



Lion Selection Group



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22 May 2015

One Asia Resources Update

Lion has received a shareholder update from its investee One Asia Resources Limited (One Asia) in relation to recent correspondence from former One Asia MD and CEO Stephen Walters to certain One Asia shareholders. A copy of the update 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 remains Lion's largest investment, representing a material component of Lion's portfolio.

May 21, 2015

NEWS RELEASE

COMPANY UPDATE - PANI PROJECT

Shareholder Correspondence from Former MD and CEO Stephen Walters

PT Prima Mineralindo Nusantara Alleged Notice of Default

As some shareholders may be aware, Mr Stephen Walters (former managing director and chief executive officer of the company) has corresponded directly with a number of One Asia's shareholders. This correspondence makes a series of allegations including that One Asia has no interest in the Pani IUP, One Asia is in default of its obligations in relation to its Pani arrangements thereby risking losing its interest in the Pani project, and that One Asia's directors have failed to disclose material facts to shareholders as part of the current rights issue. The company does not know the motives of Mr Walters in making these allegations. Mr Walters has also stated that he wishes to call a special general meeting to replace the current board of directors.

The One Asia Group emphatically disagrees with the above allegations and denies default in relation to its Pani arrangements and will vigorously defend its position. In addition, One Asia is taking advice in relation to Mr Walters' conduct.

The One Asia Group holds its 90% interest in the Pani project through legally binding and exclusive arrangements with the KUD Dharma Tani Marisa (KUD), the holder of the Pani IUP. PT Prima Mineralindo Nusantara (Prima, a company believed to be associated with Mr Walters' wife) through these arrangements holds a 10% interest in the Pani project and a right of first refusal that, if triggered, allows Prima the right to match an offer from a third party. Prima has alleged that this right of first refusal had been triggered by the Provident MOU as announced by One Asia on 11 May 2015, and that One Asia is in default with respect to the Pani arrangements. The One Asia Group denies default and has refuted the default notice.

We welcome Mr Walters' right as a shareholder to seek a special general meeting, however this request should be undertaken through the appropriate procedures.

Any questions in relation to the matters set out in this release should be addressed to Adrian Rollke at +62 21 2904 0727 or via email at arollke@oneasiareources.com or to Craig Smyth at +61 3 9620 0718 or via email at csmyth@lsg.com.au.