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APAC RESOURCES LIMITED

亞太資源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1104)

**STRATEGIC REVIEW OF INVESTMENT
AND
SHAREHOLDERS' APPROVAL FOR
THE POSSIBLE DISPOSAL OF INVESTMENTS**

The board of Directors (the “**Board**”) of APAC Resources Limited (the “**Company**” together with its subsidiaries, collectively the “**Group**”) today announced that it has decided to place its investment in Metals X Limited (“**Metals X**”) under strategic review.

The announcement of the strategic review follows discussions with a number of interested parties over the past 3 months. The Group has engaged the global investment bank, Deutsche Bank AG to act as its financial advisor to assist with the strategic review, with a view to maximising shareholder value.

The Group has been an investor in Metals X since 2007 and has been a long term supporter of the company. As part of this strategic review, all strategic options will be considered, including, *inter alia*, a complete disposal of the Group’s shareholding interest in Metals X (the “**Disposal**”).

As at the date of this announcement, the Group’s holding in Metals X has been reduced from 21.7% to 20.8% following the shares issued by Metals X pursuant to its takeover bid for Aditya Birla Minerals Limited and will be further reduced to 18.8% if the current bid is fully accepted and completed.

In order to facilitate a possible outcome of the review, the Company intends to seek prior approval from its shareholders for the possible Disposal as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), as the possible Disposal, if it proceeds, may constitute a very substantial disposal for the Company under the Listing Rules. This will provide the Board with maximum flexibility, pending the outcome of the strategic review. A circular will be distributed to the shareholders of the Company shortly.

Further announcement(s), if any, will be made as appropriate.

REASONS FOR AND BENEFITS OF STRATEGIC REVIEW AND POSSIBLE DISPOSAL

The Australian dollar gold price currently sits near all-time highs around A\$1,700 per ounce, which has led to a significant increase in valuations and corporate interest for Australian gold producers, including Metals X. The Company believes that the current environment represents an opportune time to review the Group's investment in Metals X and to possibly dispose all or part of such holding.

INFORMATION ON METALS X

Metals X is listed on the Australian Stock Exchange (Stock Code: MLX), a diversified group exploring and developing minerals and metals in Australia. It is Australia's largest tin producer, a top ten gold producer and holds a pipeline of assets from exploration to development including the Wingellina Nickel-Cobalt Project.

As the Disposal is subject to the outcome of the strategic review and approval by the shareholders of the Company, it may or may not proceed. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
APAC Resources Limited
Arthur George Dew
Chairman

Hong Kong, 1 June 2016

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*) and Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-executive Directors

Mr. Arthur George Dew (*Chairman*), Mr. Lee Seng Hui and Mr. So Kwok Hoo

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis and Mr. Robert Moyse Willcocks

* *For identification purpose only*