

Lion agrees to buy 33.3% Pani JV

Lion has agreed to buy One Asia Resources Limited’s 33.3% Joint Venture interest in the Pani Gold Project, Indonesia.

Key Points:

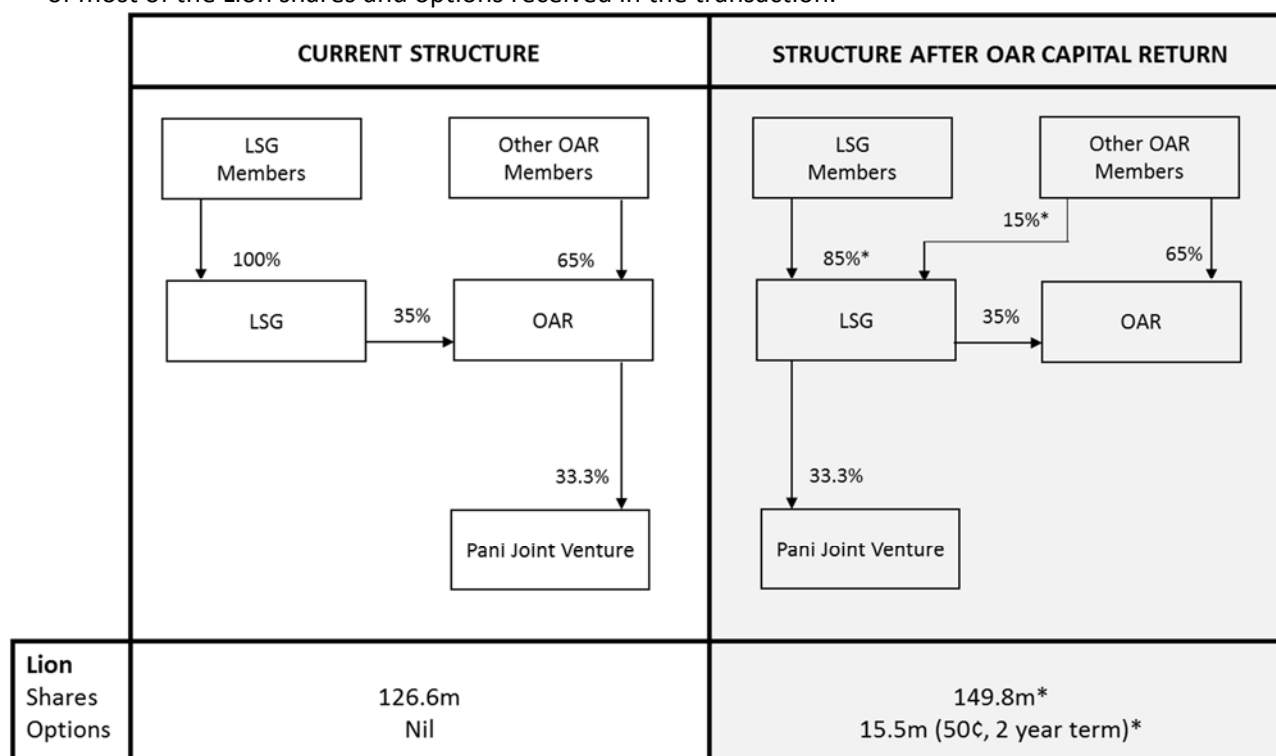
- \$16.5m consideration:
 - 35,750,000 LSX shares, 37¢ps;
 - 23,833,333 LSX options exercisable at 50¢ps, 2-year expiry; valued at 7.5 cents/option;
 - Lion will also contribute A\$0.2 million towards One Asia’s transaction costs.
 - Lion will meet One Asia’s Pani Joint Venture funding obligations until completion up to US\$1 million.
- The Agreement has some conditions, including:
 - Lion shareholder approval;
 - One Asia shareholder approval for an in specie distribution to One Asia shareholders of most of the Lion securities received under the transaction; and
 - Approval by project partner Provident.

EXPECTED TIMETABLE	
Documents dispatched to:	
- One Asia Shareholders	Early March 2018
- Lion Shareholders	Early March 2018
Shareholder Meetings/ Vote:	
- One Asia Shareholders	Early April 2018
- Lion Shareholders	Early April 2018
Completion and One Asia in specie distribution	Mid April 2018

Lion Chairman Barry Sullivan comments: *“Lion has patiently invested in One Asia over several years backing the quality of the Pani Gold Project which is expected to become a low cost, long life and simple open pit heap leach project. We have grown to know, like and respect Provident the 66.6% Pani JV Partner, who bring into the project both country and technical skills from the successful development of the oxide portion of the Tujuh Bukit Project. A 33.3% interest in an Indonesia Gold Project already satisfies Indonesian ownership requirements and so offers great flexibility in the way forward.*

On behalf of the Lion Board I warmly welcome One Asia shareholders to become Lion shareholders and so gain liquidity from Lion’s ASX listing. Last but not least, I welcome a long relationship with the local community, KUD around Pani who deserve all of the benefits of project development, health, education and employment, but have been denied these development rewards by long delays.”

Lion currently owns 35% of One Asia. Immediately following the sale of its 33.3% Joint Venture interest in the Pani Gold Project, One Asia plans to make a capital return via an in specie distribution of most of the Lion shares and options received in the transaction.



* Excludes 12.5m Treasury Stock and 8.3m Options

The table below highlights the impact of the Transaction and Capital Return on Lion's NTA per share as if the transaction took place at 31 December 2017:

Lion Selection Group Limited NTA	Pre-Transaction ¹		Adjusted NTA ²		Post Transaction and Capital Return ³	
	Dec-17 A\$M	% Portfolio	Dec-17 A\$M	% Portfolio	Dec-17 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		5.3		-	
Pani Joint Venture	-		-		15.0	
Other Asia	2.7	45%	2.7	48%	2.7	57%
Americas	0.8	2%	0.8	2%	0.8	1%
Uncommitted Net Cash	7.6	18%	7.6	17%	7.4	13%
Net Tangible Assets (\$M)	42.9		45.7		55.2	
Shares on issue M (excl Treasury Shares)	126.6		126.6		149.8	
Net Tangible Assets (\$/share)	0.34		0.36		0.37	

1 the 31 December 2017 NTA per Lion share prior to the Transaction;

2 the Adjusted NTA per Lion share re-valuing Lion's existing shareholding in One Asia based on the consideration offered in the Transaction; and

3 the pro forma NTA per Lion 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 Lion Shares held temporarily on behalf of Lion by the Nominee have been excluded from the shares on issue, being treated as treasury shares.

Overview of the Transaction

One Asia has a 33.3% interest in a joint venture in the Pani IUP Project (Pani Joint Venture) by way of a Memorandum of Understanding with Provident Capital Partners Pte Limited (Provident) (Provident MOU). Detailed agreements are being established with respect to the operation and management of the joint venture including representation on the joint venture and pro rata funding rights.

In December 2017, One Asia announced that an agreement had been reached with J Resources to settle the Pani IUP Dispute that had been underway since December 2013. This agreement paved the way for taking the Pani IUP Project forward, including terms providing access necessary to develop the Pani IUP Project and satisfying the local ownership requirements for the life of the project.

On 1 February 2018, Lion and One Asia entered into a conditional Asset Purchase Deed pursuant to which Lion will acquire One Asia's 33.3% interest in the Pani Joint Venture located in Sulawesi, Indonesia (the Transaction).

While all Lion directors support the transaction, due to Mr Robin Widdup being a director of both Lion and One Asia, in considering and negotiating the transaction, Lion established an independent committee of directors excluding Mr Widdup to represent the interests of Lion.

The key terms of the Transaction are as follows:

(a) **Consideration**

The consideration to be provided by Lion to One Asia is 35,750,000 Lion Shares and 23,833,333 Lion Options (**Consideration Securities**) to be issued by Lion. Lion has also provided an advance of A\$200,000 towards One Asia's transaction costs and has committed to advance up to US\$1,000,000 to fund One Asia's contributions to the Pani Joint Venture.

(b) **Capital Return**

The Transaction involves One Asia distributing most of the Consideration Securities promptly after their issue by way of an *in specie* equal capital return to One Asia shareholders (or a nominee for any foreign/ineligible shareholders) in proportion to their respective interests in One Asia (Capital Return).

(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 the One Asia rights under the Pani Joint Venture and associated documents;
- (iv) Execution of a Co-Operation Agreement between One Asia and Provident, as contemplated by the Provident MOU.

(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 agrees to fund One Asia’s portion of the Pani Joint Venture funding obligations for up to US\$1,000,000. If the Asset Purchase Deed is terminated, One Asia will be required to reimburse Lion for the funding provided by Lion, which will be by way of the issue of One Asia shares at a price of \$0.08 per share which reflects the terms of the Transaction.

Pani Gold Project

Following settlement of the Pani IUP dispute with J Resources work has accelerated on the Pani Gold Project. Lion anticipates three phases of activity:

1. Review of historic work, in progress;
2. Feasibility Study and Licensing, throughout 2018; and
3. Construction, starting 2019.

An initial budget to US\$1m has been allocated by Lion for One Asia’s 33.3% Pani JV share of funding for the first six months of activity.

Craig Smyth and Hedley Widdup from Lion will have responsibility for the Pani JV and interaction with 66.6% project partner Provident. Other details will be released as they become available. Lion retains familiarity with ownership and involvement in all aspects of development, feasibility and operations from its time as 30% owner of the Cracow Gold Mine JV which along with the Edna May Gold Mine became part of Evolution Mining in 2011.

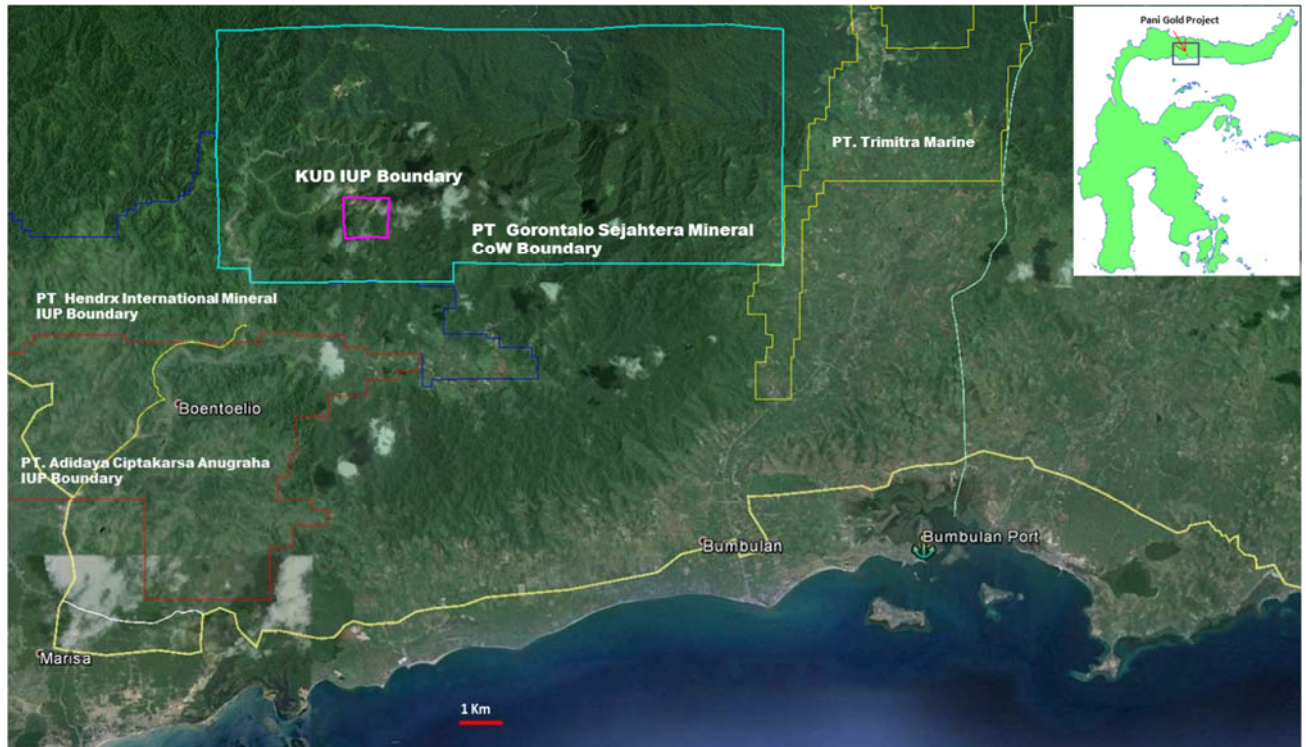
Pani Project Overview

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



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

Pani Project Location



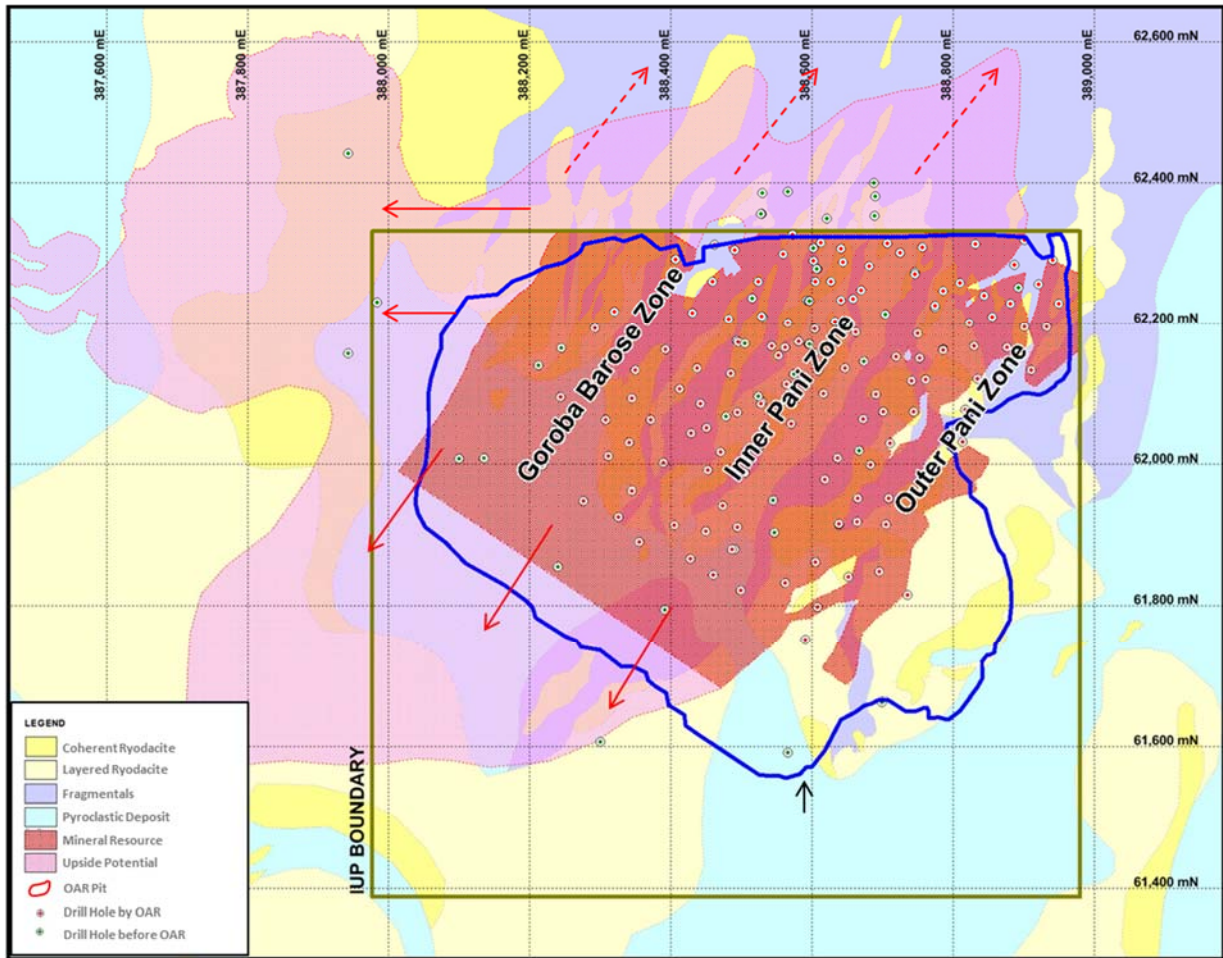
Pani Gold Project JORC 2014 Resource

The Pani Gold Project currently hosts a JORC Mineral Resource Estimate of 2.37m ounces (released by One Asia 3 December 2014). The MRE was calculated from 137 diamond drill holes for 26,017m.

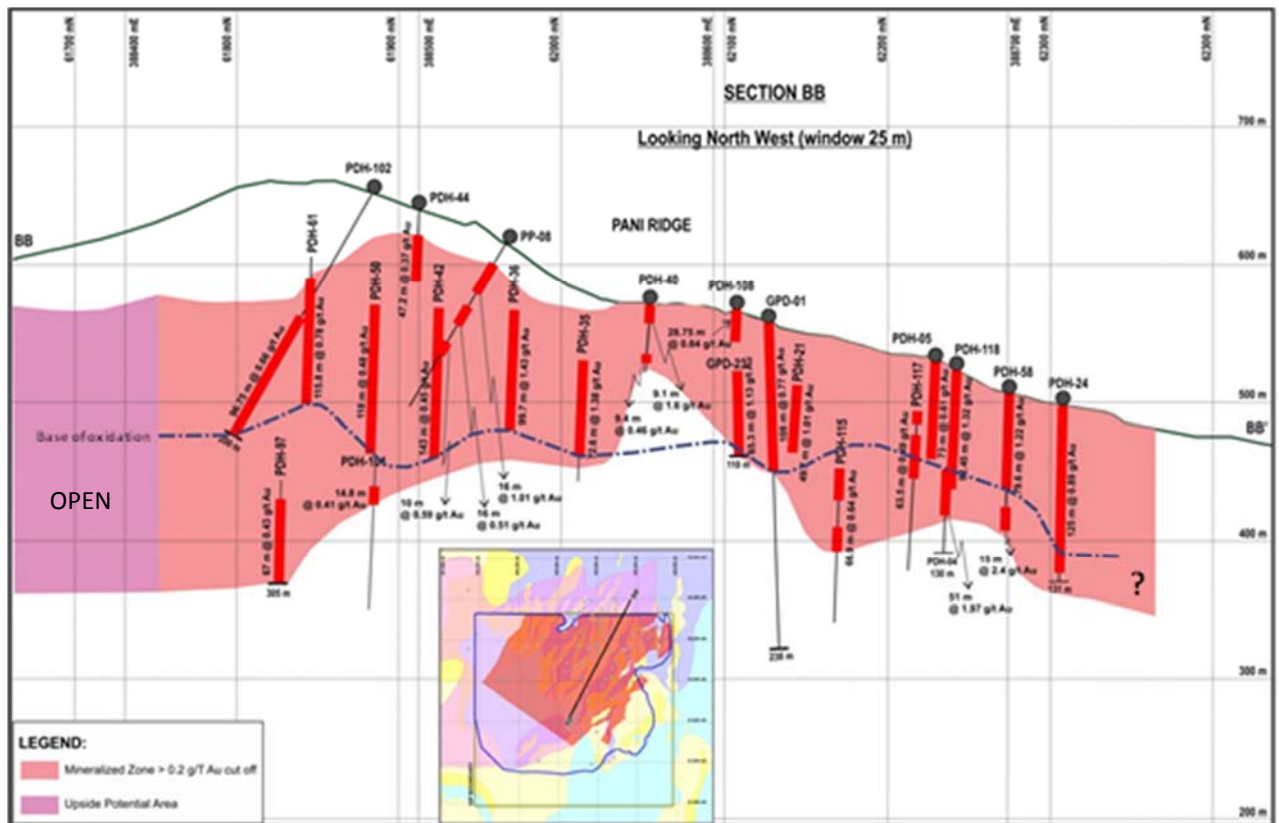
Classification	Tonnes (Mt)	Au Grade (g/t)	Au (million Oz)
Measured	10.8	1.13	0.39
Indicated	62.4	0.81	1.63
Inferred	16.2	0.67	0.35
Total	89.5	0.82	2.37

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).

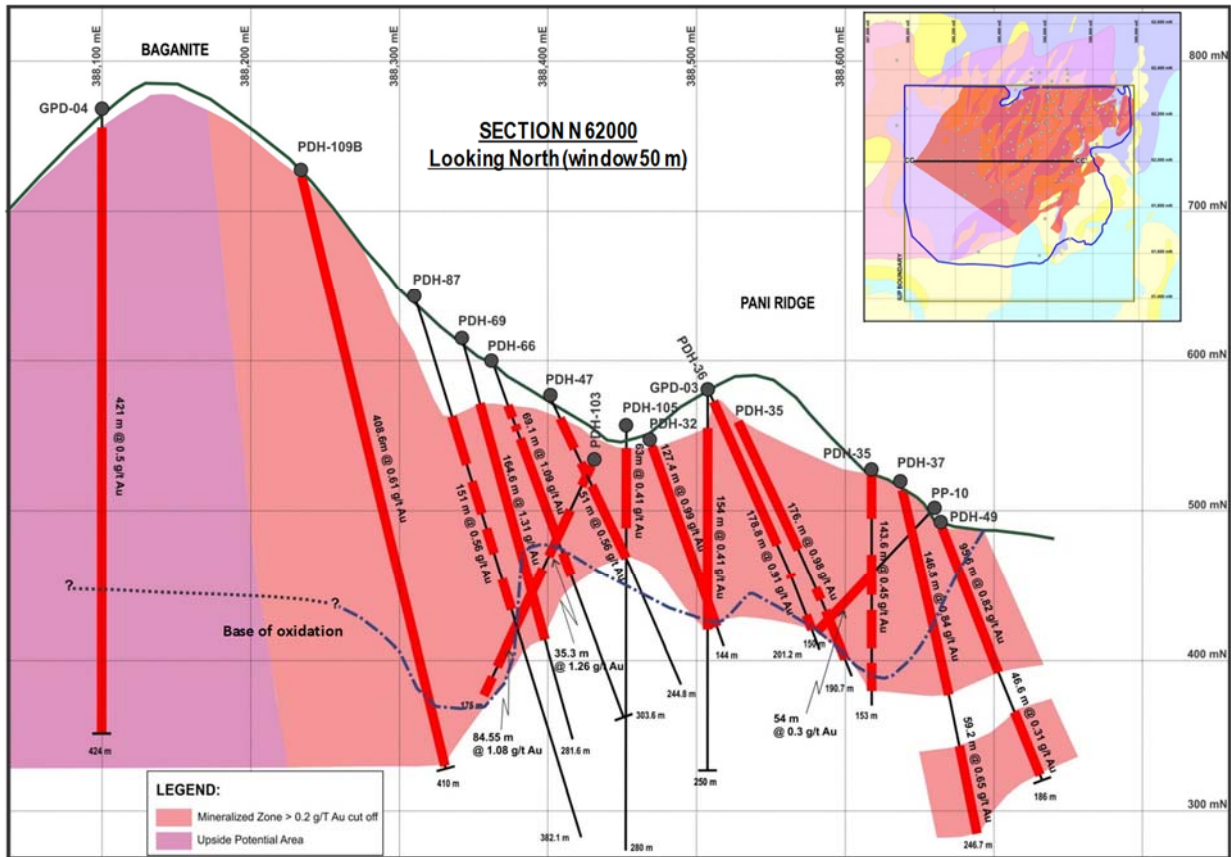
Pani Project Plan of Mineralisation



Pani Cross Section



Pani Cross Section – Undrilled Extension West



Disclaimer

All statements in this release, other than statements of historical fact, that address future timings, activities, events and developments that the Company expects, are forward looking statements. Although Lion Selection Group Limited, One Asia Resources Limited, their 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.