

ANNOUNCEMENT

Singapore UEN 2012010180E | ARBN 158 717 492 | www.asaplusresources.com

A\$0.18

[24 April 2017]

ASX Code: AJY

ISSUED CAPITAL

Issued Shares: 88,000,000

Market Cap: \$15,840,000

BOARD OF DIRECTORS

Ir Che Mohamed Hussein

LAU Eng Foo (Andy)

Dominic LIM Kian Gam

(1) **CONDITIONAL GRANT OF 2,900,000 NEW SHARES AS PERFORMANCE BONUS TO KEY PERSONNEL AND EMPLOYEES**

(2) **ISSUE AND ALLOTMENT OF 10,000,000 NEW SHARES AT AN ISSUE PRICE OF A\$0.18 PER SHARE PAYABLE IN CASH TO A DIRECTOR**

The Directors of Asaplus Resources Limited (the “**Company**”) are pleased to announce that the Company has agreed to:

- (a) conditionally grant 2,900,000 new shares as performance bonus (“**2017 Performance Shares**”) to key personnel and employees; and
- (b) issue and allot of 10,000,000 new shares (“**Placement Shares**”) at an issue price of A\$0.18 per share payable in cash to Mr Lau Eng Foo (Andy), a director

2017 PERFORMANCE SHARES

Background information

In Section 7.6, page 31 of the Company’s prospectus dated 21 August 2012 (the “**Prospectus**”) it was disclosed that the Company had agreed to grant and issue 3,000,000 new shares in the Company credited as being fully paid (the “**Performance Shares**”) to certain key personnel upon and only upon attainment of the Performance Milestone (as defined in Section 7.5 of the Prospectus)¹. The terms of issue of the Performance Shares were varied to the extent that should the Performance Milestone being not achieved on or before 29 July 2015 (the “**Expiry Date**”), the grant of the Performance Shares shall lapse and no Performance Share is to be issued. The Performance Milestone was not achieved on or before the Expiry Date; hence the grant of the Performance Shares lapsed and no Performance Shares was issued.

Since the Expiry Date, the Company has incorporated an 80% owned subsidiary, Datian Hongji Mining Co., Limited to acquire the Beikeng Mine Iron Ore Mine (the “**Beikeng Mine**”), and had:

- (a) extended its production permit for the Beikeng Mine to 4 February 2023;
- (b) obtained its production safety permit for the Beikeng Mine for the period up to 20 November 2019; and

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¹ “Performance Milestone” is defined as being such a time when a mining permit to commence commercial iron ore production at the Silverstone Project is granted to the Company’s subsidiary, Datian Silverstone Mining Co., Limited.

(c) substantially completed infrastructural upgrade and developmental works, to be in a position to commence commercial production.

Conditional grant of the 2017 Performance Shares

Subject to receipt of shareholders' approval at the upcoming annual general meeting of the Company, the Company grants the 2017 Performance Shares in its issued and paid up share capital, credited as being fully paid, to the following key management personnel and employees:

	Name of grantee	Position of grantee	Number of Performance Shares
1.	Lau Eng Foo (Andy) (a director)	Managing Director	1,200,000
2.	Hong Xusheng (a substantial shareholder)	General Manager of China operations	1,000,000
3.	Fang Chushui	Manager	550,000
4.	Zhuang Qinghui	Administrator	100,000
5.	Tu Jiancheng	Chief Technical Engineer	50,000 [#]
			<u>2,900,000</u>

[#] These 50,000 shares to be issued on the third anniversary of his employment with the Group, provided he is still employed with the Group.

As stated above, the grant of the 2017 Performance Shares is conditional upon shareholders' approval. Accordingly, the grant of the 2017 Performance Shares will be tabled at the upcoming annual general meeting for shareholders' approval.

Rationale for the 2017 Performance Shares

The grant of the 2017 Performance Shares is to reward these key personnel and employees of the Group who have contributed significantly to the Group reaching this milestone, that is, acquiring and completing all procedures to obtain all necessary regulatory approvals and carrying out all works for Beikeng Mine to be able to commence commercial production. In particular, Mr Lau Eng Foo (Andy) who had carried out duties as managing director for a nominal remuneration of A\$1 per year since the Company's listing on the ASX. The grant of the 2017 Performance Shares will enhance worker morale and motivation, and establish the Group as being a desirable place to work, enabling it to attract and retain well qualified and experienced employees.

PLACEMENT SHARES

Background information

In the period from March 2016 to March 2017, Mr Lau Eng Foo (Andy), a director, had given cash advances to the Company totalling a sum of RMB3,680,000 (approximately A\$722,000 based on current foreign currency exchange rates) to meet the Group's development expenses and general working capital requirements. As of 31 March 2017, the Group's cash and cash equivalent balances stood at a sum of approximately A\$286,000, including cash advances to the Company given by a director, Mr Lau Eng Foo (Andy).

Issue and allotment of the Placement Shares

Mr Lau Eng Foo (Andy), a director, has agreed to subscribe for and the Company has agreed to issue and allot the Placement Shares at an issue price of A\$0.18 per Placement Share (“**Placement Price**”). The Placement Price is derived at after taking into account that it is equal to the last traded price and is higher than the current open market offer price of A\$0.15 per share.

Closing of the issue of the Placement Shares is scheduled to be on 19 May 2017.

Mr Lau Eng Foo (Andy) has represented and undertaken to the Company that he is aware of his obligations under the Singapore Code for Mergers and Takeovers (the “**Takeover Code**”), and that he will not trigger an obligation to make a mandatory general offer under Rule 14 of the Takeover Code if he is issued the Placement Shares and his portion of the 2017 Performance Shares.

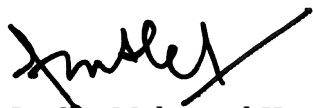
Rationale of the Placement Shares

A portion of proceeds from this placement will be used to repay the outstanding cash advances given to the Company by Mr Lau Eng Foo (Andy), thus reducing the Group’s total liabilities and improve its financial gearing ratios. The balance of the proceeds will increase the Group’s cash balances and will be used to meet its general working capital requirements pending receipt of income from mining operations.

DIRECTOR’S INTEREST AND VOTING EXCLUSION

Mr Lau Eng Foo (Andy), a director, had declared that he is an interested party in the above transactions, in that he was the proposed allottee of the Placement Shares and of a portion of the 2017 Performance Shares. Therefore, he had abstained from all deliberations and voting in relation to these proposed resolutions.

Issued for and on behalf of
ASAPLUS RESOURCES LIMITED



Ir. Che Mohamed Hussein Bin Mohamed Shariff
Chairman
11 May 2017