



One Asia Carrying Value and Lion Net Tangible Asset Backing

Lion Selection Group (Lion) and Asian Lion own a combined equity interest of 35% of One Asia Resources (One Asia), an Australian unlisted public company. One Asia is focused on the development of two gold mines in Sulawesi, Indonesia.

As announced on 2 December 2014, One Asia provided a shareholder update in relation to its proposed arrangements with Provident Capital Partners Pte Limited. One Asia advised its shareholders that the Provident option agreement will not be pursued, and that One Asia has entered into discussions with Provident to structure a joint venture over the Pani Project.

The Lion Board has formed the view that the risks associated with the Pani project have increased, and accordingly has reviewed the valuation for One Asia and adjusted it from 75cps to 30cps. This reduces One Asia's implied market capitalisation from \$97 million to \$39 million. The ultimate realised value of an investment in One Asia could be in a very wide range, reflecting the tenure risk, early stage of the Pani project, resource upside, development risk, gold price, and other factors.

In the event that the current Pani project dispute is not satisfactorily resolved, the ultimate realised value could be less than 30 cents per One Asia share. Conversely, the ultimate realised value could be far more than 30 cents per One Asia share as the project is de-risked. In light of information available, the board considers that 30c is the valuation within this range that is most reasonably representative of the fair value under current market conditions.

One Asia remains Lion's largest investment, representing a material component of Lion's portfolio. Lion will be keeping its valuation of One Asia under review and will advise shareholders of developments in a timely manner as information is made available by One Asia to its shareholders.

Lion has been involved with Provident for a number of years as co-investors in Sihayo Gold, and is strongly supportive of Provident's strategic involvement with One Asia. Lion's experience with Provident confirms its bona fides as a long term, supportive investor which understands the mining industry, and has the proven track record of operating effectively in Indonesia, including specific familiarity in the Pani region.

Net Tangible Asset Backing

Lion advises that the unaudited net tangible asset backing of Lion as at 30 November 2014 is \$0.36 per share (after tax). The net tangible asset backing is based on a One Asia valuation of \$0.30/share, as detailed above.

	Commodity	Market Value A\$M	% Portfolio
Australia			
Doray Minerals	Gold	2.3	
Rum Jungle Resources	Phosphate	1.4	
Auricup Resources	Gold	1.5	14%
Africa			
Roxgold	Gold	3.6	
Toro Gold	Gold	1.1	
Kasbah Resources	Tin	1.1	
Other Africa		1.6	
Cash dedicated to Africa ¹		1.9	24%
Asia			
One Asia Resources ²	Gold	11.8	
Asian Mineral Resources	Nickel	1.5	
Manas Resources	Gold	0.6	
Other Asia		0.8	38%
Americas			
	Iron Ore/Coal	0.5	1%
Uncommitted Net Cash		8.7	23%
Net Tangible Assets		\$38.4m	36¢/ share

¹ Includes committed cash of US\$1.4 million to AFL3.

² One Asia at a value of A\$0.30/share. Refer to note above with respect to the carrying value for One Asia.

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