

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 SGXNET announcements dated 22 April 2014, 8 July 2016, 24 November 2017, 30 November 2017, 4 December 2017, 13 December 2017 and 11 January 2018 in relation to the Company's updates on Mine 1, Mine 2 and the Feng Tai Mine.

1. THE REQUEST FOR UNDERTAKING

The Board refers to the Request for Undertaking in relation to the halting of mining operations for Mine 2 and the Feng Tai Mine (collectively, the "**Relevant Mines**"), which are located within the Jiudingshan Nature Reserve, as well as the potential non-renewal of the Mine 1 Mining Right due to the proposed panda reserve.

As set out in the Company's announcement dated 4 December 2017, the Group is working on a proposal that will effectively safeguard the value of the Group's business and assets, and will continue to engage the Sichuan Provincial Government Officials in negotiations for a definitive settlement agreement.

2. APPOINTMENT OF LEGAL ADVISERS

As at the date of this Announcement, the Group is still in negotiations with the Sichuan Provincial Government for a settlement in relation to the Request for Undertaking for the Relevant Mines, and the potential non-renewal of the Mine 1 Mining Right due to the proposed panda reserve.

The Board wishes to announce it has appointed King & Spalding LLP ("**King & Spalding**"), an international law firm with extensive experience in international arbitration involving investment treaties and investor-state disputes, as its legal advisers in respect of this matter. King & Spalding will advise the Group on settlement negotiations, and will act for the Group if the Board decides to proceed with arbitration under an investment treaty and 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 on-going 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

24 January 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.

*The contact person for the Sponsor is Mr. Liao H.K.
Telephone number: 6221 0271*

