



One Asia Update – Pani IUP

➤ Pani IUP Press Coverage

Today Lion has received a shareholder update from its investee One Asia Resources Limited (One Asia) in relation to its Pani project, a copy of which is attached. One Asia is an unlisted company focused on two advanced exploration gold projects, Pani and Awak Mas, on the Indonesian island of Sulawesi.

One Asia's interest in the Pani project tenement is under an Izin Usaha Pertambangan licence (the Pani IUP) held by a regional co-operative, KUD Dharma Tani (KUD), formed under Indonesian law. One Asia holds its economic interest in Pani through contractual arrangements with the KUD as its local joint venture partner.

The shareholder update received from One Asia advises that Indonesian media reports on 24 December 2013 indicate that the KUD has signed a co-operation agreement with a subsidiary of publicly listed Indonesian company J Resources over the Pani IUP which conflicts with the contractual obligations the KUD has with One Asia. One Asia advises that all legal agreements with the KUD remain in place and that they are enforceable under Indonesian law. One Asia is liaising with local authorities and its advisors to ensure that those contractual obligations are honoured.



ONE ASIA RESOURCES

December 29, 2013

NEWSLETTER & SHAREHOLDER UPDATE

RECENT INDONESIAN MEDIA COVERAGE REGARDING THE PANI IUP

Dear Shareholder,

There are reports in some Indonesian media organisations on and after December 24, 2013 that KUD Dharma Tani (KUD) has signed a memorandum of understanding with a subsidiary of publically listed company PT J Resources Asia Pasifik in relation to the mining IUP at Pani in Pohuwatu Regency, Gorontalo Province, the Pani Project.

It is widely known that the KUD and One Asia Resources its local subsidiaries and associated companies have longstanding agreements in place in relation to that IUP. All agreements with the KUD remains in place and are legally binding on the KUD.

The validity of our agreements had been confirmed by the KUD as reported in local media in September 2013 and in November 2013 written submission by the KUD to the Regency of Pohuwatu [the authority responsible for administration of IUP matters] which detailed all the legal agreements in place for the Pani Joint venture with One Asia Resources. A subsidiary of One Asia Resources already has formed a Joint Venture company with the KUD for the development of mining at Pani.

We believe that the current media reports indicate that some KUD officials do not understand their contractual obligations. One Asia Resources will work with the KUD, as we have done over many years, to amend this misunderstanding. One Asia Resources is also liaising with local authorities and its advisors to ensure that the relevant KUD officials honor those contractual obligations.

A Regional Parliament (DPRD) hearing was held on December 27, 2013 to address the latest actions of the KUD. This hearing was led by the Head of Commission 3 responsible for mining affairs and 2 other MPs and the Head of Mines & Energy for the Regency. The MPs agreed that the KUD were wrong on the signing an MOU with a subsidiary of PT J Resources Asia Pasifik. The KUD was requested to attend the hearing, but since KUD personnel were not present the DPRD will now demand for the KUD to honour the Agreements in place with One Asia.

One Asia will take all actions necessary to protect and enforce its interest in the Pani project under the current agreements with the KUD. One Asia Resources remains committed to developing the Pani IUP, continuing to working with and support the local community as it has in the past.



ONE ASIA RESOURCES

Any questions in relation to this shareholder letter should be addressed to Adrian Rollke at +62 815 904 6664.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Walters', with a horizontal line underneath it.

Stephen Walters
MD & CEO