

FOR IMMEDIATE RELEASE

AsiaPhos enters into conditional agreements with a view to acquiring 100% economic benefits of existing Mines and expand its exploration area ¹

SINGAPORE – 22 April 2014 – AsiaPhos Limited (“AsiaPhos” and together with its subsidiaries, the **“Group”**), a Singapore-headquartered mineral resources company focused on exploring and mining phosphate in the PRC with a vertically-integrated business model, has entered into conditional agreements which serve to acquire entire economic benefits of an existing co-operation arrangement presently accruing to its co-operation partner (**“Dashan”**) in relation to its existing mines, and facilitate the acquisition of ownership and/or control over a PRC company which holds an exploration licence for barite rocks (重晶石) in respect of a land parcel of approximately 17.91 square kilometres situated in the vicinity of the Group’s existing mines in the Sichuan Province of the PRC (the **“FengTai Licence”**) .

AsiaPhos has incorporated a wholly-owned subsidiary, AsiaPhos Resources Pte. Ltd. (**“APR”**), which has entered into a subscription agreement with LY Resources Pte. Ltd. (**“LYR”**) and Mr. Luo Yong (罗勇) to subscribe for 12.5% convertible loan notes with a principal value of between S\$10 to S\$15 million. These convertible loan notes, due October 2016, are convertible into ordinary shares in LYR. In addition, AsiaPhos and Mr. Luo entered into a conditional option agreement whereby Mr. Luo has a put option to sell shares of LYR to AsiaPhos, and AsiaPhos has a corresponding call option to require Mr. Luo to sell, or procure the sale of, all shares of LYR to AsiaPhos, upon the satisfaction of certain conditions set out in the agreement, one of which is that the professional independent valuation of LYR and its subsidiaries (the **“LYR Group”**) shall not be less than RMB 250 million.

¹ Capitalised terms used herein shall, unless otherwise defined, have the definitions ascribed to them in the SGX announcement by AsiaPhos dated 22 April 2014.

Upon the exercise of the options and the conversion of the convertible loan notes, AsiaPhos expects to acquire equity control of LYR - a special purpose holding company which will hold the aforesaid economic benefits of the co-operation arrangement presently accruing to Dashan, as well as 55% equity of a PRC company which holds the FengTai Licence.

As stated in the Offer Document dated 25 September 2013, various co-operation agreements were entered into between Mianzhu Norwest (a wholly-owned subsidiary of AsiaPhos) and 绵竹市大山矿业有限责任公司 (Mianzhu Dashan Mining Co., Ltd), a company incorporated in the PRC which is 50% owned by Mr. Luo. The co-operation agreements involve, *inter alia*, joint mining operations within specified areas, and the apportionment of profits or losses, as the case may be, between Mianzhu Norwest and Dashan in relation to three out of the existing seven adits owned by the Group. The apportionment of profits and losses between Mianzhu Norwest and Dashan is 20:80 for two of the adits, and 50:50 in relation to the remaining adit. By acquiring the economic benefits of the co-operation arrangement presently accruing to Dashan, Mianzhu Norwest expects to benefit from costs savings (which may lead to higher gross profit margins). Currently, profits accruing to Dashan are recognised as costs of production, and such costs will increase as the Group increases production from the adits under the co-operation arrangement. Such costs amounted to approximately RMB 3.6 million for the financial year ended 31 December 2013.

The FengTai Licence is held by Deyang Fengtai Mining Co., Ltd. ("**FengTai**"), a company incorporated in the PRC of which Mr. Luo owns a 55% equity interest. The FengTai Licence is an exploration licence of a tenure of 2 years ending 12 December 2015 for the exploration of barite rocks in respect of a land area of approximately 17.91 square kilometres situated in Mianzhu City, Sichuan Province, the PRC, and situated in close proximity to AsiaPhos' existing mines which covers a total area of approximately 3.7 square kilometres. FengTai is also expected to enter into an agreement with Mianzhu Norwest where Mianzhu Norwest shall have the right of first refusal to acquire any or all mineral deposits and rocks mined, obtained and/or extracted from the land area covered under the FengTai Licence, at a 20% discount to the market prices prevailing at the relevant time, as reasonably determined by FengTai and Mianzhu Norwest.

The corporate structure of the Group and the LYR Group upon completion of such reorganisation and restructuring steps is set out in Annex 1.

Said Dr Ong Hian Eng (王显荣博士), Chief Executive Officer of AsiaPhos Limited,

“The completion of the matters contemplated by these agreements allows us to achieve the following objectives. Firstly, being able to acquire the full extent of the economic benefits arising from our existing mines will definitely lead to the Group’s improved financial performance. Secondly, control over the FengTai Licence allows us to expand the effective land area where the Group has mining or mining and exploration rights. Taking into account the geographical proximity of the land parcel covered by the FengTai Licence to our existing phosphate mines, we believe that there is likely to be phosphate and other valuable deposits present in the area covered by the exploration licence.”

“In addition, we believe that the close proximity to our existing mines means that we can leverage on our existing production facilities to achieve cost and CAPEX savings. This would potentially yield economies of scale and operational synergies, thereby enhancing the Group’s long-term operational and financial performance. Furthermore, with a larger business operation base, we will be better positioned to raise capital and potentially achieve better terms for capital-raising.”

AsiaPhos will conduct the necessary due diligence works, including geological surveys, and if the findings are satisfactory, may proceed to acquire and/or consolidate shareholdings in LYR (through the conversion of the convertible loan notes and/or the exercise of the call option), thereby acquiring control over the FengTai Licence.

AsiaPhos intends to utilise a combination of internal resources and external funding to fund the notes subscription. The consideration payable upon the exercise of the put option or call option will be satisfied and paid by the issuance of new ordinary shares in AsiaPhos. The issue price of each AsiaPhos Share shall be based on the weighted average price of the Company’s shares for the 30 business days prior to the date of the exercise of the Option, subject to a minimum of S\$0.25 and maximum of S\$0.30, both inclusive.

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About AsiaPhos Limited

AsiaPhos Limited was listed on the Catalist Board of the SGX-ST on 7 October 2013, and is the first mineral resources company listed on the SGX-ST which is solely focused on exploring and mining phosphate in the PRC with the ability to manufacture and produce phosphate-based chemical products. To make full use of phosphate, which is a valuable and non-renewable natural resource, AsiaPhos is adopting a vertically-integrated strategy which will comprise the mining of phosphate rocks from its existing mines and the production of phosphate-based chemical products.

Led by a management team with more than 10 years of relevant experience in their respective fields, the Group currently owns exploration and mining rights to its two mines and has recently completed the construction of a P₄ plant in its new Gongxing site. As part of its future plans, the Group intends to construct more processing facilities.

Issued for and on behalf of AsiaPhos Limited by

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This Press Release should be read in conjunction, and qualified in its entirety, with the SGX announcement by AsiaPhos dated 22 April 2014.

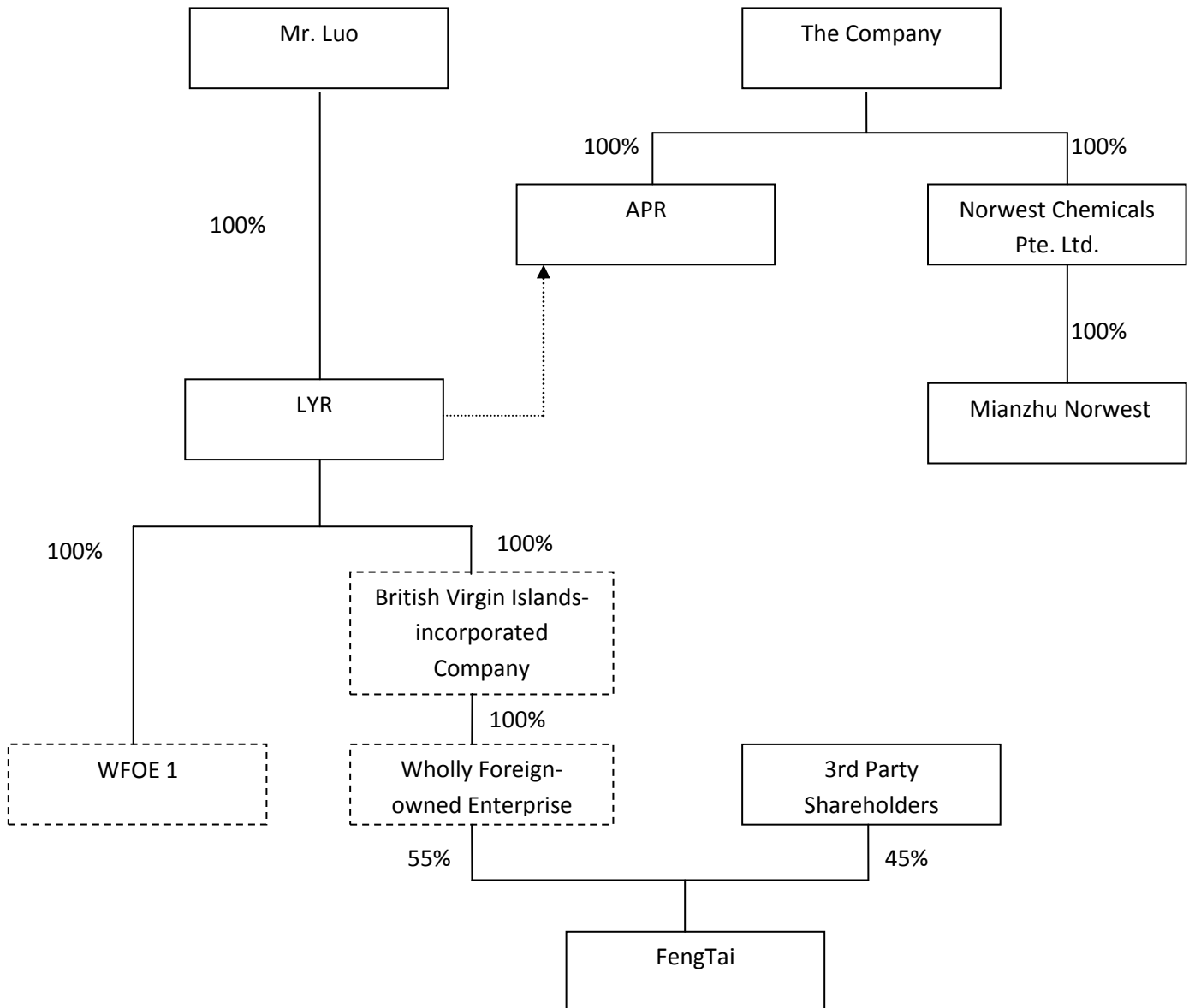
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Annex 1

Corporate Structure of the Group and LYR Group upon completion
of the Dashan Reorganisation and the FengTai Restructuring



Interpretation Key:

- Yet to be incorporated
- Issue of the Notes pursuant to the Notes Subscription Agreement