



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200609901H)

PROPOSED ACQUISITION OF 22.3% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF SILVERMANE INVESTMENTS LIMITED

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Asia-Pacific Strategic Investments Limited (the “**Company**”) is pleased to announce that the Company has, on 9 December 2014, entered into (i) a sale and purchase agreement (the “**S&P Agreement**”) with Awang Ahmad Sah (the “**Vendor**”) pursuant to which the Company has acquired 22.3% of the issued and paid-up share capital of Silvermane Investments Limited (the “**Target Company**”) from the Vendor (the “**Acquisition**”), and (ii) in connection with the Acquisition, a promissory note subscription agreement (“**Subscription Agreement**”), further details of which are set out in paragraph 3.2 of this Announcement. The completion of the Acquisition (“**Completion**”) took place on 9 December 2014.

2. INFORMATION RELATING TO THE VENDOR AND THE TARGET COMPANY

The information on the Vendor and the Target Company in this paragraph 2 was provided by the Vendor, which has been extracted and reproduced herein. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this Announcement.

2.1 The Vendor

The Vendor is a retiree and private investor from Malaysia. He was previously a senior Sabah government officer and later served on the boards of several Sabah state government linked companies.

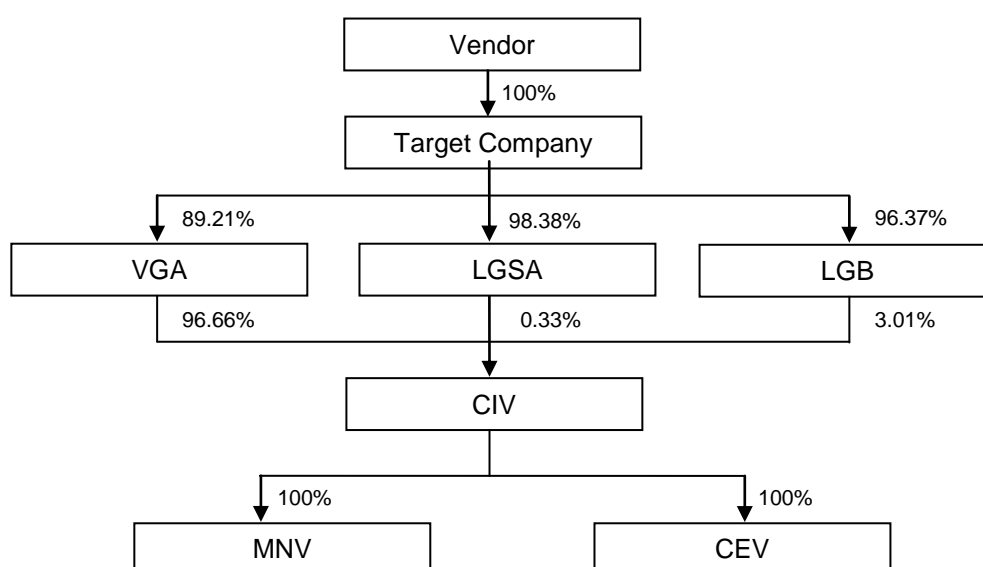
2.2 The Target Company

The Target Company is a special purpose vehicle incorporated in the British Virgin Islands by the Vendor. The Target Company holds an interest in (i) 89.21% of the shares in Vistra Gold Antigua Corp (“**VGA**”), (ii) 98.38% of the shares in LionGold South America Ltd (“**LGSA**”) and (iii) 96.37% of the shares in LionGold Bolivia Ltd (“**LGB**”). The Target Company has on 3 December 2014 entered into a conditional share purchase agreement with LionGold Corp Ltd (“**LionGold**”) to purchase the remaining shareholding interests in each of VGA, LGSA and LGB. Further information on the purchase of the remaining interests in VGA, LGSA and LGB is set out in LionGold’s announcement dated 3 December 2014.

LGB and LGSA are incorporated in the British Virgin Islands and VGA is incorporated in Antigua and Barbuda. VGA, LGSA and LGB collectively wholly-own Compania Inversora Vistra S.A. (“**CIV**”). CIV wholly-owns Minera Nueva Vistra S.A. (“**MNV**”) and Compania Exploradora Vistex S.A. (“**CEV**”). MNV wholly-owns the Amayapampa Gold Project.

Amayapampa Gold Project is a high-grade 1.8 million ounce open-pit gold resource located approximately 382 km southeast of La Paz in the eastern Altiplano of Bolivia. The Amayapampa Gold Project consists of 38 overlapping concessions totalling 3,367 hectares, all registered as being wholly-owned by MNV.

Collectively, the Target Company, VGA, LGSA, LGB, CIV, MNV and CEV shall be referred to as the “**Target Group**”. A diagrammatic representation of the shareholding structure of the Vendor and the Target Group as at the date of this Announcement is as follows:



The book value of the Target Group is a net tangible liability of S\$14,532,000 based on the audited financial statements of the Target Group for the financial year ended 31 March 2014. The net present value (“**NPV**”) of the Amayapampa Gold Project is estimated to be between S\$42 million to S\$77 million according to the Annual Qualified Persons Report for the Amayapampa Gold Project for the year ended 31 March 2014 (the “**QPR**”) which has been prepared by AMC Consultants Pty Ltd (“**AMC**”) in accordance with Practice Note 6.3 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”)’s Mainboard Listing Manual. The QPR was commissioned by LionGold and its effective date is 31 March 2014. For the QPR, AMC has adopted the JORC Code¹ as the reporting standard, and has used US\$1,300 per ounce as the base case gold price in arriving at the estimated NPV.

3. **KEY TERMS OF THE ACQUISITION**

3.1 **Sale and Purchase**

¹ Australasian Joint Ore Reserves Committee (JORC), *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code), 2012 edn, effective December 2012, 44pp., available at http://www.jorc.org/docs/JORC_code_2012.pdf

Pursuant to the S&P Agreement, the Company has acquired 223 ordinary shares in the capital of the Target Company (the “**Sale Shares**”), representing 22.3% of the issued and paid-up share capital of the Target Company free and clear of all encumbrances and together with all the rights and benefits of any nature attaching thereto including but not limited to the right to receive all dividends and distributions which may be paid, declared or made thereon thereafter.

3.2 Purchase Consideration

The aggregate consideration for the Sale Shares is S\$6,000,000 (the “**Consideration**”) of which (a) S\$2,000,000 has been paid to the Vendor on Completion (“**Cash Consideration**”), and (b) in the event that Amayapampa Gold Project commences production of gold, S\$4,000,000 will be payable in the form of a non-transferable convertible note to be issued by the Company to the Vendor (“**Promissory Note**”) in lieu of cash payment, on the terms set out below.

The Consideration was arrived at following arm’s length negotiations on a willing seller willing buyer basis, and taking into account the 23.2 tonnes of gold resources as reported in the QPR, the current market price of gold and the future business potential of the Target Group.

The Cash Consideration shall be funded by proceeds from the exercise of the Company’s warrants which were issued on 7 May 2014. Further details on the material disbursement of these proceeds are set out in paragraph 8 of this Announcement.

Issue of Promissory Note as part of the Purchase Consideration

As mentioned above and as part of the Purchase Consideration, the Company and the Vendor have entered into the Subscription Agreement pursuant to which the Company has agreed to issue and the Vendor has agreed to subscribe for the Promissory Note of a principal amount of S\$4,000,000 (the “**Principal Amount**”) which shall be convertible into ordinary shares in the capital of the Company.

The Promissory Note shall only be issued by the Company if the Amayapampa Gold Project commences production of gold.

The Promissory Note shall not bear interest and shall mature on the date 24 months from the date of issue (the “**Maturity Date**”). If the Vendor does not produce evidence verified by an independent third party expert that the Amayapampa Gold Project has produced at least 30,000 ounces of gold from date it commences production of gold to the Maturity Date, the Promissory Note shall be cancelled and terminated, and the Company shall not be obliged to pay any amount under or pursuant to the Promissory Note.

The Company may opt to redeem the Promissory Note at the Principal Amount or convert the Promissory Note into 57,142,857 shares in the capital of the Company (“**Conversion Shares**”) at the issue price of S\$0.07 per share. If the Company opts to redeem the Promissory Note at the Principal Amount, it intends to finance the payment through its internal cash balances.

3.3 Service Contracts

There are no persons proposed to be appointed as directors of the Company in connection with the Acquisition.

4. **RATIONALE FOR THE ACQUISITION**

The Board is of the view that the Acquisition is in the best interests of the Company and the shareholders of the Company for the following reasons:

- (a) it will enable the Company to invest into a business in the highly prospective mineral mining industry with the acquisition of assets after Completion of approximately US\$42 million to US\$77 million in value as reported in the QPR; and
- (b) it will enhance shareholders' value as the Company anticipates good cashflow from the new business (subject to the commencement of gold production by the Amayapampa Gold Project) and has the prospect of fast expanding the business of mineral mining.

5. **FINANCIAL EFFECTS OF THE ACQUISITION**

5.1 **NTA per Share**

For illustrative purposes only and assuming that the Acquisition had been completed on 30 June 2014, being the end of the most recently concluded financial year, being financial year ended 30 June 2014 ("FY2014"), the proforma financial effects of the Acquisition on the consolidated NTA of the Company and its subsidiaries (the "Group") for FY2014 will be as follows:

	Before Completion of the Acquisition	After Completion of the Acquisition
Consolidated NTA attributable to the shareholders of the Company (RM'000)	98,726	98,726
Number of shares (excluding treasury shares)	982,031	982,031
Consolidated NTA per share attributable to the shareholders of the Company (RM cents)	10	10

5.2 **Earnings per Share ("EPS")**

For illustrative purposes only and assuming that the Acquisition had been completed on 1 July 2013, the proforma financial effects of the Acquisition on the consolidated EPS of the Group for FY2014 will be as follows:

	Before Completion of the Acquisition	After Completion of the Acquisition
Loss attributable to the equity holders of the Company (RM'000)	(8,627)	(13,596)
Weighted average number of shares (excluding treasury shares)	433,733	433,733
Consolidated EPS (RM cents)	(2)	(3)

6. THE ACQUISITION AS A DISCLOSEABLE TRANSACTION

Based on the latest unaudited financial statements of the Group for the financial period ended 30 September 2014 (save as otherwise specified), the relative figures of the Acquisition computed on the bases set out in Rule 1006(a) to (e) of the SGX-ST's Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") are as follows:

Rule 1006(a)	
Net value of the assets to be disposed of	Not applicable
Net asset value of the Group	Not applicable
Size of relative figure	Not applicable

Rule 1006(b)	
Net profits ⁽¹⁾ attributable to the acquired assets	(RM4,969,000) ⁽⁶⁾
Net profits of the Group for the full financial year ended 30 June 2014 ⁽²⁾	(RM8,621,000)
Size of relative figure	58%

Rule 1006(c)	
Aggregate value of consideration to be given ⁽³⁾	S\$6,000,000
Company's market capitalization as at 8 December 2014 ⁽⁴⁾ , being the last traded market day immediately preceding the date of the S&P Agreement	S\$66,767,082
Size of relative figure	9%

Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration ⁽⁵⁾ for an acquisition	57,142,847
Number of equity securities in issue ⁽⁶⁾	1,200,846,807
Size of relative figure	4.8%

Rule 1006(e)	
Aggregate volume or amount of proven and probable reserves to be disposed of	Not applicable
Aggregate of the Group's proven and probable reserves	Not applicable
Size of relative figure	Not applicable

Notes:

- (1) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure as stated is in respect of the full financial year ended 31 March 2014.
- (2) Under Rule 1002(3)(b) of the Catalist Rules, net profits is defined as profit or loss before income tax, minority interests and extraordinary items. The net profits figure used for comparison is that as announced for the Group's full financial year ended 30 June 2014 (instead of the latest announced consolidated net profits figure of the Group which is for only a period of 3 months ended 30 September 2014).

- (3) Based on the volume weighted average market price of S\$0.0556 per Share as at 8 December 2014, being the last traded market day preceding the date of the S&P Agreement, the Conversion Shares have a market value of approximately S\$3.2 million, Together with the Cash Consideration of S\$2.0 million, the Consideration computed using the market value of the Conversion Shares would be approximately S\$5.2 million.

Based on the audited consolidated financial statements of the Group for the full financial year ended 30 June 2014, the net asset value per Share is approximately S\$0.04. The net asset value represented by the Conversion Shares would amount to approximately S\$2.3 million. Together with the Cash Consideration, the Consideration computed using the net asset value represented by the Conversion Shares would be approximately S\$4.3 million.

Assuming that the Company opts to redeem the Promissory Note at the Principal Amount instead of converting the Promissory Note into Conversion Shares, the Consideration would be S\$6 million.

The Consideration used to compute the Rule 1006(c) relative figure is S\$6 million.

- (4) The market capitalisation of S\$66,767,082 is derived from the volume weighted average market price of S\$0.0556 per Share as at 8 December 2014, being the last traded market day immediately preceding the date of the S&P Agreement (*Source: Bloomberg*).
- (5) Based on the number of new Shares to be issued and allotted pursuant to the S&P Agreement, namely, the issuance of the Conversion Shares (being 57,142,847 Shares), assuming no adjustments made to the Conversion Shares.
- (6) Based on issued share capital of 1,200,846,807 as at the date of this Announcement.
- (7) The net profit of the Target Group was converted into RM using exchange rate of Bolivian Boliviano 1 = RM0.4754.

The Board notes that the relative figures under Rules 1006 (b) and (c) of the Catalist Rules exceed 5% but are less than 75%. Accordingly, the Acquisition constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Catalist Rules.

7. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect in the Acquisition.

8. MATERIAL DISBURSEMENT OF PROCEEDS

In accordance with Rule 704(30) of the Catalist Rules, the Board wishes to announce that S\$2,000,000 of the net proceeds from the exercise of the Company's warrants which were issued on 7 May 2014 have been utilised to pay for the Cash Consideration. Such utilisation is in accordance with the stated use in the Company's announcement dated 27 November 2013. The Company did not allot any percentage to such utilization in such announcement.

The Company will continue to make the appropriate announcements as and when the remaining proceeds are materially disbursed, and provide a status update on the use of proceeds in its future annual report(s).

9. DOCUMENTS FOR INSPECTION

A copy of the S&P Agreement, the Subscription Agreement and the QPR will be made available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this Announcement.

10. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have been delegated supervision of this Announcement) collectively and individually accept full responsibility for the accuracy of the information given in this Announcement (save for information relating to the Vendor, the Target Company and the Target Group) and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated and opinions expressed in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

**BY ORDER OF THE BOARD
ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED**

Dato' Dr Choo Yeow Ming
Chief Executive Officer
10 December 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of 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 and the SGX-ST 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. Ng Joo Khin.
Telephone number: 6389 3000 Email: jookhin.ng@stamfordlaw.com.sg*