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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)

MEMORANDUM OF UNDERSTANDING IN RESPECT OF LONG-TERM COOPERATION IN RELATION TO IRON ORE MINING OPERATION IN MONGOLIA

The board (the “**Board**”) of directors of North Asia Resources Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) is pleased to announce that on 18 August 2010, after arm’s length negotiations between the relevant parties to the memorandum of understanding (the “**MOU**”), the Company entered into a MOU with Sinosteel Trading Co., Ltd (中鋼貿易有限公司) (“**Sinosteel Trading**”), in relation to the long-term cooperation with the Company in respect of the Company’s iron ore mining operations in Mongolia.

Under the MOU, Sinosteel Trading has agreed, amongst other thing, (i) to involve, or to introduce strategic investors from the People’s Republic of China to involve in the establishment of high value-added processing facilities, including direct reduced iron and pelletised iron facilities, in respect of the Company’s iron ore mines; (ii) to purchase and underwrite, through China Railway Mongolia Investment LLC, all iron ore products processed by the Company in Mongolia; and (iii) to consider the potential equity investment in the Company upon the Company owning sufficient iron ore resources.

Set out below is the information of Sinosteel Trading as provided by counter party:

Sinosteel Trading, formerly known as China Metallurgical Import & Export Corporation, is a large-size state-owned foreign trade company established in 1980 as a result of the renovation of China's old foreign trade system under the guidance of reform and open-up policies. It was renamed as Sinosteel Trading in 2004, and is a subsidiary of Sinosteel Corporation (中國中鋼集團公司), which is a central enterprise under the administration of the State-Owned Asset Supervision and Administration Commission. Sinosteel Trading is principally engaged in importing iron industry raw materials mainly comprising iron ore and exporting metallurgical raw and auxiliary materials such as fluorspar, bauxite, magnesite, rare earth and refractories, processing of imported raw materials, the development of metallurgical products and international and domestic trade of metallurgical raw and auxiliary materials. Sinosteel Trading imported more than 40 million tonnes of iron ores in 2009, ranking No. 1 in the People's Republic of China.

By order of the Board
North Asia Resources Holdings Limited
King Jun Chih, Joseph
Chairman

Hong Kong, 24 August 2010

As of the date of this announcement, Mr. King Jun Chih, Joseph, Mr. Chan Kwan Hung and Mr. Tse Michael Nam are the executive Directors and Mr. Lim Yew Kong, John, Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, GBS, JP are the independent non-executive Directors.