

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**新礦資源有限公司**  
**NEWTON RESOURCES LTD**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1231)**

## **VOLUNTARY ANNOUNCEMENT**

### **MEMORANDUM OF UNDERSTANDING IN RELATION TO A METAL MINE IN INNER MONGOLIA**

This voluntary announcement is made by Newton Resources Ltd (the “**Company**”) to inform the shareholders and potential investors of the Company the latest development of the business of the Company and its subsidiaries (collectively, the “**Group**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 21 July 2017, the Group entered into a memorandum of understanding (the “**PRC MOU**”) with a mining company in the People’s Republic of China (the “**PRC Mining Co**”) and its two beneficial owners (the “**PRC Mine Shareholders**”). Based on information currently available to the Group, the PRC Mining Co is the registered holder of the mine exploration right for the exploration of a metal mine (the “**Metal Mine**”) located in Inner Mongolia. Under the PRC MOU, it is intended, among others, that the Group and the parties will further discuss on the proposed investment and/or development of the whole or a part of the Metal Mine, and may enter into a formal agreement on or before the expiry of the Exclusivity Period (as define below).

Pursuant to the PRC MOU, each of the PRC Mining Co and the two PRC Mine Shareholders has agreed, among others, that it will not, from the date of the PRC MOU up to 31 December 2017 (or such later date as mutually agreed by the parties) (the “**Exclusivity Period**”), approach, enter into negotiation or discussion, or enter into any agreement or make any offer, for the sale, transfer, pledge, investment or other cooperation with any third parties in respect of the transactions contemplated under the PRC MOU, the Metal Mine (or any part thereof), the related exploitation right, any shares, major business and/or assets of the PRC Mining Co and/or its holding companies. In consideration of the grant of such exclusivity right, the Group will, within 10 business days after the signing of the PRC MOU, deposit a sum equivalent to RMB6 million as earnest money to the PRC Mine Shareholders, which will be fully refunded (without interests) if a formal agreement is not executed by the parties before the expiry of the Exclusivity Period.

The PRC MOU does not constitute a legally binding agreement among the parties in respect of the proposed investment and/or development of the Metal Mine. Save as aforesaid, other provisions in the PRC MOU (such as the Exclusivity Period, payment and refund of earnest money, right of due diligence exercise, confidentiality and other costs provisions) are legally binding on the parties thereto.

**The Board wishes to emphasize that no binding agreement in relation to the proposed investment and/or development of the Metal Mine or any part thereof has been entered into as at the date of this announcement. Accordingly the proposed investment and/or development in respect thereof may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Newton Resources Ltd**  
**Wu Wai Leung, Danny**  
*Non-executive Director*

Hong Kong, 21 July 2017

*As at the date of this announcement, the executive Directors are Mr. Li Changfa and Mr. Luk Yue Kan; the non-executive Directors are Dr. Cheng Kar Shun and Mr. Wu Wai Leung, Danny; and the independent non-executive Directors are Mr. Tsui King Fai, Mr. Lee Kwan Hung and Mr. Shin Yick, Fabian.*