



Lion Selection Group



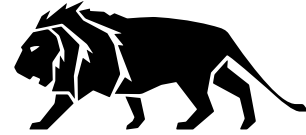
ASX RELEASE : LSX

13 MARCH 2018

Dispatch of Notice of Meeting

Lion Selection Group Limited is pleased to announce that the Notice of Meeting with respect to the Company's purchase of One Asia Resources Limited's 33.3% interest in the Pani Joint Venture is being dispatched to shareholders today.

A copy of the Notice of Meeting is included in this announcement.



Lion Selection Group

ACN 077 729 572

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY MEMORANDUM

General Meeting to be held at the Lion Selection Group Limited office, Level 2, 175 Flinders Lane Melbourne on **Thursday 12 April 2018 at 10.00am.**

Terms used in this Notice of Meeting are defined in section 13 of the Explanatory Memorandum. The Explanatory Memorandum, Independent Directors' Report and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Lion Selection Group Limited will be held at the **Lion Selection Group Limited office, Level 2, 175 Flinders Lane, Melbourne** on **Thursday 12 April 2018** at **10.00am** (Melbourne time).

ITEM OF BUSINESS

RESOLUTION 1 APPROVAL OF ISSUE OF SHARES AND OPTIONS TO ONE ASIA RESOURCES LIMITED

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of Listing Rule 7.1, item 7 of section 611 of the Corporations Act and for all other purposes, the Company is authorised to issue and allot a total of 35,750,000 Shares and 23,833,333 Options to One Asia Resources Limited on the terms and conditions set out in the Explanatory Memorandum, in consideration for the transfer to the Company by One Asia Resources Limited of its Pani Joint Venture Interest pursuant to the terms and conditions of the Asset Purchase Deed.

Voting Exclusions

The Company will disregard any votes cast on the resolution by or on behalf of One Asia Resources Limited or any of its associates. However, the Company need not disregard a vote if it is cast by:

- (i) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 2 APPROVAL OF SELECTIVE BUY-BACK AND CANCELLATION OF TREASURY SHARES

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, subject to the completion of the Transaction and the Capital Return, for the purposes of section 257D of the Corporations Act and for all other purposes, the Company is authorised to enter into the Share Buy-back Agreement and conduct a selective buy-back of the 12,168,562 Shares (forming part of the Treasury Securities), on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusions

The Company will disregard any votes cast on the resolution by or on behalf of the Berne No 132 Nominees Pty Ltd or any of its associates. However, the Company need not disregard a vote if it is cast by:

- (i) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 3 APPROVAL OF CANCELLATION OF TREASURY OPTIONS

To consider and, if thought fit, to pass the following resolution as a special resolution:

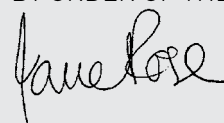
That, subject to the completion of the Transaction and the Capital Return, for the purposes of Listing Rule 6.23.2 and for all other purposes, the Company is authorised to enter into the Option Cancellation Agreement and cancel the 8,112,375 Options (forming part of the Treasury Securities), on the terms and conditions set out in the Explanatory Memorandum.

Voting Exclusions

The Company will disregard any votes cast on the resolution by or on behalf of the Berne No 132 Nominees Pty Ltd or any of its associates. However, the Company need not disregard a vote if it is cast by:

- (i) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Jane Rose

Company Secretary
13 March 2018

NOTES

These notes form part of the Notice of Meeting.

Right to vote

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations that, for the purpose of voting at the Meeting, the shareholders are those persons who are the registered Shareholders at 7.00pm (Melbourne time) on Tuesday 10 April 2018.

Each Shareholder entitled to attend and vote at the Meeting may vote by:

- (a) attending the Meeting in person; or
- (b) appointing a proxy to attend and vote at the Meeting on their behalf.

APPOINTMENT OF PROXIES

A Proxy Form accompanies this Notice of Meeting. A Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint no more than two proxies to attend and vote in their place. A proxy may be either an individual or a corporation, and need not be a Shareholder.

A single proxy exercises all voting rights. Where a Shareholder wishes to appoint two proxies, the Shareholder should follow the instructions on the proxy form, or the Shareholder may copy the **enclosed** Proxy Form. A Shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and does not specify each proxy's voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. Where two proxies are appointed, neither may vote on a show of hands.

A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the Meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of these notes, including the voting exclusions noted above).

If a proxy does not attend the Meeting, then the Chairman of the Meeting will be taken to have been appointed as the proxy of the relevant Shareholder in respect of the Meeting. If the Chairman of the Meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman intends to exercise the relevant Shareholder's votes in favour of the relevant resolution (subject to the other provisions of these notes, including the voting exclusions noted above).

A proxy need not be a Shareholder and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

LODGMET OF PROXY DOCUMENTS

For an appointment of a proxy for the meeting to be effective:

- ▶ the proxy's appointment; and
- ▶ if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it, must be received by the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

Online

Visit www.investorvote.com.au

By Mail

Computershare Investor Services Pty Limited,
GPO Box 242, Melbourne Vic 3001

In person

Computershare Investor Services Pty Limited,
Yarra Falls, 452 Johnston Street, Abbotsford Vic 3067

By Fax

1800 783 447 (within Australia) or
+61 3 9473 2555 (from outside Australia)

Intermediary Online Subscribers (such as custodians and nominees)

Visit www.intermediaryonline.com to submit your voting intentions.

EXPLANATORY MEMORANDUM

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1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 2, 175 Flinders Lane, Melbourne on Thursday 12 April 2018 at 10.00am (Melbourne time). The purpose of this Explanatory Memorandum is to provide Shareholders with all information known to the Company that is material to the decision on how to vote on the Resolutions.

The Independent Directors recommend Shareholders read the accompanying Notice of Meeting, this Explanatory Memorandum and the Independent Directors' Report in full before making any decision in relation to the Resolution.

1.1 Defined terms

Capitalised terms in this Notice of Meeting and Explanatory Memorandum are defined either in the glossary (**section 13**) or where the relevant term is first used, unless the context requires otherwise.

1.2 Regulatory Matters

Under applicable ASIC guidelines, ASX Listing Rules and the Corporations Act, Shareholder approval is required for the Transaction unless an exemption applies or ASIC provides relief. As no relief was sought, the Company has prepared this Notice of Meeting and Explanatory Memorandum, and the Independent Directors have prepared the Independent Directors' Report, which contain relevant information in relation to the Transaction.

The Independent Directors' Report accompanies this Notice of Meeting and has been lodged with ASIC at the same time as this Notice of Meeting. The Company recommends that all Shareholders read the Independent Directors' Report carefully and in conjunction with this Notice of Meeting.

1.3 No material information

There is no information known to the Company that is material to the decision by a Shareholder on how to vote on the Resolution other than as disclosed in this Notice of Meeting and Explanatory Memorandum, the accompanying Independent Directors' Report and information that the Company has previously disclosed to Shareholders.

1.4 Purpose of this Notice of Meeting

The main purpose of this Notice of Meeting is to:

- (a) explain the terms of the proposed Transaction, Share Buy-back and Option Cancellation and the manner in which the Transaction, Share Buy-back and Option Cancellation (or parts of it) will be implemented (if approved); and
- (b) provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions to give effect to the Transaction, Share Buy-back and Option Cancellation.

1.5 ASIC

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC together

with a copy of the Independent Directors' Report that accompanies this Notice of Meeting. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

1.6 Forward looking statements

This document contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'likely', 'should', 'plan', 'consider', 'foresee', 'aim', 'will', 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events and are subject to inherent risks and uncertainties many of which are outside the Company's control. For more information on the risk factors relating to the Transaction, Share Buy-back and Option Cancellation, please refer to the Independent Directors' Report.

These events, as at the date of this document, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, neither the Company, One Asia, any of their respective officers nor any person named in this document or involved in the preparation of this document make any representation, warranty or assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this document will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statements.

1.7 No financial product advice

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of the Consideration Securities. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Neither the Company nor One Asia is licensed to provide financial product advice. No cooling-off regime applies in respect of the acquisition of Shares or Options under the Capital Return (whether the regime is provided for by law or otherwise).

1.8 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (www.lionselection.com.au) and One Asia maintains an internet site (www.oneasiareources.com). Any reference in this document to any of these internet sites is a textual reference only and does not form part of this document.

2. BACKGROUND

2.1 Introduction and Rationale for the Transaction, Share Buy-back and Option Cancellation

On 2 February 2018, One Asia and the Company announced that they had entered into a conditional Asset Purchase Deed (the **Asset Purchase Deed**) with Pani Holdings pursuant to which the Company agreed to purchase One Asia's 33.3% interest in the Pani Joint Venture (the **Transaction**) which holds all of the economic interest associated with exclusive supply of gold ore mined at the Pani Gold Project. See **section 3** for a summary of the key terms of the Transaction.

The Transaction contemplates the purchase by the Company of One Asia's interest in the Pani Joint Venture in consideration for the issue, subject to approval by the Shareholders (being the purpose of Resolution 1), of 35,750,000 Shares and 23,833,333 Options to One Asia (**Consideration Securities**). The Transaction requires One Asia to distribute at least 34,750,000 Shares and 23,166,666 Options of the Consideration Securities (**In-Specie Securities**) promptly after their issue by way of an *in specie* equal capital return to One Asia Shareholders in proportion to their respective interests in One Asia (**Capital Return**).

The Company currently holds approximately 35% of the issued share capital of One Asia.

The purpose of the Transaction is to acquire One Asia's interest in the Pani Joint Venture for the benefit of Shareholders, with a view to the Company progressing the Pani Gold Project through feasibility and into production.

On 7 March 2018, the Company announced its intention to enter into a **Share Buy-back Agreement** (the Share Buy-back Agreement) with the Nominee pursuant to which the Company would agree to purchase and cancel, by way of a selective buy-back, the 12,168,562 Shares forming part of the Treasury Securities (being approximately 7.50% of the Shares) that will be held by the Nominee on behalf of the Company subject to and upon completion of the Transaction and Capital Return (**Share Buy-back**), subject to approval by the Shareholders (being the purpose of Resolution 2). See **section 4** for a summary of the key terms of the Share Buy-back.

The Share Buy-back will reduce the number of Shares on issue. The purpose of the Share Buy-back is to optimise the Company's capital structure and minimise the administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the Shares the subject of the Share Buy-back. The Share Buy-back will also remove a material block of Shares that would potentially need to be sold on market by the Nominee (unless instructed otherwise), representing more than 280% of the annual turnover in Shares during 2017. The sale of Shares by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Shares.

On 7 March 2018, the Company announced its intention to enter into an Option Cancellation Agreement (the **Option Cancellation Agreement**) with the Nominee pursuant to

which the Company would agree to cancel the 8,112,375 Options forming part of the Treasury Securities (being approximately 34.04% of the Options) that will be held by the Nominee on behalf of the Company subject to and upon completion of the Transaction and Capital Return (**Option Cancellation**), subject to approval by the Shareholders (being the purpose of Resolution 3). See **section 5** for a summary of the key terms of the Option Cancellation.

The purpose of the Option Cancellation is to optimise the Company's capital structure and minimise the administrative cost, burden and complexities involved with the ongoing recording and treatment by the Company of the Options the subject of the Option Cancellation. The Option Cancellation will also remove a material block of Options that would potentially need to be sold on market by the Nominee (unless instructed otherwise). The sale of Options by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Options.

While all Directors intend to vote their Shares in favour of the Resolution, due to Mr Robin Widdup being a director of both the Company and One Asia, in considering and negotiating the Transaction, the Company established an independent committee of Directors excluding Mr Widdup to represent the interests of the Company (the **Independent Directors**). Mr Widdup has a beneficial interest in Lion Manager Pty Ltd, which holds One Asia Shares. See **section 4.2** of the Independent Directors' Report for more details.

2.2. Background of the Pani Joint Venture

One Asia's interest in the Pani gold project tenement in Indonesia (the **Pani Gold Project**) is derived from contractual arrangements with respect to an Izin Usaha Pertambangan licence (**Pani IUP**) issued to the KUD Dharma Tani Marisa (**KUD**). The Pani IUP was issued by the Government of Indonesia in November 2009 for a period of 13 years, and, subject to government approval, is extendable for two 10-year periods. The Pani IUP is subject to the Mining Law 4 of 2009, including applicable royalty rates and levels of local ownership and input.

In December 2013, One Asia received reports that the KUD had signed a co-operation agreement with PT Puncak Emas Gorontalo (**PT PEG**), being a subsidiary of PT J Resources Asia Pasifik Tbk (a publicly listed Indonesian company) (**J Resources**) over the Pani IUP, which conflicted with the KUD's contractual arrangements with One Asia (the **Pani IUP Dispute**).

In May 2015, One Asia signed a memorandum of understanding (**Provident MOU**) with Provident Capital Partners Pte Limited (**Provident**), for the establishment of an incorporated joint venture in the Pani Gold Project (**Pani Joint Venture**). The purpose of the arrangement was to resolve the Pani IUP Dispute, with the objective of working in co-operation with the KUD and the local community to develop the Pani Gold Project. The ultimate 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 initially funding US\$4 million cash.

On 19 December 2017, Provident notified One Asia that an agreement had been reached with J Resources to settle the Pani IUP Dispute. The settlement involved the Pani Joint Venture acquiring PT PEG, a subsidiary of J Resources, that had entered a co-operation agreement with the KUD securing 100% of the economic interest associated with exclusive supply of gold ore mined at the Pani Gold Project. PT PEG had also established a joint venture entity with the KUD, being PT Puncak Emas Tani Sejahtera (**PT PETS**) with PT PEG holding 49% and the KUD holding 51% of PT PETS respectively. The KUD has transferred the Pani IUP to PT PETS, providing increased certainty around the tenure of the Pani Gold Project. Arrangements will be established under an Ore Sale and Purchase Agreement for PT PETS to sell all the project ore to the Pani Joint Venture for processing. One Asia's 33.3% interest in the Pani Joint Venture is currently an economic interest, which would become an equity interest by exercising a convertible loan in the Pani Joint Venture, subject to regulatory approval to be sought and obtained by the Pani Joint Venture to allow for foreign investors to hold equity directly. The regulatory approval has not been obtained and the convertible loan has not been exercised as at the date of this Notice. These are not Condition Precedents to the Transaction, but even if these do not occur, the Provident MOU allows for the transfer of One Asia's interest to a nominated entity that is able to hold such equity.

PT PETS is the relevant entity holding the Pani IUP for the purposes of Indonesian local ownership requirements, with the KUD's local ownership of 51% sufficient to satisfy the local ownership requirements. The KUD's interest in the Pani Gold Project will be the right to a royalty payable by PT PETS and dividends from PT PETS with respect to the profits under the Ore Sale and Purchase Agreement.

When the Pani IUP Dispute arose, One Asia took all actions necessary to protect and enforce its 90% interest in the Pani Gold Project under its agreements with the KUD (**Legacy Agreements**). However, due to J Resources entering arrangements with the KUD contrary to One Asia's Legacy Agreements and the KUD advancing the transfer of the Pani IUP into PETS, it became apparent that seeking to enforce the Legacy Agreements was unlikely to be successful. These Legacy Agreements are not part of the Transaction, however Lion is being granted an option to acquire all of One Asia's securities in Pani Holdings, being a 100% owned subsidiary of One Asia that is party to the Legacy Agreements, at a total exercise price of A\$1.00, which is exercisable at any time from completion of the Transaction until 5.00pm on the second anniversary of such completion (**Pani Holdings Option**).

One Asia Group has received correspondence from PT Prima Mineralindo Nusantara (**PT Prima**), holder of a 10% interest in One Asia's legacy arrangements with the KUD, alleging that a right of first refusal over One Asia's Legacy Agreements in the Pani Gold Project has been triggered. One Asia Group has denied this allegation. As noted above, the Legacy Agreements are not part of the Transaction. One Asia Directors note that the risk remains that PT Prima seeks to enforce some of the Legacy Agreements against the One Asia Group or the

KUD, or other legal challenge to prevent the Transaction and Capital Return. PT Prima is a company associated with the wife of Mr Stephen Walters (former managing director and chief executive officer of One Asia).

The Provident MOU paves the way for taking the Pani Gold Project forward, including terms providing access necessary to develop the Pani Gold Project and satisfying the local ownership requirements for the life of the project. Following the settlement of the Pani IUP Dispute, detailed arrangements contemplated in the Provident MOU are now being established with respect to the operation and management of the Pani Joint Venture. A detailed co-operation agreement is being drafted based on principles set out in the Provident MOU (**Co-operation Agreement**) including representation on the Pani Joint Venture board by One Asia and pro rata funding rights. In addition, Indonesian regulatory approval is to be sought for One Asia to convert its interest in the Pani Joint Venture into a direct equity interest.

Both One Asia and Provident have provided their US\$4 million commitments under the Provident MOU, and One Asia needs to fund its pro rata share of the Pani Joint Venture for future drawdowns. A budget of US\$3 million has been estimated for the first half of 2018, with One Asia's share being US\$1 million (US\$0.5 million of which is expected to be required in late February or early March 2018). Lion has committed to meet up to US\$1 million of One Asia's funding as part of the Transaction. Funding requirements are expected to escalate as the project progresses, including future exploration, evaluation and possibly development costs. If the Transaction proceeds, Lion will become responsible for all of One Asia's funding obligations in respect of the Pani Joint Venture.

Following the resolution of the Pani IUP Dispute, One Asia conducted a strategic review considering a range of alternatives for One Asia and the Pani Gold Project, including equity funding, corporate scrip-based transaction, and outright cash sale. Shareholder feedback (including from Lion) was invited throughout this process. Lion also conducted a strategic review about its indirect interest in the Pani Gold Project (through Lion's holding of approximately 35% of the issued share capital of One Asia) and a range of alternatives to progress the Pani Gold Project for the benefit of Shareholders. After considering all the relevant factors (including the advantages, disadvantages and risks as set out in this Explanatory Memorandum), the Independent Directors unanimously determined that the Transaction is in the best interests of Shareholders as a whole and resolved that Lion enter into the Asset Purchase Deed.

3. KEY TERMS OF THE TRANSACTION

The key terms of the Transaction are as follows:

(a) Consideration

The consideration to be provided by Lion to One Asia is the Consideration Securities to be issued by Lion. Lion has also provided an advance of A\$200,000 contributed towards One Asia's transaction costs (**Contribution**) and has committed to advance up to US\$1,000,000 to fund One Asia's contributions to the Pani Joint Venture (**Pani Funding Debt**).

(b) Capital Return

The Transaction involves One Asia distributing, subject to One Asia Shareholder approval, the In-Specie Securities promptly after their issue by way of the Capital Return. The Consideration Securities other than the In-Specie Securities will be retained by One Asia for working capital purposes.

(c) Conditions Precedent

Completion of the Transaction is subject to and conditional on (amongst other conditions) the following being satisfied (or waived, to the extent they can be waived) by 15 May 2018 or such later date as extended under the Asset Purchase Deed, unless agreed otherwise:

- (i) Lion obtaining all shareholder approvals necessary under the Listing Rules and the Corporations Act in relation to the Transaction, including approval of the issue of the Consideration Securities;
- (ii) One Asia obtaining all shareholder approvals necessary under the Corporations Act in relation to the Capital Return;
- (iii) Provident approval of the Transaction, including consent to the assignment to Lion of One

Asia's rights under the Pani Joint Venture and associated documents (including the Provident MOU, the Co-operation Agreement and the convertible loan in the Pani Joint Venture); and

- (iv) execution of a Co-operation Agreement between One Asia and Provident, as contemplated by the Provident MOU.

The other Conditions Precedent are customary conditions for asset sales, being that each warranty provided remains true and correct, there is no circumstance that has or is reasonably expected to have a materially adverse effect, and Lion is satisfied (acting reasonably) that One Asia has not breached the Asset Purchase Deed.

(d) Completion

Completion will occur after the Conditions Precedent have been satisfied or waived and all required documents have been delivered by the relevant parties, or any other time agreed between Lion and One Asia.

(e) Pani Joint Venture Interim Arrangements

For the period from 1 February 2018, until the Asset Purchase Deed is terminated or completed, Lion agreed to fund the Pani Funding Debt. If the Asset Purchase Deed is terminated, One Asia will be required to reimburse Lion for the Pani Funding Debt provided by Lion, which will be by way of the issue of One Asia shares at a price of \$0.08 per share.

Indicative Timetable

Subject to the requirements of the Corporations Act and the Listing Rules, the Company and One Asia anticipate that completion of the Transaction and the Capital Return will be in accordance with the following timetable approved by ASX.

Event	Melbourne Time	Date
Announcement of Transaction		2 February 2018
Announcement of proposed Share Buy-back and Option Cancellation		7 March 2018
Notice of Meeting lodged with ASIC and dispatched to Shareholders		Tuesday 13 March 2018
Application by Lion to ASX for quotation of Consideration Securities		By Tuesday 20 March 2018
Last time and date to lodge Proxy Forms	10am	Tuesday 10 April 2018
Time and date to determine voting eligibility at the Meeting	7pm	Tuesday 10 April 2018
Meeting to consider the Resolutions to approve the issue of the Consideration Securities, the Share Buy-back and the Option Cancellation	10am	Thursday 12 April 2018
Satisfaction/waiver of all conditions of Asset Purchase Deed		Thursday 12 April 2018
Completion of Transaction including issue by the Company of the Consideration Securities to One Asia		Friday 13 April 2018
Capital Return to One Asia Shareholders of the In-Specie Securities		Monday 16 April 2018
Completion of the Share Buy-back		Monday 16 April 2018
Completion of the Option Cancellation		Monday 16 April 2018
Quotation of the Consideration Securities (subject to ASX approval)		As determined by ASX

The above dates are indicative and may change.

4. KEY TERMS OF THE SHARE BUY-BACK

The key terms of the Share Buy-back are as follows:

(a) Consideration

The consideration to be provided by the Company to the Nominee is the price equal to A\$4,502,367.94 (being the deemed issue price of A\$0.37 per Share pursuant to the Transaction multiplied by the 12,168,562 Shares the subject of the Share Buy-back) (**Share Buy-back Price**), which will be paid by way of an issue by the Company to the Nominee of a promissory note with a face value equal to the Share Buy-back Price. The Nominee will return the promissory note to the Company in accordance with the Nominee terms and the promissory note will be cancelled.

(b) Cancellation

The Shares the subject of the Share Buy-back will be cancelled pursuant to section 257H of the Corporations Act. This will reduce the total Shares on issue, upon completion of the Transaction, Capital Return and Share Buy-back, from 162,303,441 Shares to 150,134,879 Shares.

(c) Share Buy-back Conditions Precedent

The Share Buy-back will be subject to and conditional on:

- (i) completion of the Transaction; and
- (ii) completion of the Capital Return.

(d) Completion

Completion will occur after the Share Buy-back Conditions Precedent have been satisfied, or any other time agreed between the Company and the Nominee, subject to the requirements of the Corporations Act and the Listing Rules.

Note that the issue and cancellation of the promissory note associated with the Share Buy-back is neutral for the Company, as the Company is both the issuer and the beneficiary of these arrangements.

5. KEY TERMS OF THE OPTION CANCELLATION

The key terms of the Option Cancellation are as follows:

(a) Consideration

The consideration to be provided by the Company to the Nominee is the price equal to A\$608,428.13 (being the deemed issue price of A\$0.075 per Option pursuant to the Transaction multiplied by the 8,112,375 Options the subject of the Option Cancellation) (**Option Cancellation Price**), which will be paid by way of an issue by the Company to the Nominee of a promissory note with a face value equal to the Option Cancellation Price. The Nominee will return the promissory note to the Company in accordance with the Nominee terms and the promissory note will be cancelled.

(b) Cancellation

The Options the subject of the Option Cancellation will be cancelled. This will reduce the total Options on issue, upon completion of the Transaction, Capital Return and Option Cancellation, from 23,833,333 Options to 15,720,958 Options.

(c) Option Cancellation Conditions Precedent

The Option Cancellation will be subject to and conditional on:

- (i) completion of the Transaction; and
- (ii) completion of the Capital Return.

(d) Completion

Completion will occur after the Option Cancellation Conditions Precedent have been satisfied, or any other time agreed between the Company and the Nominee, subject to the requirements of the Corporations Act and the Listing Rules.

Note that the issue and cancellation of the promissory note associated with the Option Cancellation is neutral for the Company, as the Company is both the issuer and the beneficiary of these arrangements.

6. REQUIREMENT FOR SHAREHOLDER APPROVAL

6.1 Why is Shareholder approval required?

As a result of the number of Shares and Options to be issued under the Asset Purchase Deed, Shareholder approval is required for the Transaction. See **section 10.2** for further details.

The Asset Purchase Deed is conditional (amongst other conditions) on the Company obtaining all Shareholder approvals necessary under the Listing Rules and the Corporations Act in relation to the Transaction, including approval of the issue of the Consideration Securities. These approvals are the subject of Resolution 1. Accordingly, Resolution 1 must be passed in order for the Asset Purchase Deed to proceed.

The Company will only enter into the Share Buy-back Agreement and conduct the Share Buy-back if it obtains the Shareholder approval for the Share Buy-back. Additionally, the Share Buy-back is a selective buy-back and therefore requires the approval by Shareholders under section 257D of the Corporations Act. See **section 11.2** for further details. These approvals are the subject of Resolution 2. Accordingly, Resolution 2 must be passed in order for the Share Buy-back Agreement to be entered into and the Share Buy-back to proceed.

The Company will only enter into the Option Cancellation Agreement and conduct the Option Cancellation if it obtains the Shareholder approval for the Option Cancellation. Additionally, the Option Cancellation will be for consideration and therefore requires approval by Shareholders under Listing Rule 6.23.2. See **section 12.2** for further details. These approvals are the subject of Resolution 3. Accordingly, Resolution 3 must be passed in order for the Option Cancellation Agreement to be entered into and the Option Cancellation to proceed.

The purpose of this Explanatory Memorandum is to provide information, which the Independent Directors believe to be material to Shareholders in deciding how to vote in respect of the Resolutions.

6.2 Independent Directors' Report

To assist Shareholders in their consideration of the Resolutions, and to satisfy the requirements of the Corporations Act, the Independent Directors have prepared the Independent Directors' Report which, amongst other matters, sets out the advantages and disadvantages of the Transaction, Share Buy-back and Option Cancellation and rationale for the absence of a control premium as a result of the Transaction. Shareholders are encouraged to carefully read the Independent Directors' Report to understand the advantages and disadvantages of the Transaction, Share Buy-back and Option Cancellation and the scope and methodology of the valuation.

6.3 Independent Directors' Recommendation

The Independent Directors do not have any material interest in the outcome of the Resolution, other than as a result of their interest arising solely in their capacity as Shareholders.

The Independent Directors consider that the Transaction represents a meaningful opportunity that will allow the Company to progress the Pani Gold Project into development for the benefit of Shareholders.

The Independent Directors consider that the Share Buy-back and Option Cancellation will allow the Company to optimise its capital structure and minimise the administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the Shares the subject of the Share Buy-back and the Options the subject of the Option Cancellation. The Share Buy-back and Option Cancellation will also remove a material block of Lion securities that would potentially need to be sold on market by the Nominee (unless instructed otherwise), with the Shares representing more than 280% of the annual turnover in Shares during 2017. The sale of Shares and Options by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Shares and Options.

The Independent Directors also consider that the Share Buy-back Price and the Option Cancellation Price are fair and reasonable being equal to the valuation adopted for the Transaction and Capital Return assessed in the Independent Directors' Report. In addition, the Independent Directors note that the Company is neutral in the Share Buy-back and Option Cancellation, being both the purchaser and the beneficiary of the arrangements.

Based on the information available including the information set out in this Explanatory Memorandum and the Independent Directors' Report, the Independent Directors consider that the Transaction is in the best interest of the Company and unanimously recommend that Shareholders vote in favour of the Resolutions. The Independent Directors have unanimously approved the proposal to put the Resolutions to Shareholders.

Each Independent Director intends to vote all Shares controlled by him in favour of the Resolutions.

Mr Robin Widdup is the Company's representative on the One Asia Board and as such abstains from making a recommendation in relation to Resolution 1.

7. IMPACT ON CAPITAL STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE TRANSACTION, CAPITAL RETURN, SHARE BUY-BACK AND OPTION CANCELLATION

The Company has 126,553,441 Shares on issue at the date of this Notice.

As at 31 December 2017, the top 20 Shareholders collectively held 74,195,803 Shares, representing 58.6% of the total issued Shares. The top 20 Shareholders as at 31 December 2017 are set out below:

Rank	Name of Shareholder	No. of Shares	% of Shares
1.	BNP PARIBAS NOMS PTY LTD <DRP>	12,225,353	9.66
2.	NATIONAL NOMINEES LIMITED	11,307,616	8.94
3.	MR ROBIN ANTHONY WIDDUP + MRS JANET WIDDUP <WIDDUP SUPER FUND A/C>	6,281,869	4.96
4.	ROJANA HERO PTY LTD	6,262,831	4.95
5.	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,550,139	3.60
6.	MR MARK GARETH CREASY	4,448,976	3.52
7.	MIRRABOOKA INVESTMENTS LIMITED	4,360,378	3.45
8.	MR MICHAEL DAVID BROOK + MRS JENNY LEE BROOK <MD & JL BROOK SUPER FUND A/C>	3,791,841	3.00
9.	INCONSULTARE PTY LTD <MORRISON FAMILY S/F A/C>	3,042,858	2.40
10.	CPAC MELLOY SUPER PTY LTD <MELLOY SUPER FUND A/C>	3,005,336	2.37
11.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,763,409	2.18
12.	MR DOMINIC PAUL MCCORMICK	1,762,576	1.39
13.	MRS PAMELA JULIAN SARGOOD	1,542,858	1.22
14.	MELCOR INVESTMENTS PTY LTD	1,487,943	1.18
15.	PEJALI PTY LTD	1,393,073	1.10
16.	WWW MANAGEMENT PTY LTD <WIDDUP FAMILY A/C>	1,256,742	0.99
17.	WAL ASSETS PTY LTD <THE L A WILSON PROPERTY A/C>	1,207,802	0.95
18.	MAJOLI PTY LTD	1,195,651	0.94
19.	BRANJEE FARM PTY LTD	1,181,642	0.93
20.	AVANTEOS INVESTMENTS LIMITED <CLEARVIEW S/P A/C>	1,126,910	0.89
Total top 20 Shareholders		74,195,803	58.63

The completion of the Transaction, Capital Return, Share Buy-back and Option Cancellation will result in changes to the capital structure of the Company and the shareholdings of existing Shareholders in the Company.

The following tables set out the indicative changes to the capital structure and shareholdings (using rounded figures) calculated based on the following pro forma adjustments:

- (a) issue of the Consideration Securities by the Company to One Asia in exchange for One Asia's 33.3% interest in the Pani Joint Venture;
- (b) completion of Capital Return by One Asia to One Asia Shareholders assuming that:
 - (i) One Asia retains 1,000,000 Shares and 666,667 Options; and
 - (ii) the Company continues to hold a 35% shareholding in One Asia as at the Record Date and will therefore be

entitled to participate in the Capital Return, however the In-Specie Securities to which it would otherwise have been entitled to (**Treasury Securities**) will be distributed by One Asia to a nominee appointed by One Asia (**Nominee**) because Lion would be restricted under the self-acquisition rules in the Corporations Act from acquiring the In-Specie Securities; and

- (iii) the In-Specie Securities (other than the Treasury Securities) will be distributed by One Asia to the One Asia Shareholders (other than the Company) as at the Record Date;
- (c) completion of the Share Buy-back; and
- (d) completion of the Option Cancellation.

7.1 Indicative Pro Forma Capital Structure – Shares

Shareholders	Current	Shares held following issue under the Transaction	Shares held following Capital Return	Shares held following Share Buy-back
Existing Shareholders	126,553,441 (100.0%)	126,553,441 (78.0%)	126,553,441 (78.0%)	126,553,441 (84.3%)
One Asia	Nil (0.0%)	35,750,000 (22.0%)	1,000,000 (0.6%)	1,000,000 (0.7%)
One Asia Shareholders (other than the Company)	Nil (0.0%)	Nil (0.0%)	22,581,438 (13.9%)	22,581,438 (15.0%)
Nominee on behalf of the Company	Nil (0.0%)	Nil (0.0%)	12,168,562 (7.5%)	Nil (0.0%)
Total	126,553,441 (100.0%)	162,303,441 (100.0%)	162,303,441 (100.0%)	150,134,879 (100.0%)

7.2 Indicative Pro Forma Capital Structure – Options

Option Holders	Current	Options held following issue under the Transaction	Options held following the Capital Return	Options held following Option Cancellation
Existing Option Holders	Nil	Nil (0.0%)	Nil (0.0%)	Nil (0.0%)
One Asia	Nil	23,833,333 (100.0%)	666,667 (3.0%)	666,667 (4.2%)
One Asia Shareholders (other than Lion)	Nil	Nil (0.0%)	15,054,291 (63.0%)	15,054,291 (95.8%)
Nominee on behalf of the Lion	Nil	Nil (0.0%)	8,112,375 (34.0%)	Nil (0.0%)
Total	Nil	23,833,333 (100.0%)	23,833,333 (100.0%)	15,720,958 (100.0%)

7.3 Indicative Top 20 Shareholders

The potential top 20 Shareholders (based on the top 20 shareholder lists for the Company as at 31 December 2017 and One Asia as at 12 February 2018) following completion of the Transaction, Capital Return and Share Buy-back are set out below:

Name of Shareholder	Following Completion of the Transaction and Capital Return		Following completion of the Share Buy-back	
	No. of Shares	%	No. of Shares	%
BNP PARIBAS NOMS PTY LTD <DRP>	12,225,353	7.53	12,225,353	8.14
BERNE NO 132 NOMINEES PTY LTD ¹	12,168,562	7.50		
NATIONAL NOMINEES LIMITED	11,307,616	6.97	11,307,616	7.53
MR ROBIN ANTHONY WIDDUP + MRS JANET WIDDUP <WIDDUP SUPER FUND A/C>	6,281,869	3.87	6,281,869	4.18
ROJANA HERO PTY LTD	6,262,831	3.86	6,262,831	4.17
J P MORGAN NOMINEES AUSTRALIA LIMITED	4,550,139	2.80	4,550,139	3.03
MR MARK GARETH CREASY	4,448,976	2.74	4,448,976	2.96
MIRRABOOKA INVESTMENTS LIMITED	4,360,378	2.69	4,360,378	2.90
MR MICHAEL DAVID BROOK + MRS JENNY LEE BROOK <MD & JL BROOK SUPER FUND A/C>	3,791,841	2.34	3,791,841	2.53
INCONSULTARE PTY LTD <MORRISON FAMILY S/F A/C>	3,042,858	1.87	3,042,858	2.03
CPAC MELLOY SUPER PTY LTD <MELLOY SUPER FUND A/C>	3,005,336	1.85	3,005,336	2.00
MACQUARIE BANK LIMITED	2,919,489	1.80	2,919,489	1.94
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,763,409	1.70	2,763,409	1.84
JIM NOMINEES LIMITED	2,390,229	1.47	2,309,348	1.54
MR STEPHEN WALTERS	1,771,173	1.09	1,771,173	1.18
MR DOMINIC PAUL MCCORMICK	1,762,576	1.09	1,762,576	1.17
MRS PAMELA JULIAN SARGOOD	1,542,858	0.95	1,542,858	1.03
MELCOR INVESTMENTS PTY LTD	1,487,943	0.92	1,487,943	0.99
PEJALI PTY LTD	1,393,073	0.86	1,393,073	0.93
KESTREL HOLDINGS LTD	1,321,908	0.81	1,321,908	0.88
WWW MANAGEMENT PTY LTD <WIDDUP FAMILY A/C>	1,256,742	0.77	1,256,742	0.84

¹ Shares forming part of the Treasury Securities held by the Nominee on behalf of the Company

7.4 Indicative Substantial Shareholders

The potential substantial Shareholders (based on the most recent substantial shareholdings in the Company and One Asia notified before the date of this Explanatory Memorandum) following completion of the Transaction, Capital Return and Share Buy-back are set out below:

Shareholder	Number of Shares	% of Shares upon completion of the Transaction and Capital Return	% of Shares upon completion of the Share Buy-back
Robin Anthony Widdup	12,954,819	7.98	8.63
OneVue RE Services Limited (formerly Select Asset Management Limited)	12,276,632	7.56	8.18
Cooper Investors Pty Ltd	11,320,282	6.97	7.54

7.5 Indicative Top 20 Option Holders

The potential top 20 Option Holders (based on the top 20 shareholder list for One Asia as at 12 February 2018) following completion of the Transaction, Capital Return and Option Cancellation are set out below:

Name of Shareholder	Following Completion of the Transaction and Capital Return		Following completion of the Option Cancellation	
	No. of Options	%	No. of Options	%
BERNE NO 132 NOMINEES PTY LTD ¹	8,112,375	34.04		
MACQUARIE BANK LIMITED	1,946,326	8.17	1,946,326	12.38
JIM NOMINEES LIMITED	1,593,486	6.69	1,593,486	10.14
MR STEPHEN WALTERS	1,180,782	4.95	1,180,782	7.51
KESTREL HOLDINGS LTD	881,272	3.70	881,272	5.61
AURORA MINERALS LIMITED	722,153	3.03	722,153	4.59
MR GAVIN BRADLEY	697,062	2.92	697,062	4.43
ONE ASIA RESOURCES LIMITED	666,667	2.80	666,667	4.2
LION MANAGER PTY LTD	586,327	2.46	586,327	3.73
JARVIS INVESTMENT MANAGEMENT LTD	512,552	2.15	512,552	3.26
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	440,333	1.85	440,333	2.80
ADRIAN REINHART DAVID ROLLKE	389,059	1.63	389,059	2.47
OPTIVA SECURITIES LTD	363,965	1.53	363,965	2.32
BNP PARIBAS NOMINEES PTY LIMITED <SELECT ASSET MGMT LTD A/C>	301,405	1.26	301,405	1.92
DOMAIN INVESTMENT HOLDINGS PTY LTD <PETER LOS FAMILY A/C>	298,907	1.25	298,907	1.90
VISTA GOLD CORP	259,975	1.09	259,975	1.65
RAYNESFORD INVESTMENTS PTY LTD	224,176	0.94	224,176	1.43
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	194,981	0.82	194,981	1.24
BNP PARIBAS NOMINEES PTY LTD <LDI CONNECT 7 A/C>	188,373	0.79	188,373	1.20
BNP PARIBAS NOMINEES PTY LIMITED	168,876	0.71	168,876	1.07
MR JOHN CHARLES QUINN + MRS YVELINE ANNIE QUINN <QUINN SUPER FUND A/C>	151,985	0.64	151,985	0.97

¹ Options forming part of the Treasury Securities held by the Nominee on behalf of the Company

8. ADVANTAGES AND DISADVANTAGES OF THE TRANSACTION, CAPITAL RETURN SHARE BUY-BACK AND OPTION CANCELLATION

Shareholders should carefully consider all of the advantages and disadvantages of the Transaction, Share Buy-back and Option Cancellation as contained in the Independent Directors' Report before deciding how to vote on the Resolutions.

9. WHAT HAPPENS IF THE RESOLUTIONS ARE NOT APPROVED

9.1 Resolution 1 - approval of issue of Shares and Options to One Asia

If Shareholder approval for Resolution 1 is not obtained, completion of the Transaction and Capital Return will not be able to occur and One Asia will retain its 33.3% interest in the Pani Joint Venture and all costs and benefits associated with its ownership interest and its funding arrangements with the Pani Joint Venture. In addition, One Asia will be required to repay the Company the Pani Funding Debt paid by the Company, which will likely be met by the issue of shares in One Asia at \$0.08/share to the Company. If this occurs, the Company's shareholding of approximately 35% in One Asia will increase. In addition, the Company may have to pay One Asia a termination fee of A\$200,000 (**Termination Fee**), which will be by way of set off against the Contribution paid by the Company.

If One Asia retains its 33.3% interest in the Pani Joint Venture, it is likely that One Asia will need to conduct a capital raising immediately in order to cover its share of the expected funding for the Pani Joint Venture. The value of the Company's existing investment in One Asia may be impacted by the pricing of this capital raising and the quantum and pricing of such a capital raising cannot be determined at this time. It is also uncertain whether the Company would seek to participate in such a capital raising or if it could be successfully undertaken. In the event that One Asia is unable to fund its share of the Pani Joint Venture, One Asia risks material dilution or loss of its interest in the Pani Joint Venture impacting the value of the Company's existing investment in One Asia.

9.2. Resolution 2 – approval of selective buy-back and cancellation of treasury shares

If Shareholder approval for Resolution 2 is not obtained and the completion of the Transaction and Capital Return occurs:

- (a) the 12,168,562 Shares forming part of the Treasury Securities (being approximately 7.50% of the Shares) will continued to be held by the Nominee on behalf of the Company and dealt with in accordance with instructions given by the Company;
- (b) the Company's capital structure will not be optimised and there will be administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the 12,168,562 Shares; and

- (c) the sale of the Shares by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Shares.

9.3. Resolution 3 – approval of cancellation of treasury options

If Shareholder approval for Resolution 3 is not obtained and the completion of the Transaction and Capital Return occurs:

- (a) the 8,112,375 Options forming part of the Treasury Securities (being approximately 34.04% of the Options) will continued to be held by the Nominee on behalf of the Company and dealt with in accordance with instructions given by the Company;
- (b) the Company's capital structure will not be optimised and there will be administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the 8,112,375 Options; and
- (c) the sale of the Options by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Options.

10. RESOLUTION 1 – APPROVAL OF ISSUE OF SHARES AND OPTIONS TO ONE ASIA

10.1 Background

Under the terms of the Asset Purchase Deed, the Company proposes to issue the Consideration Securities to One Asia (being 35,750,000 Shares at an issue price of \$0.37 per share and 23,833,333 Options).

10.2 Regulatory Requirements

(a) ASX Listing Rule 7.1

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without approval of shareholders issue or agree to issue Equity Securities if the Equity Securities will themselves or when aggregated with the Equity Securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary shares on issue at the commencement of that 12 month period.

The Consideration Securities proposed to be issued will be equivalent to approximately 47.08% (being approximately 28.25% for the Shares proposed to be issued and 18.83% for the Shares issued on exercise of all the Options proposed to be issued) of the Company's fully diluted issued capital (based on the number of Shares on issue as at the date of this Notice of Meeting).

Accordingly, the approval of Resolution 1 by the Shareholders is sought in accordance with the requirement in Listing Rule 7.1.

(b) The Takeover Prohibition

Section 606 of the Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company or an unlisted company with more than 50 members if, due to the acquisition, that person's or someone else's voting power in the

company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90% (**Takeover Prohibition**).

Section 608(3)(a) of the Corporations Act deems that a person has the same relevant interest in any securities that a body corporate has if that person's voting power in the body corporate is above 20% (**Deeming Provision**).

Accordingly, the Transaction will be prohibited under the Takeover Prohibition unless an exception applies because, upon issue of the Consideration Securities but before completion of the Capital Return, it will temporarily result in:

- (i) One Asia increasing its relevant interest in voting shares in the Company from less than 20% to more than 20%; and
- (ii) the Company being taken to be increasing its relevant interest in voting shares in itself from less than 20% to more than 20% because of the Company's approximately 35% shareholding in One Asia, One Asia's increase in voting power in the Company (as described in subparagraph (i) above) and the operation of the Deeming Provision.

Neither One Asia nor any of the One Asia Shareholders (including the Company) are expected to hold voting power of more than 20% in the Company on completion of the Capital Return.

There are certain specified exceptions to the Takeover Prohibition. In particular, under section 611 (item 7) of the Corporations Act (**Item 7 Exception**) an acquisition will not contravene the Takeover Prohibition if shareholders of the company approve the acquisition by passing a resolution at a general meeting where:

- (i) no votes were cast in favour of the resolution by the person proposing to make the acquisition or their associates; and
- (ii) shareholders were given all information known to the acquirer or the company that was material to the decision on how to vote.

Accordingly, the approval of Resolution 1 by the Shareholders is sought in accordance with the Item 7 Exception.

10.3 Information required by ASX Listing Rule 7.3

In compliance with the information requirements of Listing Rule 7.3, Shareholders are advised of the following information:

(a) Maximum number of securities to be issued

The Company intends to issue the Consideration Securities to One Asia under the Asset Purchase Deed, being a total of 35,750,000 Shares and 23,833,333 Options.

(b) Date of issue

The Consideration Securities will be issued on completion of the Transaction but, in any case, not later than 3 months after the date of Shareholder approval pursuant to Resolution 1 or such later date as approved by ASX.

(c) Issue price

The deemed issue price will be A\$0.37 per Share and A\$0.075 per Option, having regard to the Company's assessed value of the Transaction.

(d) The names of the persons to whom the entity will issue the securities or the basis on which those persons will be determined

The Consideration Securities will be issued to One Asia who will then distribute the In-Specie Securities (being part of the Consideration Securities) to the One Asia Shareholders under the Capital Return.

(e) Terms of the securities

The Shares forming part of the Consideration Securities will be fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares. Please refer to **section 10.3(h)** for more details on the rights and liabilities attaching to the Shares.

The Options forming part of the Consideration Securities will be options to acquire fully paid Shares. Please refer to **section 10.3(g)** for more details on the rights and liabilities attaching to the Options.

The Company will apply to ASX for official quotation of the Consideration Securities.

(f) Voting exclusion statement

The Company will disregard any votes cast on Resolution 1 by or on behalf of One Asia Resources Limited or any of its associates. However, the Company need not disregard a vote if it is cast by:

- (i) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

(g) Rights and Liabilities attaching to the Options

The Options are proposed to be issued on the following terms and conditions:

- (i) Each Option entitles the Option Holder to be issued one Share when exercised.
- (ii) The Options are exercisable at any time on or before 24 months from their issue date.
- (iii) The exercise price of each Option is A\$0.50 each.
- (iv) The Company will apply to the ASX for quotation of all Options to be issued and they will be quoted on the ASX if such application is successful.
- (v) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise**). Options may be exercised by the Option Holder in whole or in part by completing the Notice of Exercise and forwarding to the Company's Share Registry to be received prior to their expiry date. The Notice of Exercise must state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee.

The Notice of Exercise by an Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.

- (vi) All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Options.
- (vii) There are no participating rights or entitlements inherent in the Options and the Option Holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Option Holder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised except in the event of a bonus issue of securities to Shareholders **(Bonus Issue)**. The Company will ensure, for the purposes of determining entitlements to any issue, that Option Holders will be notified of a proposed issue after the issue is announced. This will give Option Holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in such issues.
- (viii) If from time to time on or prior to the expiry of the Options, the Company makes a Bonus Issue, then upon exercise of Options an Option Holder will be entitled to have issued (in addition to the Shares which are otherwise entitled to have issued upon such exercise) the number of securities which would have been issued under that Bonus Issue if the Options had been exercised before the record date for the Lion Issue.
- (ix) In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the Company, all rights of the Option Holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

(h) Rights and liabilities attaching to Shares

The full details of the rights and liabilities attaching to the Shares (including those issued upon exercise of Options) are:

- (i) detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (ii) in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The following is a summary of the principal rights which attach to Shares:

(i) Voting rights

Subject to any right or restrictions for the time being attached to any class or classes of Shares (at present there are none), at a general meeting, every holder of Shares present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote per Share on a poll. A person who holds a Share which is not fully paid is entitled to a fraction of a vote equal to the amount paid up (but not credited as paid up) on the Share divided by the total amount paid and payable on the Share (excluding amounts credited).

(ii) Dividend rights

The Board may declare or pay dividends as it sees fit and determine that a dividend is payable and fix the amount, the time for payment and the method of payment. Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), holders of fully paid Shares on which any dividend is declared or paid are entitled to participate in that dividend equally.

Each Share which is not fully paid is entitled to a fraction of the dividend declared or paid on a fully paid Share equivalent to the proportion which the amount paid (not credited) on the Share bears to the total amounts paid and payable (excluding amounts credited) on the Share.

(iii) Rights on winding-up

Subject to the rights of holders of Shares issued upon special terms and conditions (at present there are none), a liquidator may with a sanction of a special resolution of the Company, divide among the holders of Shares any surplus assets on a winding-up of the Company in proportion to the number of Shares held by them respectively (irrespective of the amounts paid or credited as paid on the Shares) or vest all of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the Shareholders.

(iv) Transfer of Shares

Subject to the Constitution, the Corporations Act and any other applicable laws of Australia and rules of the ASX, Shares are freely transferable. The Board may refuse to register a transfer of Shares if permitted by the Corporations Act or the ASX Listing Rules. The ASX Listing Rules also require the Board to refuse to register a transfer if it relates to Shares which are subject to escrow requirements.

(v) Future increases in capital

The allotment and issue by the Company of any Shares or other securities is under the control of the Directors. Subject to the Constitution and the Corporations Act, the Directors may, on behalf of the Company, allot or otherwise dispose of Shares or other securities on such terms and conditions as they think fit.

(vi) Variation of rights

The rights attaching to the Shares and other securities issued by the Company may be varied by the written consent of holders of such Shares or other securities with at least 75% of the votes in the class or with the sanction of a special resolution passed at a meeting of the class of holders holding Shares or other securities in the relevant class.

(vii) Meetings and notice

A Director may call a meeting of the Company's shareholders. Annual meetings and meetings requested by the Company's shareholders are called and arranged in accordance with the Corporations Act (including requirements as to notice).

(viii) Listing Rules

Whilst the Company is admitted to the Official List of ASX, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

10.4 Independent Directors' Recommendation

The Independent Directors believe that the issue of the Consideration Securities to One Asia is beneficial for the Company and unanimously recommend Shareholders vote in favour of Resolution 1. The approval of the Resolution will enable the Company to complete the Transaction and Capital Return and progress of the Pani Gold Project.

11. RESOLUTION 2 – APPROVAL OF SELECTIVE BUY-BACK AND CANCELLATION OF TREASURY SHARES

11.1 Background

Under the terms of the Share Buy-back Agreement, the Company proposes to purchase, by way of a selective buy-back, the 12,168,562 Shares forming part of the Treasury Securities (being approximately 7.50% of the Shares) that will be held by the Nominee on behalf of the Company subject to and upon completion of the Transaction and Capital Return. The price for the purchase will be A\$4,502,367.94 (being the Share Buy-back Price), which will be paid by way of an issue by the Company to the Nominee of a promissory note with a face value equal to the Share Buy-back Price.

11.2 Regulatory Requirements

Section 257A of the Corporations Act allows a company to buy back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures laid down in Division 2 of Chapter 2J of the Corporations Act.

Section 257D of the Corporations requires the terms of the buy-back agreement for a selective buy-back be approved by shareholders, including by a special resolution passed at a general meeting of the company before the buy-back agreement is entered into, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or their associates.

The Share Buy-back is a selective buy-back as defined by section 9 of the Corporations Act since it is not a buy-back under an equal access scheme, a minimum holding buy-back, an on-market buy-back or an employee share scheme buy-back.

Accordingly, the approval of Resolution 2 by the Shareholders is sought in accordance with the requirement in Section 257D of the Corporations Act, with no votes being cast in favour of the resolution by the Nominee or its associates.

11.3 Independent Directors' Recommendation

The Independent Directors consider that the Share Buy-back will not materially prejudice the Company's ability to pay its creditors, noting that the financial effect of the Share Buy-back is neutral for the Company as set out in the unaudited pro forma historical statement of financial position in the Independent Directors' Report.

The Independent Directors also believe that the Share Buy-back is beneficial for the Company and unanimously recommend Shareholders vote in favour of Resolution 2. The approval of Resolution 2 will enable the Company to optimise its capital structure and minimise the administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the Shares the subject of the Share Buy-back. The Independent Directors also consider that the Share Buy-back Price is fair and reasonable being equal to the valuation adopted for the Transaction and Capital Return assessed in the Independent Directors' Report. In addition, the Independent Directors note that the Company is neutral in the Share Buy-back, being both the purchaser and beneficiary of the arrangement.

12. RESOLUTION 3 – APPROVAL OF CANCELLATION OF TREASURY OPTIONS

12.1 Background

Under the terms of the Option Cancellation Agreement, the Company proposes to cancel the 8,112,375 Options forming part of the Treasury Securities (being approximately 34.04% of the Options) that will be held by the Nominee on behalf of the Company subject to and upon completion of the Transaction and Capital Return. The price for the cancellation will be A\$608,428.13 (being the Option Cancellation Price), which will be paid by way of an issue by the Company to the Nominee of a promissory note with a face value equal to the Option Cancellation Price.

12.2 Regulatory Requirements

Listing Rule 6.23.2 provides that a change which has the effect of cancelling an option for consideration can only be made if holders of ordinary securities approve the change.

Accordingly, the approval of Resolution 3 by the Shareholders is sought in accordance with the requirement in Listing Rule 6.23.2.

12.3 Information required by ASX Listing Rule 6.23.2

In compliance with the information requirements of Listing Rule 6.23.2, Shareholders are advised of the following information:

(a) Voting exclusion statement

The Company will disregard any votes cast on Resolution 3 by or on behalf of Berne No 132 Nominees Pty Ltd or any of its associates. However, the Company need not disregard a vote if it is cast by:

- (i) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

12.4 Independent Directors' Recommendation

The Independent Directors consider that the Option Cancellation will not materially prejudice the Company's ability to pay its creditors, noting that the financial effect of the Option Cancellation is neutral for the Company as set out in the unaudited pro forma historical statement of financial position in the Independent Directors' Report.

The Independent Directors also believe that the Option Cancellation is beneficial for the Company and unanimously recommend Shareholders vote in favour of Resolution 3. The approval of Resolution 3 will enable the Company to optimise its capital structure and minimise the administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the Options the subject of the Option Cancellation. The Independent Directors also consider that the Option Cancellation Price is fair and reasonable being equal to the valuation adopted for the Transaction and Capital Return assessed in the Independent Directors' Report. In addition, the Independent Directors note that the Company is neutral in the Option Cancellation, being both the purchaser and beneficiary of the arrangement.

13. GLOSSARY

A\$ or \$	means an Australian dollar.
ASIC	Australian Securities and Investments Commission.
Asset Purchase Deed	has the meaning given in section 2.1 and includes any variation of the Asset Purchase Deed.
ASX	ASX Limited or the securities market operated by ASX Limited, as the context requires.
Associate	has the meaning given to that term in the Corporations Act, except that a reference to 'Associate' in relation to a Listing Rule has the meaning given to it in the Listing Rules.
Board	board of Directors.
Bonus Issue	has the meaning given in section 10.3 .
Capital Return	has the meaning given in section 2.1 .
Chair	chair of the Meeting.
Co-operation Agreement	has the meaning given in section 2.2 .
Company or Lion	Lion Selection Group Limited ABN 26 077 729 572.
Conditions Precedent	the conditions precedent to the completion of the Transaction as set out in the Asset Purchase Deed.
Consideration Securities	has the meaning given in section 2.1 .
Constitution	the Constitution of the Company.
Contribution	has the meaning given in section 3 .
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Corporations Regulations	<i>Corporations Regulations 2001</i> (Cth).
Deeming Provision	has the meaning given in section 10.2 .
Director	a director of the Company, and where the context requires, any proposed director.
Equity Securities	has the meaning given to that term in the Listing Rules.
Explanatory Memorandum	this explanatory memorandum.
In-Specie Securities	has the meaning given in section 2.1 .
Independent Directors	the special committee of the board of Lion comprising Mr Barry James Kevin Sullivan, Mr Peter Joseph Maloney and Mr Christopher Paul Melloy.
Independent Directors' Report	the report of the Independent Directors accompanying the Explanatory Memorandum.
Item 7 Exception	has the meaning given in section 10.2 .
J Resources	has the meaning given in section 2.2 .
KUD	has the meaning given in section 2.2 .
Legacy Agreements	has the meaning given in section 2.2 .
Listing Rules or ASX Listing Rules	official listing rules of the ASX.
Meeting	the meeting convened by this Notice.
Mineral Resource Estimate or MRE	Mineral Resource Estimate a concentration or occurrence of material of intrinsic economic interest on the earth's crust in such form and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Nominee	has the meaning given in section 7 .

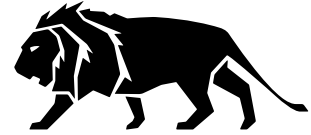
13. GLOSSARY continued

Notice or Notice of Meeting	this notice of meeting.
Notice of Exercise	has the meaning given in section 10.3 .
One Asia	One Asia Resources Limited ACN 150 653 982.
One Asia Board	the board of One Asia Directors as constituted from time to time.
One Asia Director	a director of One Asia and, where the context requires, any proposed director.
One Asia Group	the group of companies comprising One Asia and its subsidiaries and includes any company which is controlled by One Asia so as to require the assets, liabilities, equity, income and expenses of that company to be consolidated into One Asia's consolidated financial statements.
One Asia Shares	fully paid ordinary shares in the capital of One Asia.
One Asia Shareholder	a registered holder of a One Asia Share.
Options	the options which the Company intends to issue to One Asia to acquire Shares on the terms and conditions set out in section 10.3(g) .
Option Cancellation	has the meaning given in section 2.1 .
Option Cancellation Agreement	has the meaning given in section 2.1 .
Option Cancellation Conditions Precedent	the conditions precedent to the completion of the Option Cancellation as set out in the Option Cancellation Agreement.
Option Cancellation Price	has the meaning given in section 5 .
Option Holder	a registered holder of an Option.
Pani Funding Debt	has the meaning given in section 3 .
Pani Gold Project	has the meaning given in section 2.2 .
Pani Holdings	Pani Holdings Pty Ltd ACN 150 790 971.
Pani Holdings Option	has the meaning given in section 2.2 .
Pani IUP	has the meaning given in section 2.2 .
Pani IUP Dispute	has the meaning given in section 2.2 .
Pani Joint Venture	has the meaning given in section 2.2 .
Provident	has the meaning given in section 2.2 .
Provident MOU	has the meaning given in section 2.2 .
Proxy Form	the proxy form accompanying this Notice.
PT PEG	has the meaning given in section 2.2 .
PT PETS	has the meaning given in section 2.2 .
PT Prima	has the meaning given in section 2.2 .
Record Date	the time and date to determine entitlements of One Asia Shareholders under the Capital Return.
Resolution 1	the first resolution to be put to Shareholders at the Meeting as set out in the Notice, being the "APPROVAL OF ISSUE OF SHARES AND OPTIONS TO ONE ASIA RESOURCES LIMITED".
Resolution 2	the second resolution to be put to Shareholders at the Meeting as set out in the Notice, being the "APPROVAL OF SELECTIVE BUY-BACK AND CANCELLATION OF TREASURY SHARES".
Resolution 3	the third resolution to be put to Shareholders at the Meeting as set out in the Notice, being the "APPROVAL OF CANCELLATION OF TREASURY OPTIONS".
Resolutions	the resolutions to be put to Shareholders at the Meeting as set out in the Notice being Resolution 1, Resolution 2, Resolution 3.
Section	a section of this Explanatory Memorandum.

13. GLOSSARY continued

Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a registered holder of a Share.
Share Buy-back	has the meaning given in section 2.1 .
Share Buy-back Agreement	has the meaning given in section 2.1 .
Share Buy-back Conditions Precedent	the conditions precedent to the completion of the Share Buy-back as set out in the Share Buy-back Agreement.
Share Buy-back Price	has the meaning given in section 4 .
Takeover Prohibition	has the meaning given in section 10.2 .
Termination Fee	has the meaning given in section 9 .
Transaction	has the meaning given in section 2.1 .
Treasury Securities	has the meaning given in section 7 .
US\$	a United States dollar.

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Lion Selection Group

ACN 077 729 572

INDEPENDENT DIRECTORS' REPORT

13 MARCH 2018

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1. INTRODUCTION

On 2 February 2018, Lion Selection Group Limited (**Lion or the Company**) and One Asia Resources Limited (**One Asia**) announced that they had entered into a conditional Asset Purchase Deed (the **Asset Purchase Deed**) with Pani Holdings Pty Ltd (**Pani Holdings**) pursuant to which the Company agreed to purchase One Asia's 33.3% interest in the Pani Joint Venture (the **Transaction**) which holds all of the economic interest associated with exclusive supply of gold ore mined at the Pani Gold Project. See **section 2** for a summary of the Transaction.

The Transaction contemplates the purchase by the Company of One Asia's interest in the Pani Joint Venture in consideration for the issue, subject to approval by the Shareholders (being the purpose of Resolution 1), of 35,750,000 Shares and 23,833,333 Options to One Asia (Consideration Securities). The Transaction is conditional (amongst other conditions) upon One Asia distributing at least 34,750,000 Shares and 23,166,666 Options of the Consideration Securities (In-Specie Securities) promptly after their issue by way of an in specie equal capital return to One Asia Shareholders in proportion to their respective interests in One Asia (Capital Return).

The Company currently holds approximately 35% of the issued share capital of One Asia.

The purpose of the Transaction is to acquire One Asia's interest in the Pani Joint Venture for the benefit of Shareholders, with a view to the Company progressing the Pani Gold Project through feasibility and into production.

The issue of the Consideration Securities contemplated by the Transaction is expected to result in One Asia, and the Company (because of its approximately 35% shareholding in One Asia) being taken to be, temporarily increasing its voting power in Lion to greater than 20%. Accordingly, approval by Shareholders to the issue of the Consideration Securities to One Asia is sought under item 7 of section 611 of the Corporations Act (**Item 7 Exception**).

Additionally, it is a requirement of the Transaction that One Asia Shareholders approve the Capital Return, hence the control aspects of the Transaction are considered in conjunction with the Capital Return. After the Capital Return, neither One Asia nor any of the One Asia Shareholders (including the Company) are expected to hold more than 20% of the voting power in the Company as summarised in this report.

On 7 March 2018, the Company announced its intention to enter into a Share Buy-back Agreement (the **Share Buy-back Agreement**) with the Nominee pursuant to which the Company would agree to purchase and cancel, by way of a selective buy-back, the 12,168,562 Shares forming part of the Treasury Securities (being approximately 7.50% of the Shares) that will be held by the Nominee on behalf of the Company subject to and upon completion of the Transaction and Capital Return (**Share Buy-back**), subject to approval by the Shareholders (being the purpose of Resolution 2). See **section 2** for a summary of the key terms of the Share Buy-back.

The Share Buy-back will reduce the number of Shares on issue. The purpose of the Share Buy-back is to optimise the Company's capital structure and minimise

the administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the Shares the subject of the Share Buy-back. The Share Buy-back will also remove a material block of Shares that would potentially need to be sold on market by the Nominee (unless instructed otherwise), representing more than 280% of the annual turnover in Shares during 2017. The sale of Shares by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Shares.

The Company will only enter into the Share Buy-back Agreement with the approval of Shareholders. Additionally, the Share Buy-back is a selective buy-back and therefore requires approval by Shareholders. Accordingly, approval by Shareholders to the Share Buy-back is sought under section 257D of the Corporations Act.

On 7 March 2018, the Company announced its intention to enter into an Option Cancellation Agreement (the **Option Cancellation Agreement**) with the Nominee pursuant to which the Company would agree to cancel the 8,112,375 Options forming part of the Treasury Securities (being approximately 34.04% of the Options) that will be held by the Nominee on behalf of the Company subject to and upon completion of the Transaction and Capital Return (**Option Cancellation**), subject to approval by the Shareholders (being the purpose of Resolution 3). See **section 2** for a summary of the key terms of the Option Cancellation.

The purpose of the Option Cancellation is to optimise the Company's capital structure and minimise the administrative cost, burden and complexities involved with the ongoing recording and treatment by the Company of the Options the subject of the Option Cancellation. The Option Cancellation will also remove a material block of Options that would potentially need to be sold on market by the Nominee (unless instructed otherwise). The sale of Options by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Options.

The Company will only enter into the Option Cancellation Agreement with the approval of Shareholders. Additionally, the Option Cancellation will be for consideration and therefore requires approval by Shareholders. Accordingly, approval by Shareholders to the Option Cancellation is sought under Listing Rule 6.23.2.

Capitalised terms in this Independent Directors' Report are defined where the relevant term is first used or in the glossary to the Explanatory Memorandum unless the context requires otherwise.

1.1 Purpose of Report

1.1.1 Resolution 1 – approval of issue of Shares and Options to One Asia

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in issued voting shares in a listed company or an unlisted company with more than 50 members if, due to the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or from a starting point that is above 20% and below 90% (**Takeover Prohibition**).

Section 608(3)(a) of the Corporations Act deems that a person has the same relevant interest in any securities that a body corporate has if that person's voting power in the body corporate is above 20% (**Deeming Provision**).

Following the Transaction, One Asia will receive 35,750,000 Shares giving it a voting power of approximately 22.0% in the Company. This voting power held by One Asia in the Company will be substantially reduced following completion of the Capital Return, which is subject to approval by One Asia Shareholders and is a requirement of the Transaction.

Accordingly, the Transaction will be prohibited under the Takeover Prohibition unless an exception applies because, upon issue of the Consideration Securities but before completion of the Capital Return, it will temporarily result in:

- (i) One Asia increasing its relevant interest in voting shares in the Company from less than 20% to more than 20%; and
- (ii) the Company being taken to be increasing its relevant interest in voting shares in itself from less than 20% to more than 20% because of the Company's approximately 35% shareholding in One Asia, One Asia's increase in voting power in the Company (as described in subparagraph (i) above) and the operation of the Deeming Provision.

Neither One Asia nor any of the One Asia Shareholders (including the Company) are expected to hold voting power of more than 20% in the Company on completion of the Capital Return. There are certain specified exceptions to the Takeover Prohibition. In particular, under the Item 7 Exception an acquisition will not contravene the Takeover Prohibition if shareholders of the company approve the acquisition by passing a resolution passed at a general meeting where:

- (i) no votes are cast in favour of the resolution by the person proposing to make the acquisition or their associates; and
- (ii) shareholders were given all information known to the acquirer or the company that was material to the decision on how to vote.

Accordingly, the approval of Resolution 1 by the Shareholders is sought in accordance with the Item 7 Exception.

ASIC Regulatory Guide 74 contains ASIC's view that the obligation to supply shareholders with all information that is material on how to vote on the resolution under the Item 7 Exception can be satisfied by the directors of the target company providing shareholders a detailed directors' report or an independent expert's report on the proposed transaction containing the information set out in ASIC Regulatory Guide 111.

As a company focused on investing in junior mining and exploration companies, the Independent Directors believe they have sufficient expertise, experience and resources to provide a detailed analysis of the Transaction and provide appropriate disclosure of all material elements of the Transaction in this Report instead of procuring the Company to incur the delay and expense

involved in obtaining an independent expert's report. The Independent Directors are of the view that the Shareholders are receiving materially the same quality of information in this Report as they would from an independent expert.

One Asia will also receive 23,833,333 Options on completion of the Transaction that will also mostly be distributed in the Capital Return. Shareholders are not being asked to approve the allotment and issue of Shares as a result of the exercise of these Options for the purposes of the Item 7 Exception. Accordingly, the allotment and issue of Shares as a result of the exercise of the Lion Options will remain subject to the Takeover Prohibition (if applicable).

1.1.2 Resolution 2 – approval of selective buy-back and cancellation of treasury shares

Section 257A of the Corporations Act allows a company to buy back its own shares if:

- (a) the buy-back does not materially prejudice the company's ability to pay its creditors; and
- (b) the company follows the procedures laid down in Division 2 of Chapter 2J of the Corporations Act.

Section 257D of the Corporations Act requires the terms of the buy-back agreement for a selective buy-back be approved by shareholders, including by a special resolution passed at a general meeting of the company before the buy-back agreement is entered into, with no votes being cast in favour of the resolution by any person whose shares are proposed to be bought back or their associates.

The Share Buy-back is a selective buy-back as defined by section 9 of the Corporations Act since it is not a buy-back under an equal access scheme, a minimum holding buy-back, an on-market buy-back or an employee share scheme buy-back.

Accordingly, the approval of Resolution 2 by the Shareholders is sought in accordance with the requirement in Section 257D of the Corporations Act, with no votes being cast in favour of the resolution by the Nominee or its associates.

ASIC Regulatory Guide 110 contains the information expected by ASIC to be disclosed to shareholders with a notice of meeting seeking approval for a proposed buy-back. This includes ASIC's recommendation for a company proposing to buy-back a significant percentage of shares or the holdings of a major shareholder to consider providing:

- (a) a report by its independent directors about whether shareholders should vote in favour of the buy-back, particularly regarding how much the company is paying for the shares; and
- (b) an independent expert's report with a valuation of the shares.

The 12,168,562 Shares the subject of the Share Buy-back, which will be held by the Nominee on behalf of the Company subject to and upon completion of the Transaction and Capital Return, are a significant percentage of the Shares (being approximately 7.50% of the Shares) and the Nominee will also be a major

shareholder of the Company (albeit as bare trustee for the Company).

As a company focused on investing in junior mining and exploration companies, the Independent Directors believe they have sufficient expertise, experience and resources to provide a detailed analysis of the Share Buy-back and provide appropriate disclosure of all material elements of the Share Buy-back in this Report (including a valuation of the Shares the subject of the Share Buy-back) instead of procuring the Company to incur the delay and expense involved in obtaining an independent expert's report. The Independent Directors are of the view that the Shareholders are receiving materially the same quality of information in this Report as they would from an independent expert.

1.1.3 Resolution 3 – approval of cancellation of treasury options

Listing Rule 6.23.2 provides that a change which has the effect of cancelling an option for consideration can only be made if holders of ordinary securities approve the change.

Accordingly, the approval of Resolution 3 by the Shareholders is sought in accordance with the requirement in Listing Rule 6.23.2.

As a company focused on investing in junior mining and exploration companies, the Independent Directors believe they have sufficient expertise, experience and resources to provide a detailed analysis of the Option Cancellation and provide appropriate disclosure of all material elements of the Option Cancellation in this Report (including a valuation of the Options the subject of the Option Cancellation).

2. SUMMARY OF THE PROPOSED TRANSACTION, SHARE BUY-BACK AND OPTION CANCELLATION

2.1 Background of the Pani Joint Venture

One Asia's interest in the Pani gold project tenement in Indonesia (the **Pani Gold Project**) is derived from contractual arrangements with respect to an Izin Usaha Pertambangan licence (Pani IUP) issued to the KUD Dharma Tani Marisa (**KUD**). The Pani IUP was issued by the Government of Indonesia in November 2009 for a period of 13 years, and, subject to government approval, is extendable for two 10-year periods. The Pani IUP is subject to the Mining Law 4 of 2009, including applicable royalty rates and levels of local ownership and input.

In December 2013 One Asia received reports that the KUD had signed a co-operation agreement with PT Puncak Emas Gorontalo (**PT PEG**), being a subsidiary of PT J Resources Asia Pasifik Tbk (a publicly listed Indonesian company) (J Resources) over the Pani IUP, which conflicted with the KUD's contractual arrangements with the One Asia Group (the **Pani IUP Dispute**).

In May 2015, One Asia signed a memorandum of understanding (**Provident MOU**) with Provident Capital Partners Pte Limited (**Provident**), for the establishment of an incorporated joint venture in the Pani Gold Project (**Pani Joint Venture**). The purpose of the arrangement was to resolve the Pani IUP Dispute, with the objective of working in co-operation with the KUD and the local community to develop the Pani Gold Project. The ultimate

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 initially funding US\$4 million in cash.

On 19 December 2017, Provident notified One Asia that an agreement had been reached with J Resources to settle the Pani IUP Dispute. The settlement involved the Pani Joint Venture acquiring PT PEG, a subsidiary of J Resources, that had entered a co-operation agreement with the KUD securing 100% of the economic interest associated with exclusive supply of gold ore mined at the Pani Gold Project. PT PEG had also established a joint venture entity with the KUD, being PT Puncak Emas Tani Sejahtera (**PT PETS**) with PT PEG holding 49% and the KUD 51% of PT PETS respectively. The KUD has transferred the Pani IUP to PT PETS, providing increased certainty around the tenure of the Pani Gold Project. Arrangements will be established under an Ore Sale and Purchase Agreement for PT PETS to sell all the project ore to the Pani Joint Venture for processing. One Asia's 33.3% interest in the Pani Joint Venture is currently an economic interest, which would become an equity interest by exercising a convertible loan in the Pani Joint Venture, subject to regulatory approval to be sought and obtained by the Pani Joint Venture to allow for foreign investors to hold equity directly. The regulatory approval has not been obtained and the convertible loan has not been exercised as at the date of this Report. These are not Condition Precedents to the Transaction, but even if these do not occur, the Provident MOU allows for the transfer of One Asia's interest to a nominated entity that is able to hold such equity.

PT PETS is the relevant entity holding the Pani IUP for the purposes of Indonesian local ownership requirements, with the KUD's local ownership of 51% sufficient to satisfy the local ownership requirements. The KUD's interest in the Pani Gold Project will be the right to a royalty payable by PT PETS and dividends from PT PETS with respect to the profits under the Ore Sale and Purchase Agreement.

When the Pani IUP Dispute arose, One Asia took all actions necessary to protect and enforce its 90% interest in the Pani Gold Project under its agreements with the KUD (**Legacy Agreements**). However, due to J Resources entering arrangements with the KUD contrary to One Asia's Legacy Agreements and the KUD advancing the transfer of the Pani IUP into PETS, it became apparent that seeking to enforce the Legacy Agreements was unlikely to be successful. These Legacy Agreements are not part of the Transaction, however Lion is being granted an option to acquire all of One Asia's securities in Pani Holdings, being a 100% owned subsidiary of One Asia that is party to the Legacy Agreements, at a total exercise price of A\$1.00, which is exercisable at any time from completion of the Transaction until 5.00pm on the second anniversary of such completion (**Pani Holdings Option**).

One Asia Group has received correspondence from PT Prima Mineralindo Nusantara (PT Prima), holder of a 10% interest in One Asia's legacy arrangements with the KUD, alleging that a right of first refusal over One Asia's Legacy Agreements in the Pani Gold Project has been triggered. One Asia Group has denied this allegation. As noted above, the Legacy Agreements are not part of the

Transaction. One Asia Directors note that the risk remains that PT Prima seeks to enforce some of the Legacy Agreements against the One Asia Group or the KUD, or other legal challenge to prevent the Transaction and Capital Return. PT Prima is a company associated with the wife of Mr Stephen Walters (former managing director and chief executive officer of One Asia).

The Provident MOU paves the way for taking the Pani Gold Project forward, including terms providing access necessary to develop the Pani Gold Project and satisfying the local ownership requirements for the life of the project. Following the settlement of the Pani IUP Dispute, detailed arrangements contemplated in the Provident MOU are now being established with respect to the operation and management of the Pani Joint Venture. A detailed co-operation agreement is being drafted based on principles set out in the Provident MOU (**Co-operation Agreement**) including representation on the Pani Joint Venture board by One Asia and pro rata funding rights. In addition, Indonesian regulatory approval is to be sought for One Asia to convert its interest in the Pani Joint Venture into a direct equity interest.

Both One Asia and Provident have provided their US\$4 million commitments under the Provident MOU, and One Asia needs to fund its pro rata share of the Pani Joint Venture for future drawdowns. A budget of US\$3 million has been estimated for the first half of 2018, with One Asia's share being US\$1 million (US\$0.5 million of which is expected to be required in late February or early March 2018). Lion has committed to meet up to US\$1 million of One Asia's funding as part of the Transaction. Funding requirements are expected to escalate as the project progresses, including future exploration, evaluation and possibly development costs. If the Transaction proceeds, Lion will become responsible for all of One Asia's funding obligations in respect of the Pani Joint Venture.

Following the resolution of the Pani IUP Dispute, One Asia conducted a strategic review considering a range of alternatives for One Asia and the Pani Gold Project, including equity funding, corporate scrip-based transaction, and outright cash sale. Shareholder feedback (including from Lion) was invited throughout this process. Lion also conducted a strategic review about its indirect interest in the Pani Gold Project (through Lion's holding of approximately 35% of the issued share capital of One Asia) and a range of alternatives to progress the Pani Gold Project for the benefit of Shareholders. After considering all the relevant factors (including the advantages, disadvantages and risks as set out in this Explanatory Memorandum), the Independent Directors unanimously determined that the Transaction is in the best interests of Shareholders as a whole and resolved that Lion enter into the Asset Purchase Deed.

2.2 Key Terms of the Transaction

The key terms of the Transaction are as follows:

(a) Consideration

The consideration to be provided by Lion to One Asia is the Consideration Securities to be issued by Lion. Lion has also provided an advance of A\$200,000

contributed towards One Asia's transaction costs (**Contribution**) and has committed to advance up to US\$1,000,000 to fund One Asia's contributions to the Pani Joint Venture (**Pani Funding Debt**).

(b) Capital Return

The Transaction involves One Asia distributing, subject to One Asia Shareholder approval, the In-Specie Securities promptly after their issue by way of the Capital Return. The Consideration Securities other than the In-Specie Securities will be retained by One Asia for working capital purposes.

(c) Conditions Precedent

Completion of the Transaction is subject to and conditional on (amongst other conditions) the following being satisfied (or waived, to the extent they can be waived) by 15 May 2018 or such later date as extended under the Asset Purchase Deed, unless agreed otherwise:

- (i) Lion obtaining all shareholder approvals necessary under the Listing Rules and the Corporations Act in relation to the Transaction, including approval of the issue of the Consideration Securities;
- (ii) One Asia obtaining all shareholder approvals necessary under the Corporations Act in relation to the Capital Return;
- (iii) Provident approval of the Transaction, including consent to the assignment to Lion of One Asia's rights under the Pani Joint Venture and associated documents (including the Provident MOU, the Co-operation Agreement and the convertible loan in the Pani Joint Venture); and
- (iv) execution of a Co-operation Agreement between One Asia and Provident, as contemplated by the Provident MOU.

The other Conditions Precedent are customary conditions for asset sales, being that each warranty provided remains true and correct, there is no circumstance that has or is reasonably expected to have a materially adverse effect, and Lion is satisfied (acting reasonably) that One Asia has not breached the Asset Purchase Deed.

(d) Completion

Completion will occur after the Conditions Precedent have been satisfied or waived and all required documents have been delivered by the relevant parties, or any other time agreed between the Lion and One Asia.

(e) Pani Joint Venture Interim Arrangements

For the period from 1 February 2018 until the Asset Purchase Deed is terminated or completed, Lion agreed to fund the Pani Funding Debt. If the Asset Purchase Deed is terminated, One Asia will be required to reimburse Lion for the Pani Funding Debt provided by Lion, which will be by way of the issue of One Asia shares at a price of \$0.08 per share.

2.3 Key Terms of the Share Buy-back

The key terms of the Share Buy-back are as follows:

(a) Consideration

The consideration to be provided by the Company to the Nominee is the price equal to A\$4,502,367.94 (being the deemed issue price of A\$0.37 per Share pursuant to the Transaction multiplied by the 12,168,562 Shares the subject of the Share Buy-back) (Share Buy-back Price), which will be paid by way of an issue by the Company to the Nominee of a promissory note with a face value equal to the Share Buy-back Price. The Nominee will return the promissory note to the Company in accordance with the Nominee terms and the promissory note will be cancelled.

(b) Cancellation

The Shares the subject of the Share Buy-back will be cancelled pursuant to section 257H of the Corporations Act. This will reduce the total Shares on issue, upon completion of the Transaction, Capital Return and Share Buy-back, from 162,303,441 Shares to 150,134,879 Shares.

(c) Share Buy-back Conditions Precedent

The Share Buy-back will be subject to and conditional upon:

- (i) completion of the Transaction; and
- (ii) completion of the Capital Return.

(d) Completion

Completion will occur after the Share Buy-back Conditions Precedent have been satisfied, or any other time agreed between the Company and the Nominee, subject to the requirements of the Corporations Act and the Listing Rules.

Note that the issue and cancellation of the promissory note associated with the Share Buy-back is neutral for the Company, as the Company is both the issuer and the beneficiary of these arrangements.

2.4 Key Terms of the Option Cancellation

The key terms of the Option Cancellation are as follows:

(a) Consideration

The consideration to be provided by the Company to the Nominee is the price equal to A\$608,428.13 (being the deemed issue price of A\$0.075 per Option pursuant to the Transaction multiplied by the 8,112,375 Options the subject of the Option Cancellation) (Option Cancellation Price), which will be paid by way of an issue by the Company to the Nominee of a promissory note with a face value equal to the Option Cancellation Price. The Nominee will return the promissory note to the Company in accordance with the Nominee terms and the promissory note will be cancelled.

(b) Cancellation

The Options the subject of the Option Cancellation will be cancelled. This will reduce the total Options on issue, upon completion of the Transaction, Capital Return and Option Cancellation, from 23,833,333 Options to 15,720,958 Options.

(c) Option Cancellation Conditions Precedent

The Option Cancellation will be subject to and conditional on:

- (i) completion of the Transaction; and
- (ii) completion of the Capital Return.

(d) Completion

Completion will occur after the Option Cancellation Conditions Precedent have been satisfied, or any other time agreed between the Company and the Nominee, subject to the requirements of the Corporations Act and the Listing Rules.

Note that the issue and cancellation of the promissory note associated with the Option Cancellation is neutral for the Company, as the Company is both the issuer and the beneficiary of these arrangements.

3. PROFILE OF LION SELECTION GROUP

3.1 History

Lion was founded in 1997 to invest in the broad but poorly understood sub-sector of mining – junior resources companies. Inspiration was taken partly from a highly successful mining development company named Selection Trust Ltd, which was formed in London by Chester Beatty at the start of the 20th century when technology assisted mining to grow on a global scale for the first time. The breakdown of geographical barriers and the easing of political structures in the late 20th century followed by the emergence of the Chinese economy in the early 21st century has provided a similar opportunity.

Lion invests on similar principles as Chester Beatty's Selection Trust, setting a high standard for project selection from the universe of global opportunities, combined with highly skilled, experienced and motivated people.

Over a history spanning more than 20 years, Lion has produced substantial returns to shareholders. From an original investment of \$1.00 per share shareholders have received returns totaling more than \$3.20/share (in addition to the value of a current Lion share).

3.2 Investments

Lion has a portfolio of companies with management and projects that it expects to hold to maximize value, with the aim of providing a balanced exposure to the high risk/high reward junior resource sector. Lion's investments are managed by Lion Manager Pty Ltd (the **Lion Manager**). Lion provides capital at an early stage to assist investees along the development curve and exit following considerations of value after project development, and the timing of the investment cycle.

The following is brief summary of Lion's key investments as at the date of this Report. The values in this section are measured as at 31 December 2017 based on shares held at that time. The value of Lion's 35% interest in One Asia has been adjusted to reflect the value of the One Asia Shares held by Lion implicit in the Transaction. The value at the time of completion of the Transaction, Capital Return, Share Buy-back and Option Cancellation will vary.

3.2.1 Adjusted Net Tangible Asset Backing

Adjusted Net Tangible Asset Backing			
	Commodity	December 2017 A\$M	Portfolio %
Australia			
Egan Street Resources	Gold	3.9	
Other Australia		0.5	10%
African			
Roxgold	Gold	8.5	
Toro Gold	Gold	1.0	
Other Africa		0.9	
Cash dedicated to Africa ¹		0.5	24%
Asia			
Nusantara Resources	Gold	8.9	
One Asia Resources ²	Gold	5.4	
Erdene Resources	Gold	5.1	
Other Asia		2.7	48%
Americas	Coal	0.8	2%
Uncommitted Net Cash		7.6	16%
Net Tangible Assets		\$45.8m	36¢/ share

1. Includes committed cash of US\$0.3 million to AFL3.

2. One Asia at a value of A\$0.09/share based on the Transaction Consideration.

Note: The above table includes investments held directly by Lion and the value to Lion of investments which are held by African and Asian Lion Funds.

3.2.2 Key Investments

A brief summary of Lion's major investments is as follows:

EganStreet Resources Limited (Lion 19%)

EganStreet Resources Limited (**EganStreet**, ASX: EGA) listed on ASX in September 2016, to complete an assessment for mining and processing gold at its 100% owned Rothsay project in the Southern Murchison region of Western Australia.

The Rothsay project currently hosts high-grade Mineral Resources of 307koz at an average grade of 10.9g/t Au (Indicated 460kt @ 11.5g/t Au and Inferred 420kt @ 10.2g/t Au) and a production target (Pre-Feasibility Study published 16 May 2017) of 936kt @ 7.0 g/t for 200koz of gold produced.

EganStreet is focused on increasing the geological confidence of the Mineral Resource, expanding the known mineralisation and carrying out the necessary evaluation, modelling and feasibility studies to progress a potential near-term, low capital intensity opportunity to commence mine development and gold production operations. A Definitive Feasibility Study is now targeted for completion in the 2nd quarter of 2018.

Lion participated in a placement conducted by EganStreet in September 2017 to progress the Rothsay Gold project to a decision to mine.

Roxgold (Lion 2%)

Lion holds an indirect investment in Roxgold Inc (**Roxgold**, TSX: ROXG) through its African Lion 3 fund. Roxgold is a gold mining company with its key asset, the high grade Yaramoko Gold Mine, located in the Houndé greenstone region of Burkina Faso, West Africa. Yaramoko's 55 Zone has evolved into one of the highest grade new gold mines globally with Resource grade of 16.8g/t gold, and exploration upside remaining to be tested.

Roxgold successfully commissioned Yaramoko with first gold poured in May 2016 and the declaration of commercial production in October 2016. By 30 September 2017 Yaramoko had produced 169koz of gold at a head grade of 14.9g/t at an average recovery of 98.7%.

Upcoming catalysts for Roxgold include the results of a deep drilling program at the 55 Zone testing for high-grade extensions to the mine, as well as infill drilling at the nearby Bagassi South deposit. Roxgold has already defined a high-grade Resource of 257koz @ 16.6g/t at Bagassi South and expects to release a feasibility study on a plant expansion to increase production to 130koz per year or more. Regional exploration has also been stepped up with a comprehensive program underway to systematically explore both the second order Yaramoko Shear that hosts the 55 Zone and Bagassi South, as well as the regional Boni Shear that hosts several other gold mines in the area including Semafo's Siou deposit and Endeavour's Hounde project.

Nusantara Resources (Lion 32%)

Nusantara Resources Limited (**Nusantara**, ASX: NUS) owns a 100% interest in the Awak Mas gold project in Sulawesi, Indonesia. The Awak Mas gold project currently hosts an open pit Indicated and Inferred Resource of 38.4 Mt at 1.41 g/t Au for 1.74 Moz (May 2017).

Nusantara's highly experienced Board and Management Team is working to increase shareholder value through advancing the Awak Mas gold project towards development in the near-term. The Company plans to undertake further drilling, which has the potential to significantly increase the resource inventory, and complete a definitive feasibility study by mid-2018 in advance of a final investment decision expected for late 2018.

Nusantara was demerged from One Asia Resources and listed on ASX on 2 August 2017, raising \$16.2 million at \$0.42/share including \$4.5 million invested from Lion (ownership: 32%).

One Asia Resources (Lion 35%)

Refer to **section 4** for profile of One Asia.

As noted above, the value of Lion's 35% interest in One Asia in the table above has been adjusted in the NTA, reflecting the value of the One Asia Shares held by Lion implicit in the Transaction. The value at the time of completion of the Transaction, Capital Return, Share Buy-back and Option Cancellation will vary.

Erdene Resource Development Corp (Lion 4%)

Erdene Resource Development Corp. (**Erdene**, TSX: ERD) is a Canada-based resource company focused on the exploration and development of base and precious metals in underexplored and highly prospective Mongolia. Erdene has interests in five exploration licenses and a mining license in southwest Mongolia.

In 2015, Erdene conducted an initial exploration program on the southern portion of the Company's 100%-owned Khundii exploration license in southwest Mongolia, including an initial rock-chip sampling program which revealed multiple very high-grade surface quartz veins that returned up to 4,380 g/t gold. Since that time, drilling has revealed the presence of very high gold grades, with up to 2,200 g/t gold over 1-metre intervals, within broad mineralized zones, with up to 131 metres of 3.9 g/t gold, including 80 metres of 6.0 g/t gold. Since the first drill hole in 2015, Erdene has completed 234 diamond drill holes, totaling 38,072 metres.

In addition to the Bayan Khundii project, other deposits and prospects within these licenses include:

- Altan Nar: an extensive, high-grade, near-surface, gold-polymetallic project located 16 kilometres northwest of Bayan Khundii that Erdene is actively advancing;
- Altan Arrow: an early-stage gold-silver project 3.5 kilometres north of Bayan Khundii;
- Ulaan: a recently acquired copper-gold porphyry prospect adjacent to Bayan Khundii;
- Khuvyn Khar: an early-stage, copper-silver porphyry project with multiple drill targets and significant copper intersections;
- Nomin Tal: a narrow, high-grade copper-gold discovery; and Zuun Mod, a large molybdenum-copper porphyry deposit.

In addition to the above properties, Erdene has an Alliance with Teck Resources Limited on regional copper-gold exploration in the prospective Trans Altai region of southwest Mongolia.

3.2.3 Further information about Lion

As an ASX listed entity, Lion is required to comply with the periodic and continuous disclosure obligations of the ASX Listing Rules and the Corporations Act.

Shareholders should have regard to the broad range of public information available in relation to Lion through Lion's periodic and continuous disclosures.

Copies of Lion's periodic and continuous disclosures can be accessed on the ASX website at www.asx.com.au.

3.3 Impact of Proposed Transaction, Share Buy-back and Option Cancellation on Lion's Capital Structure

The Transaction will result in Lion acquiring a 33.3% interest in the Pani Joint Venture in exchange for the Consideration Securities.

As a consequence of the Capital Return, Lion is entitled to receive approximately 35% of the Consideration Securities due to its existing shareholding in One Asia. Under the self-acquisition rules in the Corporations Act, Lion would be restricted from acquiring the In-Specie Securities. Accordingly, for the purposes of the Capital Return, the In-Specie Securities to which Lion would otherwise have been entitled to (**Treasury Securities**) will be distributed by One Asia to a nominee appointed by One Asia (**Nominee**). The Nominee will exercise votes in respect of and transfer the Treasury Securities as instructed by Lion. If the Nominee still holds the Treasury Securities on behalf of Lion after 12 months, the Nominee will (without any further instruction) promptly sell those securities on Lion's behalf and distribute the net sale proceeds to Lion after deducting any applicable brokerage, stamp duty and other taxes and charges (including the selling fee equal to 1.0% plus GST or other amount agreed by One Asia and the Nominee payable to the Nominee). In the interim the Treasury Securities will be treated as Treasury Securities in Lion's Financial Statements.

The impact of the Transaction, Capital Return, Share Buy-back and Option Cancellation on Lion's financial position is set out in the pro forma unaudited Statement of Financial Position set out in **section 3.8**.

Following the Transaction and Capital Return, Lion anticipates materially increased outgoings with respect to the Pani Joint Venture as the project progresses, including future exploration, evaluation and possibly development costs.

No change is proposed to the arrangements between Lion and Lion Manager, however these arrangements will be reviewed as the Pani Joint Venture progresses.

3.4 Impact on capital structure of the Company following completion of the Transaction, Capital Return, Share Buy-back and Option Cancellation

The Company has 126,553,441 Shares on issue at the date of this Report.

As at 31 December 2017, the top 20 Shareholders collectively held 74,195,803 Shares, representing 58.6% of the total issued Shares. The top 20 Shareholders as at 31 December 2017 are set out below.

The completion of the Transaction, Capital Return, Share Buy-back and Option Cancellation will result in changes to the capital structure of the Company and the shareholdings of existing Shareholders in the Company.

Rank	Name of Shareholder	No. of Shares	% of Shares
1.	BNP PARIBAS NOMS PTY LTD <DRP>	12,225,353	9.66
2.	NATIONAL NOMINEES LIMITED	11,307,616	8.94
3.	MR ROBIN ANTHONY WIDDUP + MRS JANET WIDDUP <WIDDUP SUPER FUND A/C>	6,281,869	4.96
4.	ROJANA HERO PTY LTD	6,262,831	4.95
5.	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,550,139	3.60
6.	MR MARK GARETH CREASY	4,448,976	3.52
7.	MIRRABOOKA INVESTMENTS LIMITED	4,360,378	3.45
8.	MR MICHAEL DAVID BROOK + MRS JENNY LEE BROOK <MD & JL BROOK SUPER FUND A/C>	3,791,841	3.00
9.	INCONSULTARE PTY LTD <MORRISON FAMILY S/F A/C>	3,042,858	2.40
10.	CPAC MELLOY SUPER PTY LTD <MELLOY SUPER FUND A/C>	3,005,336	2.37
11.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,763,409	2.18
12.	MR DOMINIC PAUL MCCORMICK	1,762,576	1.39
13.	MRS PAMELA JULIAN SARGOOD	1,542,858	1.22
14.	MELCOR INVESTMENTS PTY LTD	1,487,943	1.18
15.	PEJALI PTY LTD	1,393,073	1.10
16.	WWW MANAGEMENT PTY LTD <WIDDUP FAMILY A/C>	1,256,742	0.99
17.	WAL ASSETS PTY LTD <THE L A WILSON PROPERTY A/C>	1,207,802	0.95
18.	MAJOLI PTY LTD	1,195,651	0.94
19.	BRANJEE FARM PTY LTD	1,181,642	0.93
20.	AVANTEOS INVESTMENTS LIMITED <CLEARVIEW S/P A/C>	1,126,910	0.89
Total top 20 Shareholders		74,195,803	58.63

The following tables set out the indicative changes to the capital structure and shareholdings (using rounded figures) calculated based on the following pro forma adjustments:

- (a) issue of the Consideration Securities by the Company to One Asia in exchange for One Asia's 33.3% interest in the Pani Joint Venture;
- (b) completion of Capital Return by One Asia to One Asia Shareholders assuming that:
 - (i) One Asia retains 1,000,000 Shares and 666,667 Options; and
 - (ii) the Treasury Securities will be distributed by One Asia to the Nominee; and
 - (iii) the In-Specie Securities (other than the Treasury Securities) will be distributed by One Asia to the One Asia Shareholders (other than the Company) as at the Record Date;
- (c) completion of the Share Buy-back; and
- (d) completion of the Option Cancellation.

Indicative Pro Forma Capital Structure - Shares

Shareholders	Current	Shares held following issue under the Transaction	Shares held following Capital Return	Shares held following Share Buy-back
Existing Shareholders	126,553,441 (100.0%)	126,553,441 (78.0%)	126,553,441 (78.0%)	126,553,441 (84.3%)
One Asia	Nil (0.0%)	35,750,000 (22.0%)	1,000,000 (0.6%)	1,000,000 (0.7%)
One Asia Shareholders (other than the Company)	Nil (0.0%)	Nil (0.0%)	22,581,438 (13.9%)	22,581,438 (15.0%)
Nominee on behalf of the Company	Nil (0.0%)	Nil (0.0%)	12,168,562 (7.5%)	Nil (0.0%)
Total	126,553,441 (100.0%)	162,303,441 (100.0%)	162,303,441 (100.0%)	150,134,879 (100.0%)

Indicative Pro Forma Capital Structure - Options

Option Holders	Current	Options held following issue under the Transaction	Options held following the Capital Return	Options held following Option Cancellation
Existing Option Holders	Nil	Nil (0.0%)	Nil (0.0%)	Nil (0.0%)
One Asia	Nil	23,833,333 (100.0%)	666,667 (3.0%)	666,667 (4.2%)
One Asia Shareholders (other than Lion)	Nil	Nil (0.0%)	15,054,291 (63.0%)	15,054,291 (95.8%)
Nominee on behalf of the Lion	Nil	Nil (0.0%)	8,112,375 (34.0%)	Nil (0.0%)
Total	Nil	23,833,333 (100.0%)	23,833,333 (100.0%)	15,720,958 (100.0%)

3.5 Indicative Top 20 Shareholders

The potential top 20 Shareholders (based on the top 20 shareholder lists for the Company as at 31 December 2017 and One Asia as at 12 February 2018) following completion of the Transaction, Capital Return and Share Buy-back are set out below:

Name of Shareholder	Following Completion of the Transaction and Capital Return		Following completion of the Share Buy-back	
	No. of Shares	%	No. of Shares	%
BNP PARIBAS NOMS PTY LTD <DRP>	12,225,353	7.53	12,225,353	8.14
BERNE NO 132 NOMINEES PTY LTD ¹	12,168,562	7.50		
NATIONAL NOMINEES LIMITED	11,307,616	6.97	11,307,616	7.53
MR ROBIN ANTHONY WIDDUP + MRS JANET WIDDUP <WIDDUP SUPER FUND A/C>	6,281,869	3.87	6,281,869	4.18
ROJANA HERO PTY LTD	6,262,831	3.86	6,262,831	4.17
J P MORGAN NOMINEES AUSTRALIA LIMITED	4,550,139	2.80	4,550,139	3.03
MR MARK GARETH CREASY	4,448,976	2.74	4,448,976	2.96
MIRRABOOKA INVESTMENTS LIMITED	4,360,378	2.69	4,360,378	2.90
MR MICHAEL DAVID BROOK + MRS JENNY LEE BROOK <MD & JL BROOK SUPER FUND A/C>	3,791,841	2.34	3,791,841	2.53
INCONSULTARE PTY LTD <MORRISON FAMILY S/F A/C>	3,042,858	1.87	3,042,858	2.03
CPAC MELLOY SUPER PTY LTD <MELLOY SUPER FUND A/C>	3,005,336	1.85	3,005,336	2.00
MACQUARIE BANK LIMITED	2,919,489	1.80	2,919,489	1.94
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,763,409	1.70	2,763,409	1.84
JIM NOMINEES LIMITED	2,390,229	1.47	2,309,348	1.54
MR STEPHEN WALTERS	1,771,173	1.09	1,771,173	1.18
MR DOMINIC PAUL MCCORMICK	1,762,576	1.09	1,762,576	1.17
MRS PAMELA JULIAN SARGOOD	1,542,858	0.95	1,542,858	1.03
MELCOR INVESTMENTS PTY LTD	1,487,943	0.92	1,487,943	0.99
PEJALI PTY LTD	1,393,073	0.86	1,393,073	0.93
KESTREL HOLDINGS LTD	1,321,908	0.81	1,321,908	0.88
WWW MANAGEMENT PTY LTD <WIDDUP FAMILY A/C>	1,256,742	0.77	1,256,742	0.84

¹ Shares forming part of the Treasury Securities held by the Nominee on behalf of the Company

3.6 Indicative Substantial Shareholders

The potential substantial Shareholders (based on the most recent substantial shareholdings in the Company and One Asia notified before the date of this Report) following completion of the Transaction, Capital Return and Share Buy-back are set out below:

Shareholder	Number of Shares	% of Shares upon completion of the Transaction and Capital Return	% of Shares upon completion of the Share Buy-back
Robin Anthony Widdup	12,954,819	7.98	8.63
OneVue RE Services Limited (formerly Select Asset Management Limited)	12,276,632	7.56	8.18
Cooper Investors Pty Ltd	11,320,282	6.97	7.54

3.7 Indicative Top 20 Option Holders

The potential top 20 Option Holders (based on the top 20 shareholder list for One Asia as at 12 February 2018) following completion of the Transaction, Capital Return and Option Cancellation are set out below:

Name of Shareholder	Following Completion of the Transaction and Capital Return		Following completion of the Option Cancellation	
	No. of Options	%	No. of Options	%
BERNE NO 132 NOMINEES PTY LTD ¹	8,112,375	34.04		
MACQUARIE BANK LIMITED	1,946,326	8.17	1,946,326	12.38
JIM NOMINEES LIMITED	1,593,486	6.69	1,593,486	10.14
MR STEPHEN WALTERS	1,180,782	4.95	1,180,782	7.51
KESTREL HOLDINGS LTD	881,272	3.70	881,272	5.61
AURORA MINERALS LIMITED	722,153	3.03	722,153	4.59
MR GAVIN BRADLEY	697,062	2.92	697,062	4.43
ONE ASIA RESOURCES LIMITED	666,667	2.80	666,667	4.2
LION MANAGER PTY LTD	586,327	2.46	586,327	3.73
JARVIS INVESTMENT MANAGEMENT LTD	512,552	2.15	512,552	3.26
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	440,333	1.85	440,333	2.80
ADRIAN REINHART DAVID ROLLKE	389,059	1.63	389,059	2.47
OPTIVA SECURITIES LTD	363,965	1.53	363,965	2.32
BNP PARIBAS NOMINEES PTY LIMITED <SELECT ASSET MGMT LTD A/C>	301,405	1.26	301,405	1.92
DOMAIN INVESTMENT HOLDINGS PTY LTD <PETER LOS FAMILY A/C>	298,907	1.25	298,907	1.90
VISTA GOLD CORP	259,975	1.09	259,975	1.65
RAYNESFORD INVESTMENTS PTY LTD	224,176	0.94	224,176	1.43
RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	194,981	0.82	194,981	1.24
BNP PARIBAS NOMINEES PTY LTD <LDI CONNECT 7 A/C>	188,373	0.79	188,373	1.20
BNP PARIBAS NOMINEES PTY LIMITED	168,876	0.71	168,876	1.07
MR JOHN CHARLES QUINN + MRS YVELINE ANNIE QUINN <QUINN SUPER FUND A/C>	151,985	0.64	151,985	0.97

¹ Options forming part of the Treasury Securities held by the Nominee on behalf of the Company

3.8 Unaudited Pro Forma Statement of Financial Position

This section contains the unaudited historical and pro forma historical financial information for Lion, including:

- the unaudited historical statement of financial position as at 31 January 2018 as set out below; and
- the unaudited pro forma historical statement of financial position as at 31 January 2018 on the basis of a pro forma adjustments as set out below,

collectively referred to as the 'Financial Information'.

The Financial Information is presented in an abbreviated form, insofar as it does not include all of the presentation,

statements, comparative information and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Financial Information has been prepared in connection with the Transaction, Share Buy-back and Option Cancellation.

The Financial Information set out in this section should be read in conjunction with the accounting policies and notes included within the historical financial statements of Lion for the period ended 31 July 2017 including Lion's 2017 Annual Report.

	Unaudited Historical as at 31 January 2018 \$000	Pro Forma Adjustments \$000	Unaudited Pro forma Historical as at 31 January 2018 \$000
ASSETS			
CURRENT ASSETS			
Cash	7,842	(200)	7,642
Trade and other receivables	4	-	5
Total current assets	7,846	(200)	7,646
NON CURRENT ASSETS			
Financial Assets	34,871	9,907	44,778
Property, plant and equipment	31	-	31
Total non-current assets	34,902	9,907	44,809
TOTAL ASSETS	42,748	9,707	52,455
CURRENT LIABILITIES			
Trade and other payables	56	-	56
Total current liabilities	56	-	56
TOTAL LIABILITIES	56	-	56
NET ASSETS	42,692	9,707	52,399
EQUITY			
Issued capital	117,000	8,727	125,728
Reserves	-	1,179	1,179
Accumulated losses	(74,308)	(200)	(74,508)
TOTAL EQUITY	42,692	9,707	52,399

Pro-forma Adjustments

The issue of the Consideration Securities (being 35,750,000 Shares and 23,833,333 Options) and payment of the Contribution and Pani Funding Debt by the Company to One Asia in exchange for One Asia's 33.3% interest in the Pani Joint Venture.

The fair value of the Shares and Options issued is determined with reference to the consideration price of A\$0.37 per Share and A\$0.075 per Option.

Completion of the Capital Return of the In-Specie Securities as if this was effective on 31 January 2018, and assuming that One Asia retains 1,000,000 Shares and 666,667 Options of the Consideration Securities, so that the In-Specie Securities will be comprised of 34,750,000 Shares and 23,166,666 Options. The Company holds a 35% shareholding in One Asia, and its entitlement of approximately 12,168,562 Shares and 8,112,375 Options will be transferred to the Nominee, being treated as Treasury Shares in accordance with AASB 132.

Completion of the Share Buy-back and the Option Cancellation will not impact the unaudited Pro Forma Historical Statements of Financial Position as the Shares and Options have already been deducted from equity in accordance with AASB 132 as noted above. No gain or loss shall be recognised in the profit or loss on the purchase, sale, issue or cancellation of the Shares and Options. In addition, the issue and cancellation of promissory notes associated with the Share Buy-back and Option Cancellation is neutral for the Company, as the Company is both the issuer and the beneficiary of these arrangements.

Basis of Preparation

The unaudited Pro Forma Historical Statements of Financial Position as at 31 January 2018 have been included for illustrative purposes to reflect the financial position of Lion on the basis that the Transaction, Capital Return, Share Buy-back and Option Cancellation outlined in this Notice of Meeting was completed as at 31 January 2018.

The directors of the Company are responsible for the preparation and presentation of the Financial Information.

The unaudited Historical Financial Information has been extracted from the management accounts of Lion for the period ended 31 January 2018 and have not been audited or reviewed.

The unaudited Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (AAS) issued by the Australian Accounting Standards Board (AASB).

The unaudited Pro Forma Historical Financial Information has been derived from the unaudited Historical Financial Information of Lion and adjusted for the effects of pro forma transactions described above.

The unaudited Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS other than it includes adjustments prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 31 January 2018.

Due to its nature, the unaudited Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position.

4. PROFILE OF ONE ASIA RESOURCES

One Asia is an Australian unlisted company focused on the Pani Gold Project. In July 2017, One Asia undertook a demerger of its Awak Mas gold project by way of an in-specie distribution of shares in Nusantara Resources Limited.

4.1 Directors

Adrian Rollke CEO and Managing Director

Adrian Rollke is a co-founder of One Asia and has been an Executive Director since 4 August 2011 assuming the role of MD and CEO on 15 August 2014.

Mr Rollke has been involved in the finance and management of natural resource companies for over twenty years operating in various international jurisdictions and has served on the boards of several resource companies, both private and public.

Mr Rollke started his career in 1992 as an accountant for two resources companies listed on the Toronto Stock Exchange. In 1996 he became Corporate Secretary for Atlanta Gold Corporation, a TSE listed company. Mr. Rollke was instrumental in the organisation and development of Pencari Mining Corporation (formerly Azure Resources Corporation). He founded and brought the Company public on the TSX Venture exchange in 2003 and raised over CAD\$13 million. In 2007, Mr. Rollke co-founded Pan Asia Resources Corporation which became One Asia Resources in 2011.

Robert Thomson Non-Executive Director

Rob Thomson has been a Non-Executive Director of One Asia Resources since 4 August 2011.

Mr Thomson has over 30 years of experience covering exploration, bankable feasibility studies, construction operations and company/project financing. Mr Thomson was formerly the General Manager Development for Kingsgate's Chatree Mine in Thailand and Project Director of Oxiana's Sepon Gold Mine in Laos. Mr Thomson was CEO of Philippine focussed Climax Mining Limited from 2003 to 2006 which merged, including the Didipio Project, into Oceana Gold and CEO/Director of Vietnam focussed Asian Mineral Resources Limited from 2006 to 2008. Mr Thomson was Executive Director of Finders Resources Limited responsible for the Wetar copper cathode development in Indonesia. Mr Thomson holds a BE (Mining) from the University of Queensland, an MBA from the University of Wollongong, and is a fellow of the AusIMM.

Robin Widdup Non-Executive Director

Robin Widdup has been a Non-Executive Director of One Asia since 8 August 2013.

He is currently a director of Lion Selection Group and TSX listed Asian Mineral Resources. Mr Widdup has around 40 years of industry experience. He graduated from Leeds University in 1975 with an Honors Degree in Geology. From 1986 to 1997 Mr Widdup worked as an Analyst and Manager for J B Were & Sons – Resource Research team. Mr Widdup founded Lion Selection Group and Lion Manager in 1997.

4.2 Interests of Directors

Mr Widdup is a director of both Lion and One Asia, and has excused himself from deliberations and decisions by both companies in relation to the Transaction. Other than this, the Directors do not have any material interest in the outcome of the Transaction other than as a result of their interest arising as Shareholders.

The table below sets out the number of shares in One Asia held by One Asia Directors as at 12 February 2018 and also the number of Shares and Options they are likely to have an interest in if the Resolution is passed and the Transaction and Capital Return completes assuming that:

- (a) the number of Shares that the One Asia Directors hold stay the same; and
- (b) One Asia retains 1,000,000 Shares and 666,667 Options of the Consideration Securities, so that the In-Specie Securities will be comprised of 34,750,000 Shares and 23,166,666 Options.

One Asia Director	One Asia Shares	Interest in Lion following the Capital Return		
		Entitlement to Shares	Entitlement to Options	% interest in Shares received
Adrian Rollke	2,993,045	583,588	389,059	0.36
Robin Widdup ¹	4,510,640	879,491	586,327	0.54
Rob Thomson ²	1,333,001	259,910	173,274	0.0016

¹ Shares held by Lion Manager, a company in which Mr Widdup holds a beneficial interest.

² Shares held by Mr Thomson personally and Monterey Consolidated Services Pty Ltd as trustee for the Lorodaca Super Fund (in which Mr Thomson has a beneficial interest).

4.3 Pani Gold Project

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

The Pani Gold Project currently hosts a JORC Mineral Resource Estimate (MRE) of 2.37m ounces (released by One Asia 3 December 2014). 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
Total	89.5	0.82	2.37

For further information regarding the MRE, please refer to One Asia's announcement on 3 December 2014 (available on One Asia's website), together with One Asia Shareholder Update dated 19 December 2017 (released by Lion on the ASX on 19 December 2017) and the January 2018 Pani Project and Shareholder update (released by Lion on the ASX on 22 January 2018).

Refer to **section 2.1** for further details on the background of the Pani Gold Project.

On 19 January 2018, One Asia provided an update to its shareholders in relation to the Pani IUP work Program, a copy of the update was lodged by Lion with ASX on 22 January 2018. Recent independent technical reviews highlighted the presence of significant free gold associated with the mineralisation at Pani. It is therefore considered prudent to revisit certain elements of previous work programs underlying the 2014 MRE including the sampling procedures, definition of geological domains, and metallurgical test-work.

An initial geological program has been developed including re-sampling a selection of drill core to quantify the impact of the presence of free gold on the resource sampling and re-logging of the core to better define geologic boundaries including those between oxide and primary mineralisation zones. The program will entail additional metallurgical test work to identify and assess the impact of free gold on recovery rates throughout the mineralized zones of the ore body. Initially it is expected that existing core can be used for metallurgical testing, with further work using fresh material once available.

A budget of US\$3 million has been estimated for the first half of 2018, with One Asia's share being US\$1m (US\$0.5 million of which is expected to be required in late February or early March 2018). Lion has committed to meet up to US\$1 million of One Asia's funding as part of the Transaction. Funding requirements are expected to escalate as the project progresses, including future exploration, evaluation and possibly development costs. If the Transaction proceeds, Lion will become responsible for all of One Asia's funding obligations in respect of the Pani Joint Venture.

A number of regulatory approvals are now being sought to recommence ground work.

4.4 Australian Federal Police Investigation

In May 2016, One Asia advised that it had received and complied with a warrant executed by the Australian Federal Police which relates to an investigation of benefits allegedly provided to a person in Indonesia in 2013 and 2014 by two non-executive directors of One Asia at that time. One Asia in September 2017 advised its understanding that the AFP had expanded its investigation to all directors and officers of One Asia at the time and One Asia itself.

In addition, One Asia reported that authorities were investigating the allegations in Indonesia. This investigation resulted in a trial of Ms Lisna Alamri, a Commissioner of an Indonesian subsidiary of One Asia from 2011 to 2014, for benefits allegedly provided to her in Indonesia in 2014. Ms. Alamri was appointed a Commissioner of One Asia by Mr Stephen Walters in 2011 and was engaged as a Commissioner to undertake socialisation activities following the commencement of the Pani Dispute in December 2013. The decision of the court found no criminal wrongdoing and released Ms Alamri from all charges. This decision is subject to an on-going appeal by the District Attorney.

4.5 Action against former Managing Director

In January 2018, One Asia advised that it had issued a formal letter of demand claiming damages from Mr Stephen Walters, its former Managing Director. One Asia confirmed that barring receipt of a satisfactory response to this letter, it would be in a position to initiate proceedings in the Supreme Court of Victoria against Mr Walters for the benefit of all One Asia shareholders.

4.6 One Asia Capital Structure and Top 20

The capital structure of One Asia at the date of this Report is comprised of 178,222,117 ordinary shares and 4,500,000 options exercisable at A\$0.31 expiring 31 May 2018.

The top 20 shareholders in One Asia as at 12 February 2018 is as follows:

Rank	Name of One Asia Shareholder	No. of One Asia Shares	% of One Asia Shares
1.	LION SELECTION GROUP LTD	61,994,020	34.78
2.	MACQUARIE BANK LIMITED	14,973,168	8.40
3.	JIM NOMINEES LIMITED	12,258,754	6.88
4.	MR STEPHEN WALTERS	9,083,805	5.10
5.	KESTREL HOLDINGS LTD	6,779,663	3.80
6.	AURORA MINERALS LIMITED	5,555,556	3.12
7.	MR GAVIN BRADLEY	5,362,525	3.01
8.	LION MANAGER PTY LTD	4,510,640	2.53
9.	JARVIS INVESTMENT MANAGEMENT LTD	4,357,898	2.45
10.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,387,500	1.90
11.	ADRIAN REINHART DAVID ROLLKE	2,993,045	1.68
12.	OPTIVA SECURITIES LTD	2,800,000	1.57
13.	BNP PARIBAS NOMINEES PTY LIMITED <SELECT ASSET MGMT LTD A/C>	2,318,720	1.30
14.	DOMAIN INVESTMENT HOLDINGS PTY LTD <PETER LOS FAMILY A/C>	2,299,501	1.29
15.	VISTA GOLD CORP	2,000,000	1.12
16.	RAYNESFORD INVESTMENTS PTY LTD	1,724,597	0.97
17.	RETZOS EXECUTIVE PTY LTD <RETZOS EXECUTIVE S/FUND A/C>	1,500,000	0.84
18.	BNP PARIBAS NOMINEES PTY LTD <LDI CONNECT 7 A/C>	1,449,158	0.81
19.	BNP PARIBAS NOMINEES PTY LIMITED	1,299,168	0.73
20.	MR JOHN CHARLES QUINN + MRS YVELINE ANNIE QUINN <QUINN SUPER FUND A/C>	1,169,231	0.66
Total top 20 One Asia Shareholders		147,816,949	82.94

5. ASSESSMENT OF THE ACQUISITION VALUE

5.1 Assessment of the value of a Lion share prior to the Transaction and the Capital Return

In the assessment of the value of a Share prior to the Transaction and the Capital Return, the Independent Directors have chosen to employ the net asset value approach, determined by the after tax fair market value of Lion's net tangible assets (NTA). The NTA methodology is almost universally used in reporting on the value of listed investment companies, with Lion reporting its NTA monthly as required under the ASX Listing Rules.

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on unobservable inputs.

Specific valuation techniques used to value financial instruments are applied in accordance with the International Private Equity and Venture Capital Valuation Guidelines, including:

- price of recent investment;
- net assets, looking through to the underlying assets held through interposed investment vehicles;
- the fair value of unlisted option contracts is determined using a Black Scholes valuation at the reporting date;
- the use of quoted market prices or dealer quotes for similar instruments where available;
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

5.2 Assessment of the value of a Lion share following the Transaction and Capital Return

In assessing the value of a Share following the Transaction and Capital Return, the Independent Directors applied an NTA approach with the value of the 33.3% interest in the Pani Joint Venture based on the value of the consideration provided by the Transaction. In exchange for the 33.3% interest in the Pani Joint Venture, the consideration to be provided by Lion to One Asia is the Consideration Securities to be issued by Lion, the Contribution advantaged by Lion and the Pani Funding Debt paid by Lion.

As Lion has an existing investment in One Asia, the NTA has been adjusted to reflect the value of the One Asia Shares held by Lion implicit in the Transaction (Adjusted NTA). The value of the Options was calculated using the Black & Scholes valuation method based on the same Adjusted NTA. This ensures that any changes in the market value of One Asia as a consequence of the Transaction are reflected in valuing the Consideration Securities issued.

As a secondary method, to determine the fair market value for the interest in the Pani Joint Venture the Independent Directors have reviewed recent market comparables for the companies with identified gold assets in Indonesia and elsewhere in South East Asia.

The Independent Directors have chosen these methodologies for the following reasons:

- As the interest in the Pani Joint Venture is at an advanced exploration stage, its core value is in the exploration assets.
- No feasibility study has been completed at the Pani Joint Venture, with no foreseeable future net cash inflows, and therefore the application of the discounted cashflow (DCF) valuation approach is not appropriate. Under ASIC Regulatory Guide 111, it is considered that it is only appropriate to use a DCF valuation approach where reserves are present. The Pani Joint Venture is yet to delineate reserves for the Pani Project.
- Other valuation methodologies are generally not applicable to pre-production mining companies.

5.3 Applicability of a Control Premium

In a control transaction, a control premium is often applicable representing the additional value that an acquirer is willing to pay to gain full control over the finances and operations of the target company. In Australia, acquisitions above a threshold of 20% interest in the target company are assumed to be control transactions, with takeover protections in the Corporations Act imposed to ensure that shareholders are treated fairly and receive the information they require to make decisions.

As noted above, the Transaction is contingent on One Asia Shareholders approving the Capital Return. This will result in One Asia having more, and Lion being taken (because it holds more than 20% of the issued share capital of One Asia) to have more, than 20% voting power in Lion for the short period expected between the completion of the Transaction (currently anticipated to occur on 13 April 2018) and the Capital Return (currently anticipated to occur on 16 April 2018).

Following the Capital Return, no single shareholder is expected to hold more than 10% of Lion. Accordingly, it is the opinion of the Independent Directors that no control premium should be applicable for the Transaction.

5.4 Assessment of the Value of a Lion share as a consequence of the Transaction and Capital Return

In assessing the impact of the Transaction and Capital Return on Lion's NTA per share, the Independent Directors have considered:

- the NTA per share prior to the Transaction;
- the Adjusted NTA per share re-valuing Lion's existing shareholding in One Asia based on the consideration offered in the Transaction;
- the pro forma NTA per share incorporating the 33.3% interest in the Pani Joint Venture upon completion of the Transaction and the Capital Return. In accordance with relevant accounting standards, the Shares forming part of the Treasury Securities held temporarily on behalf of Lion by the Nominee have been excluded from the shares on issue, being treated as treasury shares per AASB 132; and
- completion of the Share Buy-back and the Option Cancellation will not impact the pro forma NTA per share as the Shares and Options have already been deducted from equity in accordance with AASB 132 as noted above.

Lion Selection Group Limited NTA	Pre-Transaction ¹		Adjusted NTA ²		Post-Transaction and Capital Return ¹	
	Dec 2017 A\$M	Portfolio %	Dec 2017 A\$M	Portfolio %	Dec 2017 A\$M	Portfolio %
Australia						
Egan Street Resources	3.9		3.9		3.9	
Other Australia	0.5	10%	0.5	10%	0.5	8%
Africa						
Roxgold	8.5		8.5		8.5	
Toro Gold	1.0		1.0		1.0	
Other Africa	0.9		0.9		0.9	
Cash dedicated to Africa ¹	0.5	25%	0.5	24%	0.5	20%
Asia						
Nusantara Resources	8.9		8.9		8.9	
Erdene Resources	5.1		5.1		5.1	
One Asia Resources	2.5		5.4		0.3	
Pani Joint Venture	-		-		15.0	
Other Asia	2.7	45%	2.7	48%	2.7	58%
Americas	0.8	2%	0.8	2%	0.8	1%
Uncommitted Net Cash	7.6	18%	7.6	16%	7.4	13%
Net Tangible Assets	42.9		45.8		55.5	
Shares on issue M (excl Treasury Shares)	126.6		126.6		150.1	
Net Tangible Assets (\$/share)	0.34		0.36		0.37	

5.5 Pani Joint Venture Comparative Value

On 3 December 2014 One Asia published a MRE of 90Mt at 0.82g/t for 2.4 million ounces of gold based on a 0.2g/t cut off. The MRE was classified under the 2012 JORC Code and is based on a total of 137 diamond drill holes for 26,017m. The MRE of 3 December 2014 is available on the One Asia website.

Classification	Tonnes (Mt)	Au Grade (g/t)	Au (million Oz)
Measured	10.8	1.1	0.5
Indicated	62.4	0.8	1.6
Inferred	16.2	0.7	0.3
Total	89.5	0.82	2.4
One Asia 33.3%			0.8

Note that individual market comparables are rarely identical to the relevant project area. In practice, a range of implied dollar values per Resource ounce will be defined as suitable for use. The comparables identified along with the Implied Value per ounce of contained gold values are summarised below. The comparables below were considered the most relevant, being open pit gold projects in similar geographies, that are in the advanced exploration stage.

5.6 Pani Joint Venture Peer Comparison

Code	Company	Listing	Mkt Cap US\$m	EV US\$m	Total resource Mozs	EV/Resource US\$/oz
EMR	Emerald (Gold, Cambodia)	ASX	83	77	1.1	68
GPR	Geopacific (Gold, PNG)	ASX	38	30	1.8	17
SIH	Sihayo (Gold, Indonesia)	ASX	19	19	1.4	14
KSN	Kingston (Gold, PNG)	ASX	18	16	2.0	8
NUS	Nusantara (Gold, Indonesia)	ASX	21	11	1.7	6
Mean						23
Median						14
Pani Joint Venture				13	0.8	17

Emerald Resources has recently completed a definitive feasibility study (DFS) on the development of its Okvau Gold Project located in Cambodia. The company has announced a Reserve of 907 Koz of gold at a grade of 2.0g/t, and anticipates using flotation followed by fine grind and CIL processing.

Geopacific Resources owns 86% of its Woodlark project in PNG, and is in the process of completing metallurgical test work and a MRE update. An MRE of 37.2 Mt at 1.5 g/t Au for 1.82 Moz was reported in July 2012.

Sihayo Resources owns 75% of its Sihayo-Sambung project in Indonesia, and is in the process of completing an updated feasibility. An MRE of 16.9 Mt at 2.6 g/t Au for 1.424 Moz was reported in June 2013.

Kingston Resources is earning a 70% interest at its Misima Gold Project located in PNG, recently completing a Resource update in November 2017 defining a MRE of 82.3 Mt at 1.1 g/t Au and 5.3 g/t Ag for 2.8 Moz. The company is yet to complete a feasibility study on the project or publish a Reserve.

Nusantara Resources listed in August 2017 and is in the process of completing a DFS on its 100% owned Awak Mas Gold Project, completing a Resource update in May 2017 defining a MRE of 38.43 Mt at 1.41 g/t Au for 1.74Moz.

The Independent Directors note that although the Pani Gold Project is yet to undergo a feasibility study and has relatively low-grade, one of the differentiating factors about the Pani Gold Project is that the gold mineralisation is predominantly oxide and potentially amenable to heap leaching. Subject to successful metallurgical testwork and feasibility study work it is expected to be an open pit heap leach operation with low strip ratio, which may result in a low-cost mining operation.

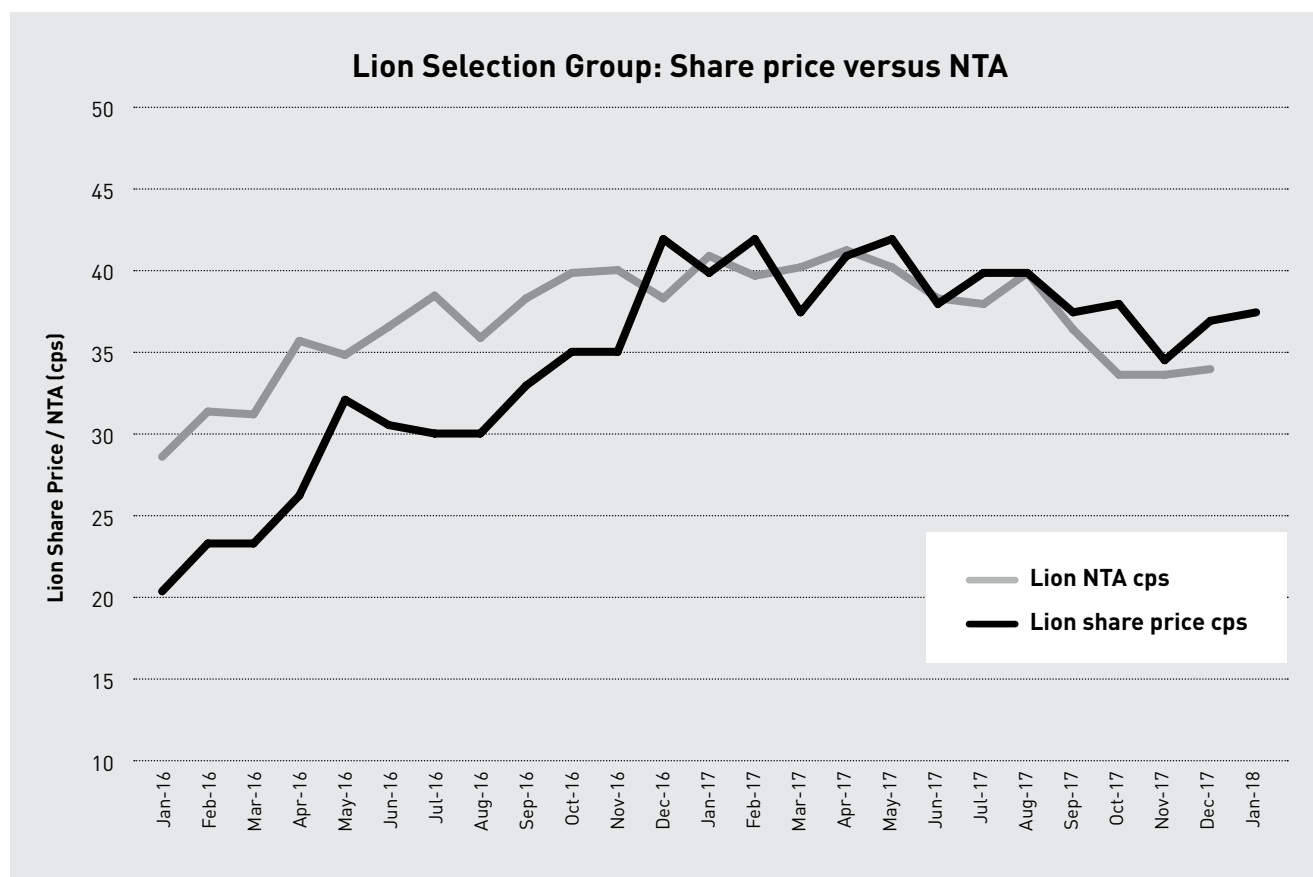
Noting the comparable figures above, the Independent Directors believe that the value range for the Pani Joint Venture of US\$14 per Resource ounce to US\$23 per Resource ounce, with a preferred value of US\$17 per Resource ounce, is appropriate given the stage of the project, exploration upside and potential for economic development of the project. The impact of this valuation range on Lion's NTA is assessed in the table below:

	Low	Preferred	High
Value per Resource ounce (US\$)	14	17	23
Value per Resource ounce (A\$)	18	21	29
Value of 33.3% interest in Pani Joint Venture (A\$M)	14	17	23
Lion Pro Forma December 2017 NTA (A\$M)	53	56	62
Lion Pro Forma December 2017 NTA per share (A\$)	0.35	0.37	0.41

For the purposes of the above analysis a US\$/A\$ exchange rate of 0.80 has been assumed and the Lion Pro Forma December 2017 NTA excludes the Contribution of A\$200,000 and Pani Funding Debt of US\$1,000,000.

5.7 Quoted Market Prices for Lion Securities

Since January 2017, the quoted price for a Share has closely approximated its NTA. As at the date of the Asset Purchase Deed, a Share was trading at a 11% premium to Lion's December 2017 NTA, or a 1% premium to Lion's December 2017 Adjusted NTA. The Independent Directors believe this premium reflects that Shareholders are aware of the positive developments at Pani in December 2017 that are yet to be reflected in the NTA.



	Lion NTA cps	Lion share price cps	Premium/ (Discount) %
Dec-17	34	37	9%
Nov-17	34	35	2%
Oct-17	34	38	13%
Sep-17	36	38	3%
Aug-17	40	40	0%
Jul-17	38	40	5%
Jun-17	38	38	[1%]
May-17	40	42	4%
Apr-17	41	41	[1%]
Mar-17	40	38	[7%]
Feb-17	40	42	6%
Jan-17	41	40	[3%]

5.8 Independent Directors' Opinion

The Independent Directors are of the view that the above valuation assessment indicates that the Transaction and Capital Return would be fair and reasonable for Shareholders as the NTA value of a Share prior to the Transaction and Capital Return on a minority basis is equivalent to the NTA value of a Share following the Transaction and Capital Return on a minority basis.

For the same reasons, the Independent Directors are also of the view that the Share Buy-back Price and Option Cancellation Price are fair and reasonable for Shareholders.

6. ADVANTAGES AND DISADVANTAGES OF THE TRANSACTION, SHARE BUY-BACK AND OPTION CANCELLATION

6.1 Key Advantages of the Transaction

The Independent Directors are of the view that the following non-exhaustive list of advantages are relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) The value of the Transaction is appropriate for both Shareholders and One Asia Shareholders, and the Company as a listed investment company is better able to fund the Pani Joint Venture than One Asia as an unlisted company.
- (b) The Transaction increases the Company's exposure to the Pani Gold Project that the Independent Directors believe could provide the foundations of a world class gold project. The interest provides the Company with the opportunity to progress the development of the Pani Gold Project thereby increasing the value of the Company for the benefit of Shareholders.
- (c) The Transaction has the support of One Asia's Indonesian Partner, Provident, that in the opinion of the Independent Directors mitigates many of the Indonesian country risks that might otherwise be applicable.
- (d) The increased size of the Company should attract greater investor interest and analyst coverage, and increased liquidity in the trading of Shares, thereby leading to a further re-rating in the price of Shares.

6.2 Key Disadvantages of the Transaction and Capital Return

The Independent Directors are of the view that the following non-exhaustive list of disadvantages are relevant to a Shareholder's decision on how to vote on Resolution 1:

- (a) Shareholders will be exposed to operating risks associated with holding an interest in the Pani Joint Venture including:
 - Increased investment portfolio exposure to Indonesian country risk.
 - Increased exposure to the inherent risks and uncertainties of the relatively early stage Pani Gold Project operations. Exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including mining regulations and forestry approvals. Whether or not income will result from the exploration and development programs depends on the successful establishment of mining operations. Factors including costs, integrity of mineralisation, consistency and reliability of ore grades, metallurgical recoveries, and commodity prices affect successful project development and mining operations.
 - Execution risk with respect to detailed contracts that are yet to be established with respect to the contractual arrangements that create the ownership interest in the Pani Gold Project, including conversion of the 33.3% interest in the Pani Joint Venture into direct equity which requires regulatory approval.

- Elevated exposure to the various counterparties to the contractual arrangements that create the ownership interest in the Pani Gold Project that may default on their contractual obligations or act in a manner contrary to the best interests of the Company.
 - Increased risk associated with possible legal claims stemming from the Pani IUP Dispute and Legacy Agreements, including PT Prima's alleged first right of refusal and potential unknown historical arrangements undertaken by PT PEG and PT PETS prior to the acquisition by the Pani Joint Venture.
- (b) Following the Transaction and Capital Return, the Company will need to fund its share of its 33.3% interest in the Pani Joint Venture. The Company expects to have sufficient funds to meet its contributions for the next twelve months. Depending on the outcomes of the Pani Gold Project Feasibility Study, it is anticipated that the Company will need to undertake an equity raising in order to meet its commitments to the Pani Joint Venture, which may ultimately lead to dilution for all Shareholders. Further, there is no surety that the Company would be successful with raising sufficient funds in an equity raising, risking material dilution or loss of its interest in the Pani Joint Venture.
 - (c) There are costs associated with the Transaction and Capital Return which will be incurred by the Company. The Company has also agreed to advance the Contribution and pay the Pani Funding Debt.

6.3 Position of Lion Shareholders if Resolution 1 is not approved

If Shareholder approval for Resolution 1 is not obtained, completion of the Transaction and Capital Return will not be able to occur and One Asia will retain its 33.3% interest in the Pani Joint Venture and all costs and benefits associated with its ownership interest and its funding arrangements with the Pani Joint Venture. In addition, One Asia will be required to repay the Company the Pani Funding Debt paid by the Company, which will likely be met by the issue of shares in One Asia at \$0.08/share to the Company. If this occurs, the Company's shareholding of approximately 35% in One Asia will increase. In addition, the Company may have to pay One Asia a termination fee of A\$200,000 (**Termination Fee**), which will be by way of set off against the Contribution paid by the Company.

If One Asia retains its 33.3% interest in the Pani Joint Venture, it is likely that One Asia will need to conduct a capital raising immediately in order to cover its share of the expected funding for the Pani Joint Venture. The value of the Company's existing investment in One Asia may be impacted by the pricing of this capital raising and the quantum and pricing of such a capital raising cannot be determined at this time. It is also uncertain whether the Company would seek to participate in such a capital raising or if it could be successfully undertaken. In the event that One Asia is unable to fund its share of the Pani Joint Venture, One Asia risks material dilution or loss of its interest in the Pani Joint Venture impacting the value of the Company's existing investment in One Asia.

6.4 Key Advantages of the Share Buy-back

The Independent Directors are of the view that the following non-exhaustive list of advantages are relevant to a Shareholder's decision on how to vote on Resolution 2:

- (a) The Share Buy-back will allow the Company to optimise its capital structure and minimise the administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the Shares the subject of the Share Buy-back.
- (b) The Share Buy-back will remove a material block of Shares that would potentially need to be sold on market by the Nominee (unless instructed otherwise), representing more than 280% of the annual turnover in Shares during 2017. The sale of Shares by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Shares.

6.5 Key Disadvantages of the Share Buy-back

The Independent Directors consider that the Share Buy-back will not result in any material disadvantage to Shareholders since the Company (as the beneficial owner of the Shares the subject of the Share Buy-back) will ultimately instruct the Nominee to return to the Company the promissory note to be issued by the Company to the Nominee in consideration for the Share Buy-back. For this reason, the Independent Directors also consider that the Share Buy-back will not materially prejudice the Company's ability to pay its creditors.

6.6 Position of Lion Shareholders if Resolution 2 is not approved

If Shareholder approval for Resolution 2 is not obtained and the completion of the Transaction and Capital Return occurs:

- (a) the 12,568,562 Shares forming part of the Treasury Securities (being approximately 7.50% of the Shares) will continue to be held by the Nominee on behalf of the Company and dealt with in accordance with instructions given by the Company;
- (b) the Company's capital structure will not be optimised and there will be administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the 12,168,562 Shares; and
- (c) the sale of the Shares by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Shares.

6.7 Key Advantages of the Option Cancellation

The Independent Directors are of the view that the following non-exhaustive list of advantages are relevant to a Shareholder's decision on how to vote on Resolution 3:

- (a) The Option Cancellation will allow the Company to optimise its capital structure and minimise the administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the Options the subject of the Option Cancellation.

- (b) The Option Cancellation will remove a material block of Options that would potentially need to be sold on market by the Nominee (unless instructed otherwise). The sale of Options by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Options.

6.8 Key Disadvantages of the Option Cancellation

The Independent Directors consider that the Option Cancellation will not result in any material disadvantage to Shareholders since the Company (as the beneficial owner of the Options the subject of the Option Cancellation) will ultimately instruct the Nominee to return to the Company the promissory note to be issued by the Company to the Nominee in consideration for the Option Cancellation. For this reason, the Independent Directors also consider that the Option Cancellation will not materially prejudice the Company's ability to pay its creditors.

6.9 Position of Lion Shareholders if Resolution 3 is not approved

If Shareholder approval for Resolution 3 is not obtained and the completion of the Transaction and Capital Return occurs:

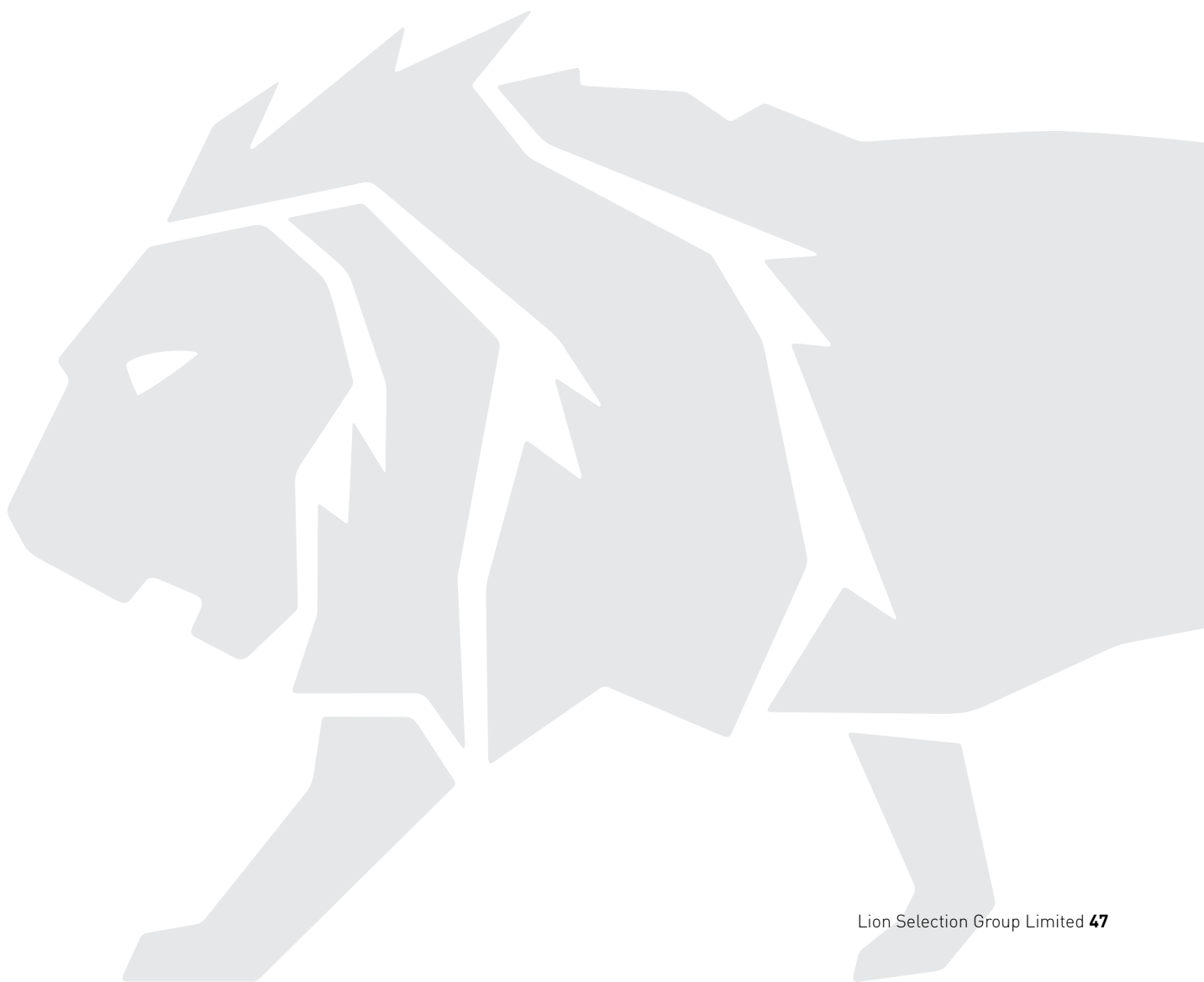
- (a) the 8,112,375 Options forming part of the Treasury Securities (being approximately 34.04% of the Options) will continue to be held by the Nominee on behalf of the Company and dealt with in accordance with instructions given by the Company;
- (b) the Company's capital structure will not be optimised and there will be administrative costs, burden and complexities involved with the ongoing recording and treatment by the Company of the 8,112,375 Options; and
- (c) the sale of the Options by the Nominee may not be able to be undertaken at a fair value and could be perceived to be a "market overhang", discouraging a liquid market for Options.

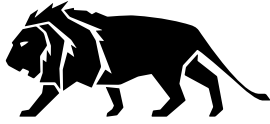
6.10 Independent Directors' Opinion

After carefully considering all the relevant factors (including all aspects, the advantages, disadvantages and risks of the Transaction, Capital Return, Share Buy-back and Option Cancellation), the Independent Directors believe that:

- (a) the advantages of the Transaction and Capital Return outweigh the disadvantages;
- (b) the advantages of the Share Buy-back outweigh the lack of any material disadvantages; and
- (c) the advantages of the Option Cancellation outweigh the lack of any material disadvantages.

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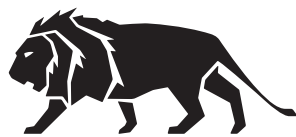




Lion Selection Group

**NOTICE OF EXTRAORDINARY
GENERAL MEETING
AND EXPLANATORY MEMORANDUM**

13 MARCH 2018



Lion Selection Group

ABN 26 077 729 572

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

LSX

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00am (Melbourne time) on Tuesday, 10 April 2018

How to Vote on the Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lion Selection Group Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Lion Selection Group Limited to be held at Level 2, 175 Flinders Lane, Melbourne, Victoria on Thursday, 12 April 2018 at 10.00am (Melbourne time) and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Issue of Shares and Options to One Asia Resources Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of Selective Buy-Back and Cancellation of Treasury Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Cancellation of Treasury Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____