
MINING OPERATIONS - EXPIRY OF MINE 2 EXPLORATION RIGHT

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 (the “Offer Document”).

The Board of Directors (the “**Board**”) of AsiaPhos Limited (the “**Company**”) wishes to inform Shareholders of the following matters:

EXPIRY OF MINE 2 EXPLORATION RIGHT

The Board refers to page 110 of the Offer Document, which states, *inter alia*, that the Company’s wholly-owned subsidiary, Mianzhu Norwest, has been granted (i) for Mine 1, (a) a mining right relating to 1.6491 square kilometres; and (b) an exploration right relating to 0.55 square kilometres; and (ii) for Mine 2, (a) a mining right relating to 2.0237 square kilometres; and (b) an exploration right relating to 1.28 square kilometres, and further, that the Mine 2 exploration right expired on 16 June 2014.

APPLICATION TO RENEW MINE 2 EXPLORATION RIGHT

On 26 May 2014, Mianzhu Norwest had applied with the Sichuan Land Department (the “**Authority**”) to have its Mine 2 exploration right renewed after 16 June 2014 for another two years. Mianzhu Norwest believes that the renewal application is procedural in nature, and has not encountered any material difficulties in obtaining and/ or renewing such certificates in the past. Barring unforeseen circumstances, the renewal application should be granted in due course.

In the event that the Company ceases activities in relation to the Mine 2 exploration area pending the Authority’s decision on the renewal application, and that the Authority does not grant a renewal of Mine 2’s exploration right, the Group’s mining output, and the Group’s financial performance for the financial year ending 31 December 2014 is not expected to be affected. However, in the event that the Group loses its Mine 2 exploration right, the Group’s estimated measured and indicated resources would decrease by 0.03 million tonnes and 1.3 million tonnes respectively and inferred resource would be reduced by 16.1 million tonnes, as at 31 December 2013 resource disclosure. NI 43-101 does not allow the inclusion of inferred resources as part of the mineral resource total and no inferred mineral resources were included in the financial projections.

The Company will make further announcements as and when there are material developments on the above.

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

17 June 2014

This announcement was prepared by the Company and the contents were reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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, Corporate Finance and Mr Low Han Keat, Senior Director, Corporate Finance, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6539 1177.