



APAC RESOURCES
APAC RESOURCES LIMITED
亞太資源有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1104)

**FURTHER DELAY IN DESPATCH OF CIRCULAR
VERY SUBSTANTIAL ACQUISITION RELATING TO
CHINA MINERAL**

An application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to no later than 21st December, 2007.

INTRODUCTION

Reference is made to (a) the announcement of APAC Resources Limited (the "Company") dated 6th March, 2007 (the "Announcement") in relation to the acquisition of the entire issued share capital of China Mineral, which constitutes a very substantial acquisition for the Company under the Listing Rules; and (b) the announcement dated 27 March 2007 issued by the Company relating to the extension of the deadline for despatch of the Circular to 18 June 2007 (the "Second Announcement"). Terms used herein shall have the same meanings as defined in the Announcement unless defined otherwise.

DELAY IN DESPATCH OF CIRCULAR

As stated in the Announcement, a circular (the "Circular") containing, among other things, details of the Acquisition Agreement, the relevant financial information of China Mineral and a notice of the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. As stated in the Second Announcement, the Circular has to be despatched to the Shareholders by no later than 18 June 2007.

Since 27 March 2007, the Company has been preparing the technical report and the accountants' report on China Mineral Group to be included in the Circular but they have not yet been completed and finalised. As indicated by the auditors of the Company, it will take 1 month to complete and finalise the statement of indebtedness of the Company as at 31 October 2007. Therefore, the statement of indebtedness will only be completed and finalized by the end of November 2007.

However, as advised by the technical adviser, the Directors note that additional time is required to finalise certain necessary information to be included in the technical report. Since March 2007, the Company has been liaising with the technical adviser in relation to the technical review, drilling program, appointing drilling team and preparing for the geophysical survey. The technical adviser is coordinating with the Company to set a drilling timetable and program in accordance with the requirements of the technical adviser in order to conduct geophysical survey on the potential of the Iron Ore Mine. The Company has appointed a drilling team to conduct drilling test to ascertain the geophysics of the Mine and this is expected to take several months. Thereafter, the technical adviser would review the data and prepare the report. This is expected to take up to 6 months.

In addition, as indicated by the technical adviser in its preliminary report on technical review submitted to the Company in late April 2007, the technical adviser recommends that the Company conducts a further exploration study in respect of the Iron Ore Mine. A drilling team has been employed and the drilling report is expected to be issued by the end of September 2007. Based on the timetable of the drilling team, a draft technical report will be completed by the end of October 2007 and it is expected that final version of the technical report can only be completed in mid-November since a vast amount of time is required to conduct a site visit and inspection of the Iron Ore Mine in Mongolia in order to obtain necessary information for preparing the technical report.

In light of the above, an application has been made to the Stock Exchange by the Company for a waiver from strict compliance with Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to no later than 21st December, 2007.

As the Acquisition Agreement may or may not be complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares of the Company.

By Order of the Board
APAC Resources Limited
Cao Zhong
Chairman

Hong Kong, 18th June, 2007

As at the date of this announcement, the board of Directors comprises Mr. Cao Zhong (Chairman), Mr. Lau Yau Cheung (Chief Executive Officer), Mr. Yue Jialin being the executive Directors, Mr. Liu Yongshun and Mr. Zhou Luyong being the non-executive Directors and Mr. Wong Wing Kuen, Albert, Mr. Tsui Robert Che Kwong and Mr. Yang Weiming being the independent non-executive Directors.

* For identification purpose only