



**Lion Selection Group**



**ASX RELEASE : LSX**

**22 January 2018**

## **One Asia Resources Update**

Lion Selection Group (Lion) has received a One Asia release which highlights progress at the Pani Gold Project and provides a corporate update.

Attached is the 19 January 2018 One Asia Shareholder Update as received by Lion.

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# SHAREHOLDER REPORT

## JANUARY 2018



# ONE ASIA RESOURCES

### **Pani**

- Provident reach settlement on Pani with J Resources
- Verification program underway
- Licenses and permits being sought

### **Corporate**

- Strategic Funding Review underway
- Action initiated against former Managing Director

## **KEY POINTS**

### **Pani Gold Project**

- Provident reach agreement with J Resources relating to the Pani Dispute.
- A geological verification work program has commenced.
- Detailed arrangements being finalised in respect of the operation and management of the proposed joint venture between One Asia and Provident.
- One Asia and Provident continue to work with the united KUD and receive strong support from the local community.

### **Corporate**

- Strategic review underway to determine the optimal way forward to fund One Asia's share of Pani project costs and to provide liquidity to its shareholders.
- One Asia has initiated an action against the former Managing Director for damages.

## PANI GOLD PROJECT

On-going geological review assessing the geological model, database verification and sampling techniques have highlighted the need to revisit elements of previous work programs and geological interpretations. A verification work program has now commenced and a Feasibility Study for the project will start following this work.

### PANI JOINT VENTURE INTEREST

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

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

### PANI IUP WORK PROGRAM

The settlement agreement with J Resources allows for work to be resumed on the Pani project in which One Asia has a 33.3% interest.

On 3 December 2014 One Asia published a Mineral Resource Estimate (MRE) of 90Mt at 0.82g/t for 2.4 million ounces of gold based on a 0.2g/t cut off. The Mineral Resource Estimate 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.

Recent independent technical reviews have 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 Mineral Resource Estimate 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 we expect to be able to use the existing core for initial metallurgical testing and confirm with fresh material once available.

It is estimated that US\$10m will be required to complete verification work and DFS of which One Asia will be required to fund 33.3%. A program budget has been developed requiring US\$3m for the first 6 months of 2018. A number of regulatory approvals are now being sought to recommence ground work.

### COMPETENT PERSONS STATEMENT

The information in this announcement that relates to the work program and Mineral Resources of One Asia is summarised from publicly available reports. The results are duly referenced in the text of this report and the source documents noted above.

The information in this release that relates to the Pani IUP Work Program was compiled by Mr Colin Moorhead FAusIMM(CP), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Moorhead has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Moorhead confirms that the information provided is an accurate representation of all available information and data and consents to its inclusion in the form and context in which it appears.

### NEW INFORMATION OR DATA

One Asia is not aware of any new information or data, other than that disclosed in this statement, that materially affects the information included in the updated JORC resource statement issued on 3 December 2014 and that all material assumptions and parameters underpinning Exploration Results and the Pani Mineral Resource estimate continue to apply and have not materially changed.

# CORPORATE

## STRATEGIC FUNDING REVIEW

As noted previously, One Asia will be obligated to fund its share of the costs of the Pani work program. It is estimated that US\$10m will be required to complete verification work and feasibility study. One Asia will be required to fund 33.3% of this budget. It is anticipated that One Asia will need to contribute funding late February or early March 2018 of approximately US\$0.5m.

One Asia is conducting a strategic review about the optimal way to fund its share of costs and to provide liquidity to its shareholders. A number of options are being explored.

At present few shareholders have expressed an interest to participate in an equity offering. If any shareholders are interested to participate in funding they should contact the company at their earliest convenience.

We expect to make a decision shortly to ensure One Asia can meet its funding commitments in late February.

## ACTION INITIATED AGAINST FORMER MANAGING DIRECTOR – MR. STEPHEN WALTERS

One Asia advises that it has issued a formal letter of demand claiming damages from Mr Stephen Walters, the Company's former Managing Director. Barring receipt of a satisfactory response to this letter, the Company will be in a position to initiate proceedings in the Supreme Court of Victoria against Mr Walters for the benefit of all shareholders.

The Company will update shareholders on progress of this matter as and when required.

## INVESTOR RELATIONS

The Company welcomes shareholder feedback, and any questions or comments should be addressed via email at [info@oneasiareources.com](mailto:info@oneasiareources.com).

## SHARE REGISTRY

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

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