

**Lion Selection Group**



**ASX RELEASE : LSX**

**19 December 2017**

## **Resolution of Pani IUP Dispute with J Resources**

### **Pani Gold Project, One Asia Resources**

A One Asia Shareholder update is attached, announcing agreement with J Resources relating to the Pani IUP dispute.

The agreement allows work to accelerate on the Pani Gold Project in Sulawesi, Indonesia, involving a review of historic work and starting a feasibility study.

Lion joins One Asia in thanking Provident for providing the leadership in resolving this commercial dispute and looks forward to further synergy with Provident's demonstrated technical experience developing and operating a gold heap leach project in Indonesia.

#### **Lion NTA**

As at 30 November 2017 One Asia's value represented \$2.5m in Lion's NTA, or 4 cents per One Asia share.

Lion's accounting policy for determining the fair value of unlisted investments uses valuation techniques aiming to maximise the use of observable market data. Specific valuation techniques used are applied in accordance with the International Private Equity and Venture Capital Valuation Guidelines, with the price of recent investment being applied in the case of One Asia. The last transaction in One Asia took place in January 2017, and was a placement priced at 18cps. Subsequent to this, the holding value for One Asia has been reduced by 14cps to reflect the demerger of Awak Mas into Nusantara Resources in July 2017.

Lion has a 35% shareholding in One Asia, and so the \$2.5m holding value as used in the NTA implies a total capitalisation of \$7m for 100% of One Asia and \$21m for 100% of the Pani Project JV. This valuation is expected to remain until the next One Asia transaction occurs. This could be either a fund raising by One Asia to fund its pro rata share of feasibility and development or a corporate transaction.

Noting the attached announcement, a wide range of potential value exists for the Pani Gold Project and this will become more recognisable as further steps of feasibility, financing and ultimately production take place.



## Resolution of Pani IUP dispute with J Resources

One Asia is pleased to report it has received notification from its Pani joint venture partner, Provident Capital Partners Pte Limited (Provident), that an agreement has been reached with J Resources relating to the Pani dispute. The agreement paves the way for taking the Pani project forward, including terms providing access necessary to develop the Pani project and satisfying the local ownership requirements for the life of the project. Provident and One Asia consider this a major milestone for the Pani project, with the parties committed to the development of the Pani project in cooperation with the KUD and local community.

One Asia directors provide sincere thanks to Provident the Pani Joint Venture partner. One Asia CEO Adrian Rollke comments:

*“Resolution of the dispute with J Resources regarding ownership of and access to the Pani IUP Gold Project would not have been possible without the leadership of Provident. One Asia welcomes working with Provident on the next phase at Pani; feasibility and development. Provident is a cornerstone shareholder of Merdeka Copper & Gold, and its technical and commercial team have enjoyed recent success developing the Tujuh Bukit Oxide Gold Silver Project where, like Pani, Provident had first needed to resolve an ownership dispute. The resulting team has demonstrated technical success with heap leach projects as well as commercial capability which we expect can be replicated at Pani.”*

### Pani Project

One Asia signed a Memorandum of Understanding (MOU) with Provident for the establishment of a joint venture in the Pani project in May 2015 with the objective of working in co-operation with the KUD and the local community to develop the Pani Project. The purpose of the arrangement is to resolve a dispute with respect to ownership of the Pani project dating back to December 2013 when a subsidiary of J Resources entered arrangements with the KUD that conflicted with One Asia’s rights in the project. The ownership of the joint venture arrangement between Provident and One Asia is intended to be 66.6% Provident and 33.3% One Asia, with One Asia and Provident each committing US\$4m cash. One Asia has contributed US\$4m commitment, with Provident now funding its US\$4m commitment, including the cost of settling the dispute with J Resources. Detailed agreements with respect to the operation and management of the joint venture are being established in line with the MOU, including representation on the Joint Venture board by One Asia and pro rata funding rights.

The Pani IUP, held by the KUD, was issued in November 2009 for a period of 13 years, and, subject to government approval, is extendable for two 10 year periods. The IUP is subject to the Mining Law 4 of 2009, including applicable royalty rates and levels of local ownership and input.

## Next Steps

The settlement agreement with J Resources allows for work to be resumed on the Pani project. In recent months, independent technical reviews have highlighted the need to revisit elements of previous work programs and geological interpretations. This verification work includes re-sampling a selection of drill core to determine the impact of coarse gold on the previous procedures, and a re-logging exercise to better define the oxide/primary mineralisation zones. Upon completion of this verification exercise, a feasibility study will commence.

A number of regulatory approvals will be sought in conjunction with the KUD to recommence on the ground work and secure the Pani project tenure in a structure suitable for developing the project.

One Asia will be obligated to fund its share of the costs of the Pani work program. One Asia is conducting a strategic review about the optimal way to fund its share of costs and to provide liquidity to its shareholders.

## PANI PROJECT OVERVIEW

The Pani project is located in the Pohuwatu Regency, Gorontalo Province in North Sulawesi.



## Pani Project Location

Access to the project is via paved and dirt roads approximately 9km from coastal town of Marisa. A regional airport is located approximately 170km drive from Marisa.



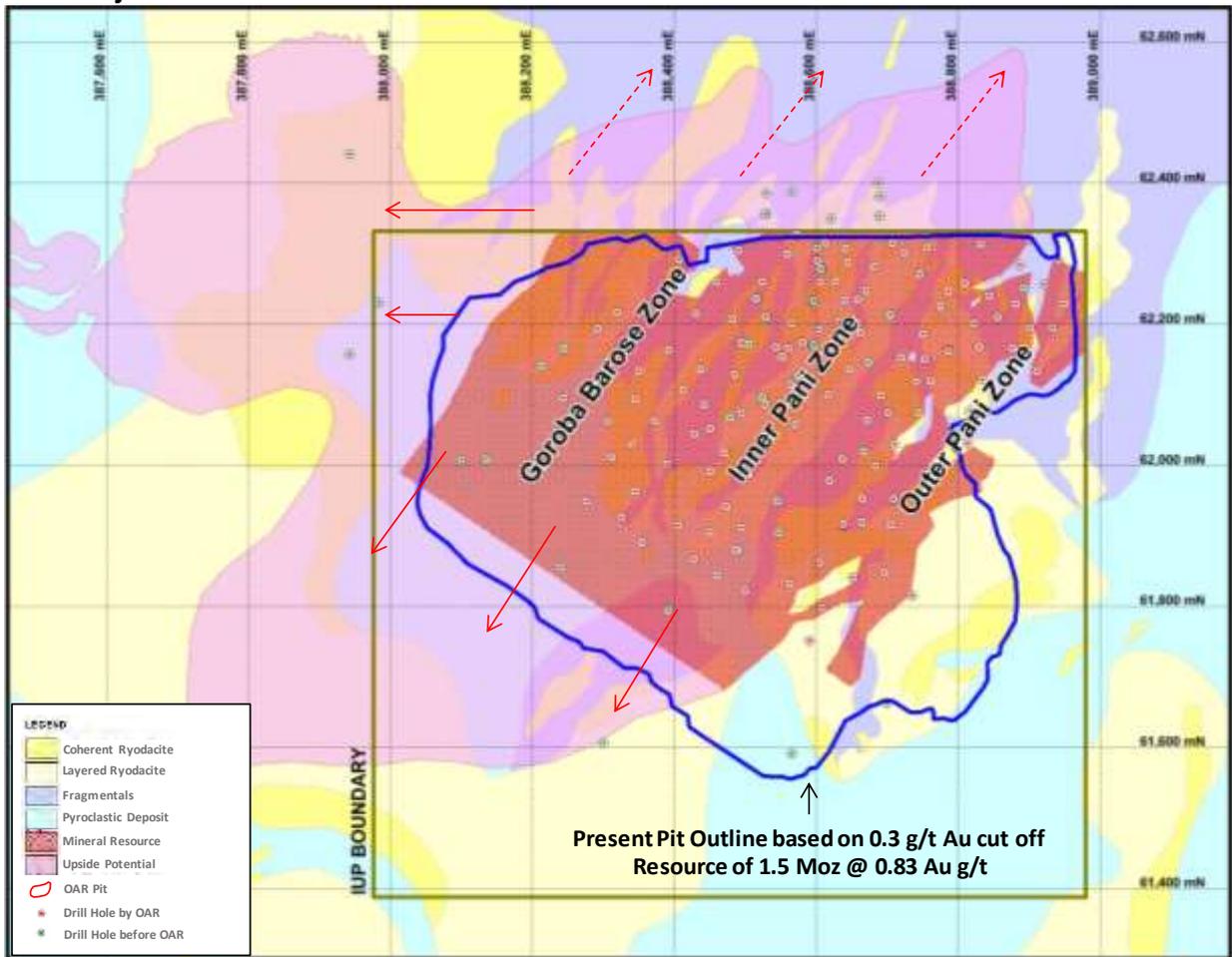
## Pani Gold Project JORC 2014 Resource

The Pani Gold Project currently hosts a JORC MRE of 2.37m ounces. The MRE was calculated from 137 diamond drill holes for 26,017m.

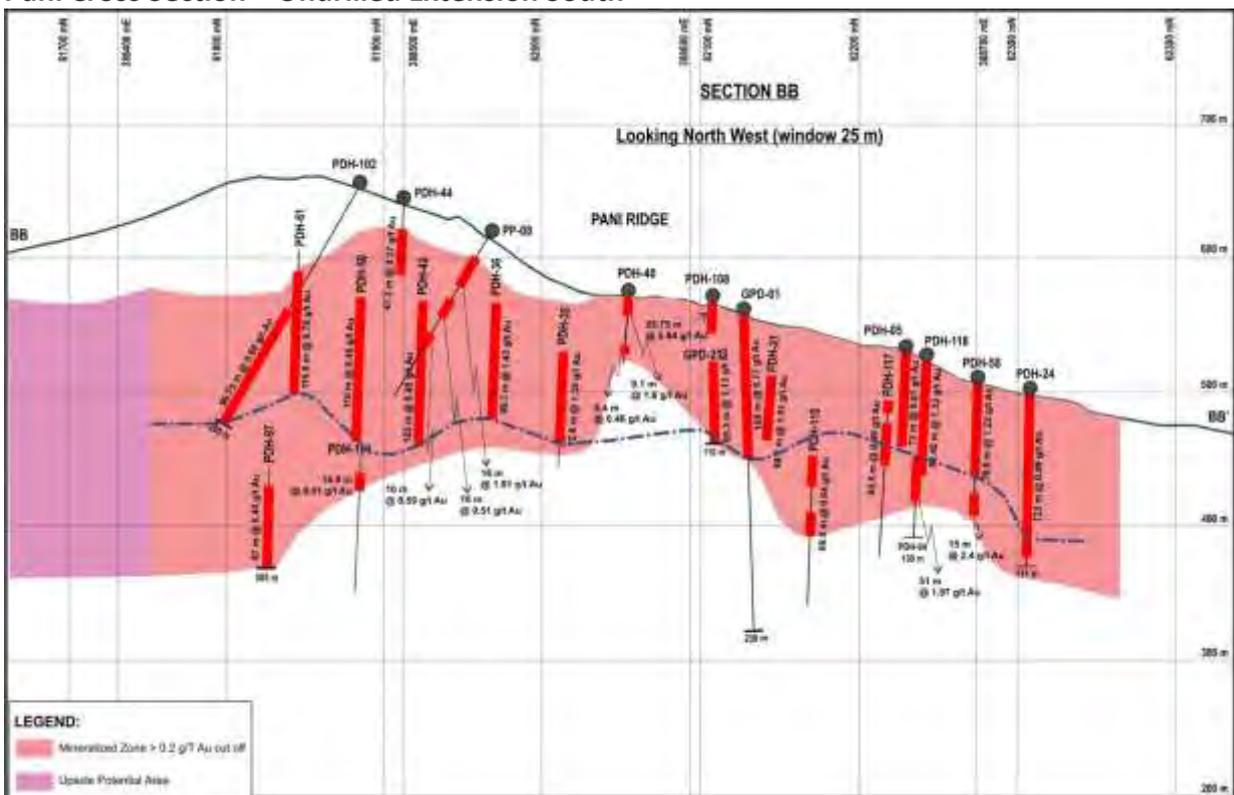
Classification	Tonnes (Mt)	Au Grade (g/t)	Au (million Oz)
Measured	10.8	1.13	0.39
Indicated	62.4	0.81	1.63
Inferred	16.2	0.67	0.35
<b>Total</b>	<b>89.5</b>	<b>0.82</b>	<b>2.37</b>

*For further information regarding the MRE please refer to the 3 December 2014 announcement located on the Company website.*

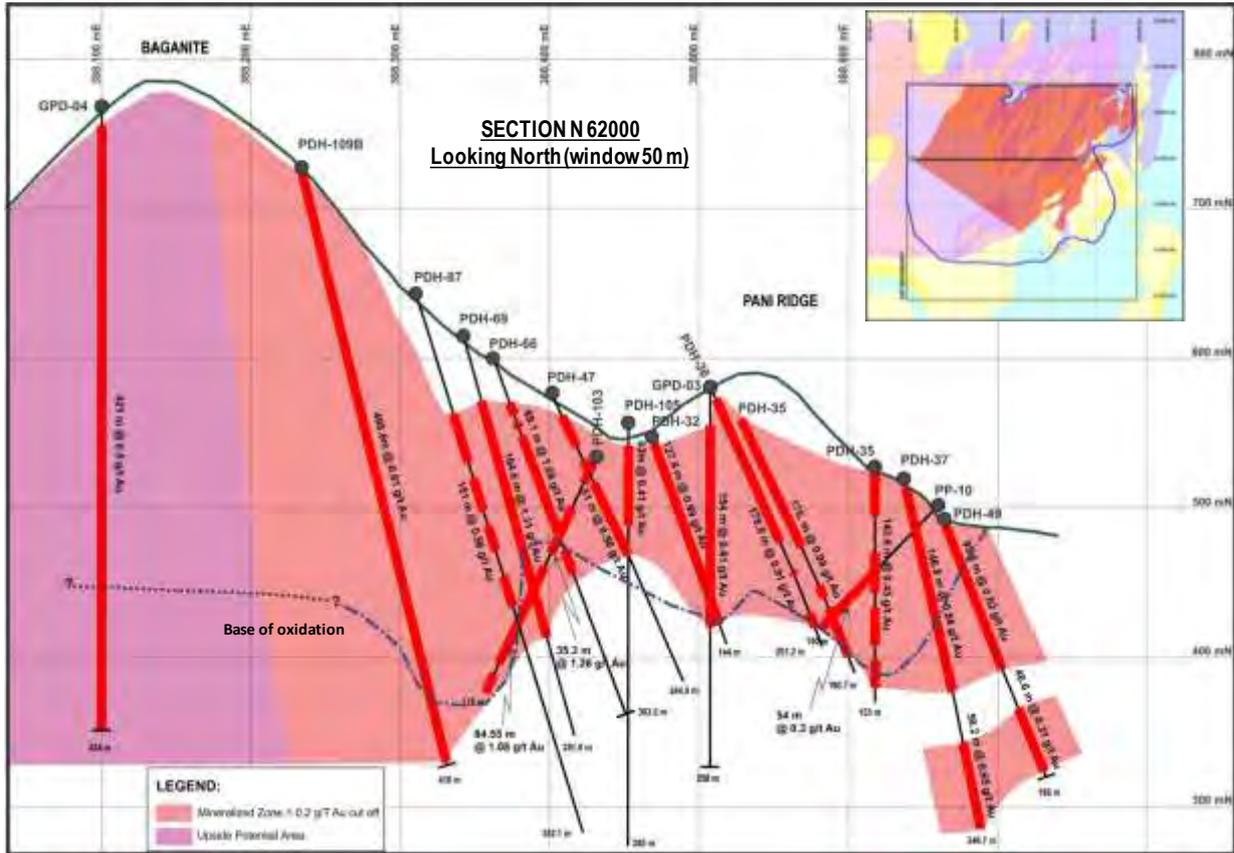
## Pani Project Resource Zones



## Pani Cross Section – Undrilled Extension South



**Pani Cross Section – Undrilled Extension West**



**Disclaimer**

All statements in this Shareholder Update, other than statements of historical fact, that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although One Asia Resources Limited, its subsidiaries, officers and consultants believe the expectations expressed in such forward looking statements are based on reasonable expectations, investors are cautioned that such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward looking statements. Factors that could cause actual results to differ materially from forward looking statements include, amongst other things commodity prices, continued availability of capital and financing, timing and receipt of regulatory approvals, and general economic, market or business conditions.