



**Siburan
Resources
Limited**

**Siburan Resources Limited to Acquire
Substantial Holding in China Automobile Parts Holding Limited**

ASX/MEDIA RELEASE

15 MAY 2015

Siburan Resources Limited (**Siburan, ASX: SBU**) is pleased to announce it has entered into a conditional binding heads of agreement (**Agreement**) to acquire 16.67% of the issued capital of China Automobile Parts Holding Limited, a company listed on the Main Market of Bursa Malaysia which manufactures chassis components (**China Automobile**), from the majority shareholder of China Automobile, Guotai International Holding Limited (**Acquisition**).

Noel Ong, the Managing Director of Siburan said "I am very pleased that we are able to participate in this very exciting phase of the company's journey with this opportunity to take up a strategic investment in China Automobile at a significant discount to its Net Tangible Assets (15.5% discount)."

We see this proposal as a strategic move to gain a presence in China through China Automobile with the potential to open doors to major players in the tungsten industry and potential end-user/off-takers to participate in its Kirwan Tungsten project in New Zealand.

In the last financial year, China Automobile paid a dividend equivalent to \$A0.006 per share or 4.53% dividend yield. This dividend would have resulted in Siburan receiving a distribution of \$A600, 000. This potential to earn a dividend revenue stream will provide a source of exploration funding and allow Siburan more scope to continue with our core business of exploring and developing mineral projects.

Overview and Strategy of Siburan Resources

Siburan Resources will continue to focus in identifying prospective mineral projects with the view to developing the company into a mineral producer. Currently, the company have two active projects in which exploration activities are focused on in the coming months. In addition to the two active projects, the company is also actively reviewing projects while the commodities prices are low and vendors are more willing to transact projects.

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The company's flagship project, the Kirwan Hill Tungsten Project in New Zealand, still remains its main focus. The progress towards developing Kirwan to be a world class tungsten operation remains the company's priority. The company is unwavering in its primary goal to establish Kirwan as the largest tungsten mine outside China. New Zealand poses little sovereign risk and has the infrastructure and logistics available.

In the coming months, Siburan seeks to establish a JORC resource for the Kirwan Hill Tungsten Project. This will be established with a series of drilling to outline the extent of the mineralisation. The company intends to initiate logistical and drilling preparation within the next 3 months.

Concurrently, the company will be seeking to test the recently acquired Ora Banda South gold project, north of Kalgoorlie. The prospect has good bedrock gold mineralisation. This exercise will be staged in two parts. The first is to establish the orientation of the mineralisation with a diamond tail drilling program adjacent to the "discovery" hole.

The second stage will involve a series of air-core drill holes to seek any potential mineralisation that is associated with the historical bedrock gold mineralisation.

Overview of China Automobile Parts Holding Limited

China Automobile Parts Holdings Limited was incorporated and founded in 2004 and is headquartered in Jinjiang City, Fujian Province in the People's Republic of China.

China Automobile Parts Holdings Limited is an investment holding company, founded in 2004, specialising in the manufacture of chassis components used in automobiles for transporting goods. Its product portfolio consists of five (5) categories, namely wheel-hub bolts, wheel axles, steel pins, u-bolts, and torque-rod bushings. Steel pins, u-bolts, and torque-rod bushings are components of leaf-spring suspensions, which are commonly utilised in the load-bearing rear section of heavy automobiles, amongst others.

Their product lines are supplied for aftermarket repair, maintenance and modification, with an emphasis on catering for components used in heavy vehicles. Demand for these aftermarket parts are driven by the need to periodically replace such parts, which endure significant wear and tear over the operating life span of goods-transporting vehicles. Additionally, automobiles modified to carry heavier loads require reinforcement of its rear suspension system, which involve replacing existing parts with stronger models capable of enduring higher stresses.

They have been granted five (5) patents for product-design innovations in 2011 and two (2) patents for modifications on machines used in wheel-axle fabrication and clamping mechanism in 2012, by the State Intellectual Property Office of the People's Republic of China.

On 18th March 2015, China Automobile Parts Holdings Ltd announced that the company is to receive a license to establish a production facility in Xiamen (Fujian Province), China, to produce a rubber compound using Malaysian technology.

Terms of Agreement

In consideration for the Vendor entering the Agreement, SBU has agreed to issue 417,360,000 fully paid ordinary shares in the capital of SBU (**Shares**) to the Vendor (or its nominee) (**Consideration Shares**).

Note: The number of Consideration Shares is that number of Shares, at a deemed issue price of \$0.05 per Share, which is equal to the Australian dollar equivalent of RM60,000,000.

The Acquisition is conditional upon satisfaction or waiver of certain conditions precedent by 31 July 2015 including:

- mutual due diligence;
- SBU undertaking a capital raising (**Capital Raising**) and receiving valid applications for at least \$1,000,000 under the Capital Raising;
- SBU holding a shareholder meeting to approve the transaction and all related matters; and
- China Automobile and the Vendor each obtaining all shareholder and regulatory approvals necessary to give effect to the transactions contemplated by the Agreement being obtained.

New board & Management team

Upon completion of the Acquisition, one of the current SBU directors will be appointed to the Board of China Automobile and two persons as nominated by the Vendor will be appointed to the board of SBU.

Further consolidation of the Board may take place after the Acquisition.

Escrow

The Consideration Shares issued to the Vendor (or its nominee) will be subject to any applicable escrow restrictions in accordance with the ASX Listing Rules.

Capital Raising

To support SBU's growth strategy post-completion of the Acquisition, SBU plans, subject to shareholder approval, to conduct a capital raising under a full form prospectus to raise at least \$1,000,000(**Prospectus**) at a price to be determined.

Shareholder Approvals

A notice of meeting seeking shareholder approval for the resolutions required to effect the Acquisition will be sent to SBU shareholders in due course. It is expected that SBU will convene a meeting to facilitate shareholder approval in or around mid to end of June 2015.

Pro-forma Capital structure

On the basis SBU completes the Acquisition on the terms set out above, and assuming \$1,000,000 is raised under the Capital Raising at \$0.05 per SBU Share, SBU's capital structure will be as follows :

	Shares	Options
Current Issued Capital	239,107,200	183,674,151
Consideration Shares	417,360,000	nil
Capital Raising	20,000,000	nil
Total Post Acquisition & Capital Raising	676,476,200	183,674,151

PRO FORMA BALANCE SHEET

Set out in Annexure A is a pro-forma balance sheet showing the effect of the Acquisition and Capital raising on the terms set out above.

Indicative timetable

An indicative timetable for completion of the Acquisition is set out below:

Event	Date
Execution of Heads of Agreement and announcement of Acquisition	15 May 2015
Distribute notice of meeting seeking shareholder approval for, amongst other things, the Acquisition	12 June 2015

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Lodgement of the Prospectus	On or before 30 June 2015
Shareholder meeting to approve the Acquisition (and associated matters)	14 July 2015
Closing date of Capital Raising	14 July 2015
Completion of Acquisition	21 July 2015
End date to satisfy conditions precedent in the Agreement	31 July 2015

Please note this timetable is indicative only and the directors of SBU reserve the right to amend the timetable as required with the approval of China Automobile and the Vendor.

Advisors

SBU's legal advisor is Steinepreis Paganin.

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For further information please refer to our website www.siburan.com.au or contact:

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Competent Person's Statement

The information in this Report that relates to Exploration results is based on information compiled by Noel Ong who is a member of the Australasian Institute of Mining and Metallurgy. Noel Ong is a geologist with over 20 years' experience as a geologist.

Noel Ong has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves. Noel Ong consents to the inclusion in the report of the matters based on his information in the form and context in which it is used.

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Annexure A - Pro Forma Balance Sheet

Pro- Forma Balance Sheet	31 December 2014 Audit-reviewed	31 March 2015 Unaudited	31 March 2015 Pro-Forma
SIBURAN RESOURCES LIMITED			
Current Assets			
Cash and cash equivalents	2,108,208	1,713,037	2,570,037
Trade and other receivables	27,252	4,933	4,933
Other current assets	9,740	16,640	16,640
Total Current Assets	2,145,200	1,734,610	2,591,610
Non Current Assets			
Trade and other receivables			
Share investments	2,498	2,498	2,498
Property, plant and equipment	-	192,823	21,060,823
Exploration and evaluation assets	54,272	60,217	60,217
Total Non Current Assets	1,809,579	1,890,126	1,890,126
	1,866,349	2,145,664	23,013,664
TOTAL ASSETS	4,011,549	3,880,274	25,605,274
Current Liabilities			
Trade and other payables	50,892	32,234	32,234
Provisions	25,824	14,876	14,876
Total Current Liabilities	76,716	47,110	47,110
Non Current Liabilities			
Loans and borrowings	1,378	1,378	1,378
Total Non Current Liabilities	1,378	1,378	1,378
TOTAL LIABILITIES	78,094	48,488	48,488
NET ASSETS	3,933,455	3,831,786	25,556,786
EQUITY			
Contributed equity	13,298,927	13,298,927	35,023,927
Reserves	120,584	120,583	120,583
Accumulated losses	(9,486,056)	(9,587,724)	(9,587,724)
TOTAL EQUITY	3,933,455	3,831,786	25,556,786