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NORTH ASIA RESOURCES HOLDINGS LIMITED

北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the annual report (the “**Annual Report**”) of North Asia Resources Limited (the “**Company**”) for the year ended 31 December 2013 published on the websites of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Company on 25 April 2014. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as defined in the Annual Report.

In addition to the information provided in the Annual Report, the Company would like to further inform the Shareholders and potential investors of the Company the following information:

1. Fund Raising Activities – Placing

As disclosed in the announcement of the Company dated 18 December 2012, on 18 December 2012, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent conditionally agreed to procure, on a best-effort basis, placees to subscribe for new convertible bonds (which are convertible into shares at the initial conversion price of HK\$0.31 per conversion share) and promissory notes, each of them had an aggregate principal amount of not more than US\$30 million (the “**Placing**”). Part of the Placing was completed on 24 June 2013 and the remainder was completed on 3 July 2013. The net proceeds from the placing were approximately US\$59,642,000 (equivalent to approximately HK\$465,208,000).

It was disclosed in the announcement of the Company dated 18 December 2012 that the estimated net proceeds, after the deduction of the estimated expenses, in relation to the Placing will be approximately US\$59,642,000 (equivalent to approximately HK\$465,208,000). The net proceeds from the Placing was intended to be used for the payment of part of the consideration for the very substantial acquisition and future operation of coal mines located in Shanxi as announced in the announcement dated 8 October 2014 and as general working capital of the Group.

	<i>US\$</i>	<i>HK\$</i>
US\$60M CB&PN	59,642,000.00	465,207,600.00
Partial repayment of HK\$400M PN	(45,948,717.95)	(358,400,000.00)
Payment of interest (CCBI)	(1,200,000.00)	(9,360,000.00)
Payment of interest (US\$60M CB&PN)	(5,993,424.65)	(46,748,712.27)
Other operating expenses	<u>(3,988,407.49)</u>	<u>(31,109,578.40)</u>
Balances as at 31 Oct 2014	<u>2,511,449.91</u>	<u>19,589,309.33</u>

2. Information of the coal mines of the Group

The summary of expenditure incurred for the year ended 31 December 2013 is set out below:

Expenditures <i>(HK\$ in million)</i>	Mines				
	Liaoyuan Mine	Jinxin Mine	Xinfeng Mine	Bolong Mine	Fuchang Mine
Exploration	21.4	0	10.6	29.1	4.5
Construction	3.7	0.1	11.2	20.9	2.1
Equipment and installation	<u>16.3</u>	<u>18.4</u>	<u>13.1</u>	<u>8.7</u>	<u>11.2</u>
Total	<u>41.4</u>	<u>18.5</u>	<u>34.9</u>	<u>58.7</u>	<u>17.8</u>

There was no capital expenditures incurred and other non-operating expenditures that were charged to income statement during the year ended 31 December 2013.

As the operations of the mines had not started as at the reporting date of the Annual Report, the reserves and resources estimate and grading remains the same as per the CPR performed by JT Boyd as published in the circular of the Company in relation to the very substantial acquisition dated 25 March 2013. The reserves and resources estimates are:

MINING RIGHT AREAS												
Mine	In-Place Resource (Mt)			Recoverable Reserves (Mt)				Processing Yield %	Marketable Reserves (Mt)			% of Reserves
	Measured	Indicated	Inferred	Total	Proved	Probable	Total		Proved	Probable	Total	
Within Authorized Mining Elevation												
Bolong	18.58	19.27	-	37.85	11.09	10.25	21.34	93	10.27	9.54	19.81	45
Fuchang	8.10	2.31	-	10.41	4.62	1.06	5.68	92	4.23	0.99	5.22	12
Jinxin	1.38	2.28	-	3.66	0.78	1.02	1.80	94	0.72	0.98	1.70	4
Liaoyuan	8.97	6.52	2.53	18.02	4.42	3.49	7.91	94	4.14	3.30	7.44	17
Xinfeng	6.39	6.59	-	12.98	4.09	3.32	7.41	93	3.79	3.07	6.86	16
Total	43.42	36.97	2.53	82.92	25.00	19.14	44.14		23.15	17.88	41.03	94
Outside Authorized Mining Elevation												
Bolong	0.59	0.66	-	1.25	0.36	0.34	0.70	94	0.34	0.32	0.66	2
Jinxin	0.59	2.64	0.45	3.68	0.33	1.42	1.75	95	0.33	1.34	1.67	4
Total	1.18	3.30	0.45	4.93	0.69	1.76	2.45		0.67	1.66	2.33	6
Total												
Bolong	19.17	19.93	-	39.10	11.45	10.59	22.04	93	10.61	9.86	20.47	47
Fuchang	8.10	2.31	-	10.41	4.62	1.06	5.68	92	4.23	0.99	5.22	12
Jinxin	1.97	4.92	0.45	7.34	1.11	2.44	3.55	95	1.05	2.32	3.37	8
Liaoyuan	8.97	6.52	2.53	18.02	4.42	3.49	7.91	94	4.14	3.30	7.44	17
Xinfeng	6.39	6.59	-	12.98	4.09	3.32	7.41	93	3.79	3.07	6.86	16
Total	44.60	40.27	2.98	87.85	25.69	20.90	46.59		23.82	19.54	43.36	100

The reserves and resources table were compiled by the technical advisors from JT Boyd. Their identities and qualifications are set out as follows:

Mr. Ronald L. Lewis – Chief Operating Officer and Managing Director, BS (Civil Engineering)

Mr. Lewis has over 40 years of experience in assessment and evaluation of coal mining companies, with specialized expertise in the areas of coal/mineral reserve estimation, opencut and underground mine analysis, and economic assessment of mining operations. He is a Registered Professional Mining Engineer within the United States and a recognized expert in mining property valuation. Mr. Lewis is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and is qualified as a Competent Person as defined in the JORC Code. Mr. Lewis accepts overall responsibility for the CPR and he is independent as required by Rule 18.22.

Mr. Dehui (David) Zhong – Managing Director – China, BS (Mining Engineering)

Mr. Zhong has over 40 years of experience in the mining industry, primarily in coal mine design at the Beijing Coal Design and Research Institute. He last served as the institute's Chief Engineer.

Mr. James F. Kvitkovich – Vice President, BS (Mining Engineering)

Mr. Kvitkovich has 30 years of experience in assessment and evaluation of underground coal mining operations throughout the world. He is a Registered Professional Engineer within the United States and is highly experienced with regard to reviewing and evaluating CM and LW mining operations. Mr. Kvitkovich is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and is a Competent Person as defined in the JORC Code. Mr. Kvitkovich is a co-author of this CPR and he is independent as required by Rule 18.22.

Mr. Paul D. Anderson – Director of Geological Services, BS (Geology)

Mr. Anderson is a Certified Professional Geologist (AIPG) with 36 years of professional experience in exploration, evaluation, and development of coal and mineral deposits. Mr. Anderson is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and a member of the American Institute of Professional Geologists, and is qualified as a Competent Person as defined in the JORC Code. Mr. Anderson is a co-author of this CPR and he is independent as required by Rule 18.22.

Mr. Jisheng (Jason) Han – Mining Consultant, MS (Mining Engineering)

Mr. Han has 16 years of mining industry experience in both China and the United States with extensive background in evaluation of underground mines in China. His technical specialty is geotechnical assessments of underground openings. Mr. Han is a Registered Member of the Society for Mining, Metallurgy, and Exploration, Inc., and is a Competent Person as defined in the JORC Code. Mr. Han is a co-author of this CPR and he is independent as required by Rule 18.22.

As mentioned, due to the mining accident and the suspension of development in October 2013, the completion date of the improvement works and the commencement date of the commercial operation will be delayed. Please refer to the announcement of the Company dated 8 August 2014 for further details.

As mentioned in the announcement dated 8 August 2014 and the Interim Report 2014, all the relevant rectification plans for all five mines have been approved by the relevant authorities and the Group has commenced the reconstruction and improvement works accordingly. In light of these circumstances, under the best estimate of the management, the revised schedule of the improvement works and operation of the respective mines is set out below:

	Expected completion date of the reconstruction and improvement works	Expected date of commencement of commercial operation
Liaoyuan Mine	31 January 2015	30 June 2015
Jinxin Mine	Completed	31 December 2014
Xinfeng Mine	31 January 2015	31 May 2015
Bolong Mine	31 December 2014	30 April 2015
Fuchang Mine	Completed	30 November 2014

Fuchang Mine

In June 2013, transformation project basically completed. Upon completion, according to the preliminary design of technological innovation, the safety requirements for special articles of Fuchang mine and combined with production needs, the safety and quality assurance section of roadway of Fuchang mine already achieved the expected performance and passed the Government's inspection. All aspects of the whole Fuchang project especially for mine hoist, transport, ventilation, electricity, drainage, safety monitoring system are more secured and reliable and the working environment and the production capacity of the workers and their living environment have been greatly

improved. However, as disclosed in the announcement dated 16 October 2013, the Company received a formal notice of 山西省煤炭工業廳 (Shanxi Provincial Coal Industry Office*) and 古交市煤炭工業局 (Gujiao Municipality Coal Industry Bureau*) that the construction and development of all coal mines in Shanxi Province had to be suspended (the “**Suspension**”).

On 5 March 2014, Shanxi Provincial Coal Industry Office and Gujiao Municipality Coal Industry Bureau had granted the Company for the approval of resumption of work. In late March 2014, the Company had completed the Pyrotechnics application procedures required by 古交市煤管局 (Gujiao Coal Authority*) and 古交市公安局 (the Public Security Bureau of Gujiao City*) for the supplies of explosive materials. In April 2014, the Company began the first mining of the surface arrangement. As of October 2014, the preparation of the first mining surface has been completed. However, due to the delayed delivery of the mining equipment, the installation of some machine is not yet completed. In order to begin the first trial run of the mining, the Company is now checking with the relevant suppliers for the delivery date. In addition, as the engineering department and equipment manufacturers have not provided all the information in relation to the civil engineering, equipment procurement, installation engineering quality certification, the progress of applying the certification of work has been slowed down. The Company is now dealing with the relevant departments for the certification.

Jinxin Mine

In June 2013, transformation project of coal mine basically completed. Upon completion, according to the preliminary design of technological innovation, and safety requirements for special articles of Jinxin mine and combined with the production needs, the safety, and quality assurance section of roadway of Jinxin mine already achieved the expected performance and passed the Government’s inspection. All aspects of the whole Jinxin project especially for mine hoist, transport, ventilation, electricity, drainage, safety monitoring system are more secured and reliable and the working environment and the production capacity of the workers and their living environment have been greatly improved. As mentioned, the construction and development of all coal mines in Shanxi Province had been halted by the Suspension.

On April 30, 2014, Shanxi Provincial Coal Industry Office and Gujiao Municipality Coal Industry Bureau had granted the Company for the approval of resumption of work. In mid May 2014, the Company had completed the Pyrotechnics application procedures required by Gujiao Coal Authority and the Public Security Bureau of Gujiao City for the supplies of explosive materials. In May 2014, the Company began the first mining of the

* *for identification purposes only*

surface arrangement. As of October 2014, the preparation of the first mining surface has been completed. However, due to the delayed delivery of the mining equipment, the installation of some machine is not yet completed. In order to begin the first trial run of the mining, the Company is now checking with the relevant suppliers for the delivery date. In addition, as the engineering department and equipment manufacturers have not provided all the information in relation to the civil engineering, equipment procurement, installation engineering quality certification, the progress of applying the certification of work has been slowed down. The Company is now dealing with the relevant departments for the certification.

Bolong Mine

In 2013, the construction of the production and auxiliary systems of Bolong mine (including industrial sites, ground transportation, warehouse, boiler room, dormitories, etc. inclined primary and secondary production system) has basically completed 60% of mine production system, in which the power supply, electrical distribution systems and heating systems and heating engineering has been fully completed. And the environmental protection works has been basically completed and the safety engineering construction has been 80% completed. As disclosed in the announcement dated 16 October 2013, the Company received a formal notice of Shanxi Provincial Coal Industry Office and Gujiao Municipality Coal Industry Bureau that the construction and development of all coal mines in Shanxi Province had to be suspended.

On 17 March 2014, Shanxi Provincial Coal Industry Office and Gujiao Municipality Coal Industry Bureau had granted the Company for the approval of resumption of work. In April 2014, the Company had completed the Pyrotechnics application procedures required by Gujiao Coal Authority and the Public Security Bureau of Gujiao City for the supplies of explosive materials and began to restore mine renovation projects. As of October 2014, mine production system has been completed 80%, which pioneering project of mines is nearing completion 90%. However, due to the late delivery of equipment, the installation of the transportation, ventilation and compression equipment has been slowed down. The Company is now checking with the relevant suppliers for the delivery date in order to minimize the impact of delays in the project.

Xinfeng Mine

In 2013, the construction of the production and auxiliary systems of Xinfeng mine (including industrial sites, ground transportation, warehouse, boiler room, dormitories, etc. inclined primary and secondary production system) has been completed half of mine production system, in which the power supply, electrical distribution systems and heating systems and heating engineering has been completed. In addition, the

underground construction and environmental protection of water treatment stations and coal dust prevention sprinkler system have been basically completed. In addition to ventilation, disaster prevention, external safety equipment works, other projects have been completed, the safety engineering construction has been completed 60%. Due to the Suspension, all the construction and development of all mines in Shanxi had been halted.

On 31 March 2014, Shanxi Provincial Coal Industry Office and Gujiao Municipality Coal Industry Bureau had granted the Company for the approval of resumption of work. In early April 2014, the Company had completed the Pyrotechnics application procedures required by Gujiao Coal Authority and the Public Security Bureau of Gujiao City for the supplies of explosive materials and began to resume the coal renovation project. As of October 2014, the mine production system has been completed 60%, which the pioneering project of mines has been completed 80%. However, due to changes in the geological structure of coal occurs and the pressure increase, the pioneering construction of mines has been slowed down. The Company is now consulting with the relevant experts in order to resolve the problem as quickly as possible. In addition, in July 2014 the arrangement of the village nearby the mines had not been compromised, the construction of the mine expansion project cannot reach corresponding coal renovation project schedule. In August 2014, all the works of Xinfeng mine have been resumed as the arrangement has been compromised.

Liaoyuan Mine

In 2013, the ground support system construction of Liaoyuan mine (including industrial sites, ground transportation, warehouse, boiler room, dormitories, etc.) has been completed. The inclined primary and secondary production system has been basically completed 50% where the power supply, electrical distribution systems and heating systems and heating engineering has been fully completed and underground fire engineering, ventilation, disaster prevention, safety equipment project has not been completed. And the environmental construction and the remaining works of underground water-treatment plant have been basically completed while the safety engineering construction has been completed 50%. Due to the Suspension, all the construction and development of all mines in Shanxi had been halted.

On 12 May 2014, Shanxi Provincial Coal Industry Office granted the Company for the approval of resumption of work while the Gujiao Municipality Coal Industry Bureau granted the Company for the approval of resumption of work on 11 September 2014. In mid-September 2014, the Company had completed the Pyrotechnics application procedures required by Gujiao Coal Authority and the Public Security Bureau of Gujiao City for the supplies of explosive materials and began to resume the coal renovation project. Liaoyuan mine currently is stepping up the normal construction.

The above clarification does not affect other information contained in the Annual Report and save as disclosed herein, the contents of the Annual Report remain unchanged.

By the order of the Board of
North Asia Resources Holdings Limited
Mr. Zhang Sanhuo
Chairman

Hong Kong, 1 December 2014

As at the date of this announcement, Mr. Zhang Sanhuo, Mr. Huang Boqi and Mr. Tse Michael Nam are the executive Directors, Mr. Zou Chengjian is the non-executive Director and Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph (GBS, JP) and Mr. Zhou Chunsheng are the independent non-executive Directors.