



Pani Acquisition Timetable and Proposed Share Buy-back

As announced on 2 February 2018, Lion has agreed to buy One Asia Resources Limited's (**One Asia**) 33.3% Joint Venture interest in the Pani Gold Project, Indonesia (**Transaction**).

The agreement has some conditions, including:

- Lion shareholder approval for the issue to One Asia of 35,750,000 Lion shares (at a deemed 37¢ps) and 23,833,333 Lion options exercisable at 50¢ps, 2-year expiry; (at a deemed 7.5 cents per option);
- One Asia shareholder approval for an in-specie distribution to One Asia shareholders of most of the Lion securities received under the transaction (**Capital Return**); and
- Approval by project partner Provident.

The relevant documents have now cleared a number of review steps, and an indicative timetable is provided below:

Event	Date
Documents dispatched to Shareholders	13 March 2018
Shareholder Meetings – One Asia and Lion	12 April 2018
Completion of Transaction including issue by Lion of the Consideration Securities to One Asia	13 April 2018
Capital Return to One Asia Shareholders of the In-Specie Securities	16 April 2018
Completion of the Share Buy-back	16 April 2018
Completion of the Option Cancellation	16 April 2018
Quotation of the Consideration Securities (subject to ASX approval)	As determined by ASX

Share Buy-back and Option Cancellation

Immediately following the sale of its 33.3% Pani Joint Venture interest in the Pani Gold Project, One Asia plans to make a capital return via an in-specie distribution of most of the Lion shares and options received in the Transaction. Lion holds a 35% shareholding in One Asia and will therefore be entitled to participate in the Capital Return.

However, due to restrictions under the self-acquisition rules in the Corporations Act, the in-specie securities to which Lion would otherwise have been entitled will be distributed by One Asia to a nominee (**Nominee**), being treated as Treasury securities in accordance with Australian accounting standards. These securities would ultimately need to be sold by the Nominee in accordance with Lion's instructions and the net proceeds returned to Lion. To optimise Lion's capital structure and avoid the perception that these securities are a market overhang, Lion will seek shareholder approval to buy-back and cancel these shares and options.

Shareholders should note that the Share Buy-back and Option Cancellation are neutral for the company, as Lion is both the issuer and the beneficiary of these arrangements.

Accordingly, Lion will seek shareholder approval to:

- enter into a Share Buy-back Agreement and conduct a selective off-market buy-back and cancellation of the treasury shares held by the Nominee on behalf of Lion following the Transaction and the Capital Return at the deemed issue price of A\$0.37 per Share (**Share Buy-back**); and
- enter into an Option Cancellation Agreement and cancel the treasury options held by the Nominee on behalf of Lion following the Transaction and the Capital Return at the deemed issue price of A\$0.075 per Option (**Option Cancellation**).

The Share Buy-back and Option Cancellation require shareholder approval under the Corporations Act and the ASX Listing Rules respectively and both are subject to and conditional upon completion of the Transaction and Capital Return.