

Investment Update

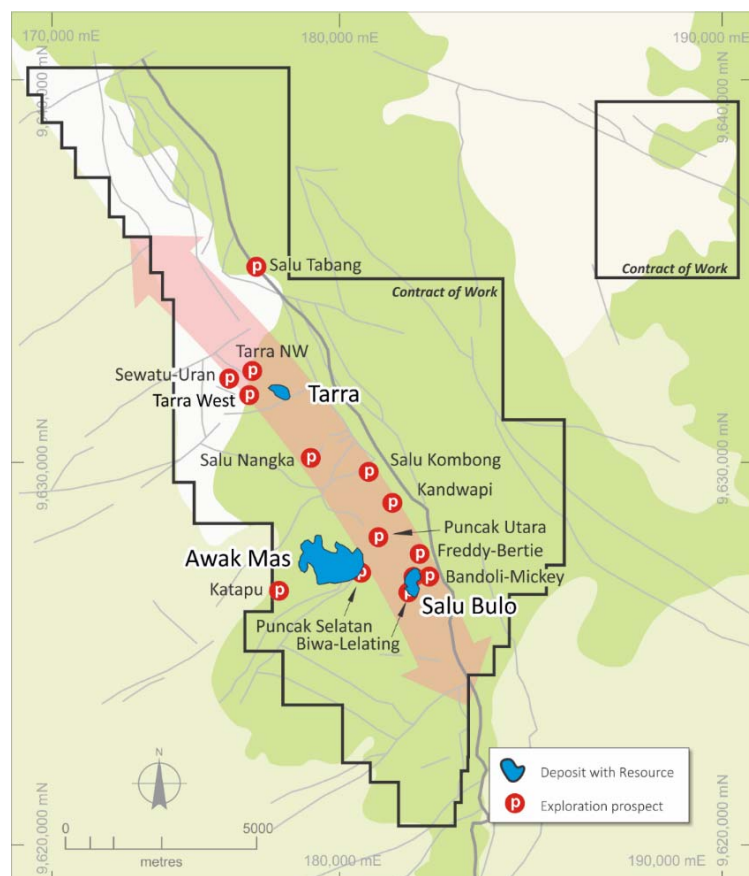
- **Lion to invest \$4.5m in Nusantara IPO – Awak Mas Gold Project**
- **Lion moves to 100% of Asian Lion**

Nusantara Resources Limited IPO

Lion is pleased to announce it has committed to invest \$4.5 million in the Nusantara IPO as part of the demerger of the Awak Mas gold project from One Asia. On 15 June 2017 Nusantara lodged a prospectus (**Nusantara Prospectus**) with ASIC seeking to raise between \$15 million and \$20 million in an IPO, with firm commitments of \$13 million prior to the offer opening. Assuming a maximum subscription at listing, Nusantara will have a market capitalisation of approximately \$45 million at the IPO issue price of 42 cents per share. Strong investor demand for the offer reflects the scale and advanced nature of the project:

- Technical work completed resulting in a new resource estimate of 38.4Mt at 1.41g/t Au for 1.74 Moz, announced on 9 May 2017, based on the new and confirmed geological model with regional prospectivity.
- Environmental permit and AMDAL received in April 2017 opening the path for future project development.
- Availability of the local power grid for 2018 confirmed with electricity provider PLN.
- Management team consists of Mike Spreadborough (Managing Director) together with Colin McMillan (General Manager, Geology) and Adrian Pratt (General Manager, Technical Services) (both of whom are ex-Newcrest Indonesia) and Boyke Abidin (Executive Director) who has been involved with the Awak Mas gold project since 2000.

The principal use of funds is Resource drilling (\$4.6 million) and completion of a definitive feasibility study (\$5.4 million) targeted for early 2018.



The proposed transaction involves One Asia shareholders receiving an in-specie distribution of 1 Nusantara share for every 3 One Asia shares held. In addition to the new Nusantara shares subscribed for, Lion will therefore receive 20.8 million Nusantara shares via the in-specie distribution. Lion's in-specie shares are expected to be escrowed for two years from the IPO. Following the proposed transaction, Lion's holding is expected to be between 30% and 33% depending the amount raised (including shares held by Asian Lion).

The Nusantara IPO will be open to the public and eligible Lion shareholders may apply for IPO shares. Anyone considering investing should read the Nusantara Prospectus in its entirety before deciding whether to do so. Applications can only be made via the application form accompanying the Nusantara Prospectus once the offer period opens. A copy of the Nusantara Prospectus is available at www.nusantararesources.com.



Awak Mas Gold Project Location in South Sulawesi.

Acquisition of Asian Lion Limited

Lion has moved to 100% ownership of Asian Lion, buying out the remaining shares from Proparco and Lion Manager Pty Ltd (Lion Manager) for an aggregate cost of \$0.5 million based on net tangible asset backing. This simplifies Lion's structure and increases the company's exposure to key investments:

- One Asia Resources Limited
- Nusantara Resources Limited
- Erdene Development Corporation Inc

Asian Lion has an outstanding liability owed to Lion Manager Pty of US\$1,298,644 (A\$1,720,058 based on an exchange rate 0.7550 – Source: IRESS, 8 June 2017), with respect to management fees deferred since June 2013 and advances provided by Lion Manager for the fund's administration. Noting Lion's uncommitted cash position of \$3.4 million following the above expected investment, as a means of conserving the Company's cash reserves, subject to shareholder approval, Lion Manager has agreed to accept Lion shares in lieu of the cash receivable. The applicable valuation agreed for the Lion shares will be 45 cents per Lion share, being the highest traded price in the previous 30 days. This compares with the latest NTA of 40 cents per share.

Mr Widdup is both a director of Lion and has a beneficial interest in Lion Manager. Accordingly, although the above arrangements are on an arm's length basis, Lion's directors will put this matter to an extraordinary general meeting for shareholder approval.

Lion Manager has agreed to waive any management fees for the remaining life of the Asian Lion fund.