

One Asia Update

and Lion Net Tangible Asset Backing

One Asia Update

Lion Selection Group (Lion) has received a One Asia release updating shareholders on recent developments:

- One Asia secures US\$1m to advance the Awak Mas geological review, Pani JV and working capital. Offer on the same terms available to One Asia shareholders.
- Awak Mas geological review identifies potential for project optimisation. Next step is re-logging stored drill core to better refine the geological model.
- Allegations with respect to benefits allegedly provided to foreign official in 2013 and 2014 being investigated by Australian and Indonesian authorities. One Asia is not aware of any illegal activity and notes prior unsubstantiated allegations made by former MD, Mr Stephen Walters.
- Pani Project preparatory DFS work commences.

Lion will be investing US\$0.6m by way of short term convertible loan agreement as part of One Asia's US\$1m funding.

Attached is the One Asia shareholder update as received by Lion.

Net Tangible Asset Backing as at 31 May 2016

Lion Selection Group Limited advises that the unaudited net tangible asset backing of Lion as at 31 May 2016 is \$0.35 per share (after tax).

	Commodity	Market Value A\$M	% Portfolio
Australia			
Doray Minerals	Gold	3.9	
Rum Jungle Resources	Phosphate	0.4	
Auricup Resources	Gold	0.9	14%
Africa			
Roxgold	Gold	8.0	
Toro Gold	Gold	1.2	
Other Africa		1.5	
Cash dedicated to Africa ¹		1.5	32%
Asia			
One Asia Resources ²	Gold	8.3	
Erdene Resources	Gold	2.7	
Other Asia		0.3	30%
Americas			
	Iron Ore/Coal	0.2	1%
Uncommitted Net Cash		8.5	23%
Net Tangible Assets		\$37.4m	35¢/ share

¹ Includes committed cash of US\$1.0 million to AFL3.

² One Asia at a value of A\$0.18/share.

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



ONE ASIA RESOURCES

HIGHLIGHTS

- One Asia secures US\$1m to advance the Awak Mas geological review, Pani JV and working capital. Offer on the same terms available to shareholders.
- Awak Mas geological review identifies potential for project optimisation. Next step is re-logging stored drill core to better refine the geological model.
- Allegations with respect to benefits allegedly provided to foreign official in 2013 and 2014 being investigated by Australian and Indonesian authorities. The Company is not aware of any illegal activity and notes prior unsubstantiated allegations made by former MD, Mr Stephen Walters.
- Pani Project preparatory DFS work commences.

US\$1M FUNDING SECURED TO ADVANCE PROJECTS – OFFER OPEN TO ONE ASIA SHAREHOLDERS

Gold development company One Asia Resources is pleased to announce it has entered into a US\$1 million short term convertible loan agreement with a combination of existing shareholders and one new institutional investor. The funds are anticipated to convert into a rights issue at a subsequent point in time where the Company can provide a more certain update on the Pani dispute and a path to liquidity for all One Asia shareholders.

The funds raised under the convertible note will be applied to the Pani project funding obligations in relation to the MOU with Provident, a comprehensive geological review of Awak Mas and working capital.

Existing shareholders Lion Selection Group and Mr Gavin Bradley will be investing alongside the new institutional investor. The Company would like to thank the investors for their support, and encourage other existing shareholders who might be interested on investing on the same terms to contact the company.

The loan agreement provides for the repayment or conversion of the amounts drawn down under the loan by undertaking a capital raising that is required to take place prior to 31 December 2016. Otherwise the loan is repayable by 1 July 2017. There is a commitment fee of 5% and interest at 15% per annum payable on the loan. Rollover of the loan beyond December 2016 and events of default attract a 30% rate of interest. Awak Mas Holdings Pty Limited, the holder of One Asia's interest in the Awak Mas Project, has guaranteed the loan.



AWAK MAS GEOLOGICAL REVIEW

One Asia Directors believe that the Awak Mas project has significant value as illustrated by the updated PFS released on 2 May 2016 and that further value enhancement is possible from recent work, foremost being the geological review currently being conducted at Awak Mas. The review challenges some of the geological concepts defining the Awak Mas deposit. If on-going work supports the initial conclusions, the potential scope for improvement is material. The potential improvements include:

- Excellent upside potential to increase grade and tonnage at depth at Awak Mas and the surrounding prospects.
- Cost effective exploration could readily increase gold inventory, in particular at Tarra Prospect based on the revised understanding of the mineralisation.
- Mineralised breccias should be visually identifiable during mining to enable selective mining, which will result in greater productivity for the processing plant by reducing waste feed and increasing the head grade to the mill.
- Petrographic evidence shows the majority of the gold to be 'free' gold.
- Strong indications that the proposed metallurgical process could be simplified to reduce costs. An evaluation of the metallurgical work will be undertaken in parallel with the geological work.
- The sheer volume of drilling provides confidence in the global gold endowment, despite the contrasting geological models of the Awak Mas deposits.

OUTLOOK

A review of the extensive database is underway and a program of re-logging stored drill core is the next step to better refine the geological model.

It is believed that the results from the reappraisals will help redefine the Awak Mas, Salu Bulu and Tarra gold deposits, and potentially enhance the combined Reserves. In addition, a better understanding of the geological controls on the mineralisation will help focus exploration at other known prospects and help generate new gold targets.

GEOLOGICAL SETTING

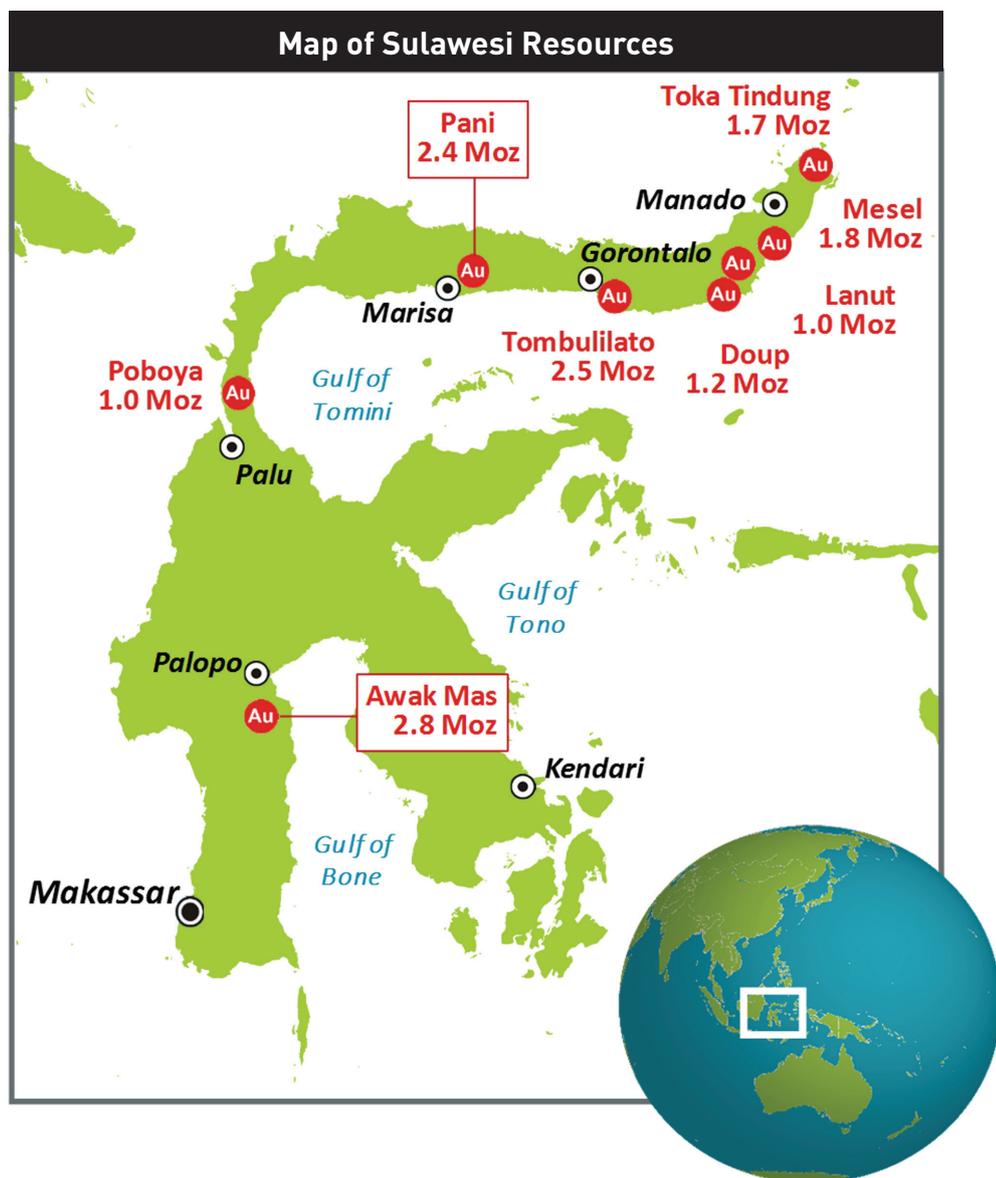
Gold mineralisation at Awak Mas is hosted in a sequence of intercalated fine to coarse grained meta-sediments. These rocks originate from deep marine fore-arc basin flysch sediments that have undergone low-grade metamorphism to greenschist facies.

The dominant regional structure is a NNW-SSE low-angle thrust along the suture zone between two tectonic plates however high-angle block faulting at prospect level influences the mineralisation.

HISTORICAL GEOLOGICAL MODEL	REVISED GEOLOGICAL MODEL
The gold mineralisation in the area has long been held to be stratabound, mesothermal, disseminated mineralisation within the meta-sediments and along steeply dipping fault breccias.	Gold occurs with pyrite associated with late stage stockwork (quartz-albite-ankerite) veinlets.
Exploration drilling tested the shallow dipping lithologies with steeply dipping holes targeting mineralisation in the shallow-dipping meta-sediments.	The stockworks occur within and adjacent to, multi-phase epithermal breccias representing a series of steeply dipping sheeted 'feeder' bodies (previously mapped as fault breccias / shear zones).
This sub-horizontal geological model biased the resource block modelling at the Awak Mas Prospects to incorporate barren rock giving a resource averaging 1.4g/t Au.	There is potential for revised higher-grade zones within the existing Resource that also extend at depth below the current drilling.
It is noteworthy that a steep dipping model adopted for the Salu Bulu extension rendered a more focused higher grade resource of 2.1 g/t Au (50% higher).	Petrology has highlighted that the majority of the gold has been remobilised and recrystallised indicative of a late stage hydrothermal overprint or possible supergene processes.
	Opportunity exists for the metallurgical process to be simplified, especially for the more oxidised ore.

BACKGROUND

- 100% owned 7th Generation Contract of Work
- 14,390 hectare lease
- South Sulawesi, 67km NE of port of Palopo



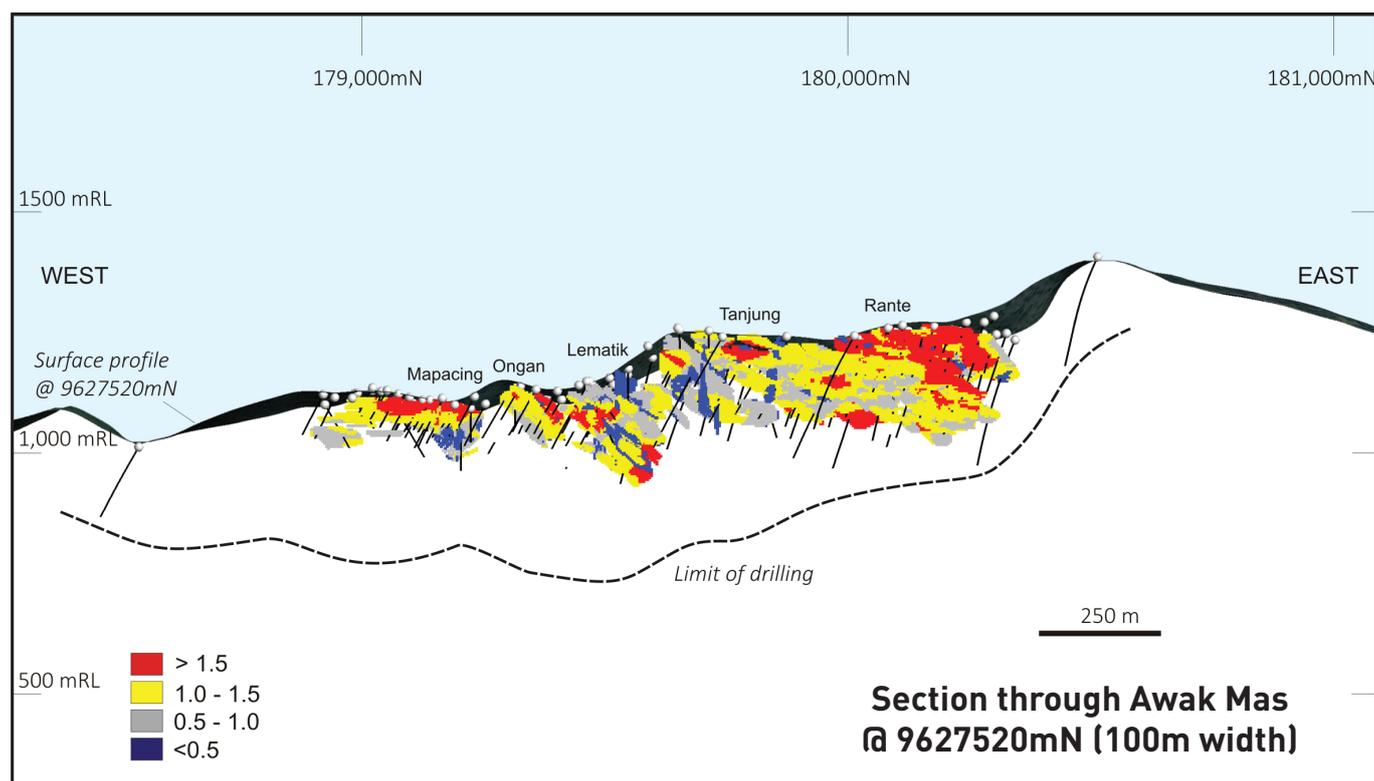
HISTORIC WORK

1987	4th Generation Contract of Work
1991	Detailed mapping, soil sampling and trenching to define the extent of the Awak Mas system
1991-1993	Battle Mountain Gold Joint Venture exploration – 77 drill holes (8,300m) and initial resource studies
1994-1997	Lone Star/JCI exploration – 713 drill holes (86,500m)
1997	Feasibility study completed by Minproc on a 3.0Mtpa production scenario using a US\$380/oz gold price
1998	PFS completed by Minproc on a 1.5Mtpa production scenario using a US\$340/oz gold price
1998	Project combined and reissued as a 7th Generation Contract of Work
1999	Pacific Placer Joint Venture exploration – 45 drill holes (4,518m) in prospect area Tarra and SaluBulo
2006	Vista Gold exploration – 13 drill holes (2,576m)
2008	Preliminary economic assessment by Tetra Tech to prepare NI 43-101 Resource
2012	One Asia completes PFS: 3.5mtpa, US\$260m capex, 2.1moz Resource
2015	One Asia updates PFS incorporating new Resources at SaluBulo and Tarra. 2.5mtpa, US\$198m capex, 2.8moz Resource
2016	Update of PFS reflecting improved industry costs, 2.5mtpa, US\$161m capex

MINERAL RESOURCES

DEPOSIT	Category	Ore (Mt)	Grade (g/t Au)	Au (million oz)
Awak Mas	Measured	12	1.49	0.56
	Indicated	35	1.37	1.55
	Inferred	0.3	1.09	0.01
Awak Mas ⁽¹⁾	Total	47	1.4	2.12
Salu Bulu	Measured	2.2	2.3	0.17
	Indicated	3.4	2.1	0.22
	Inferred	0.5	1.1	0.02
Salu Bulu ⁽²⁾	Total	6.1	2.1	0.41
Tarra Main	Inferred	7.37	1.25	0.297
Tarra Main ⁽³⁾	Total	7.37	1.25	0.297
Total	Measured	13.9	1.62	0.73
	Indicated	38.5	1.43	1.77
	Inferred	8.2	1.23	0.33
Total		60.6	1.45	2.83

1. Tetrattech May 2014
2. Tetrattech December 2013
3. A. Davys March 2015

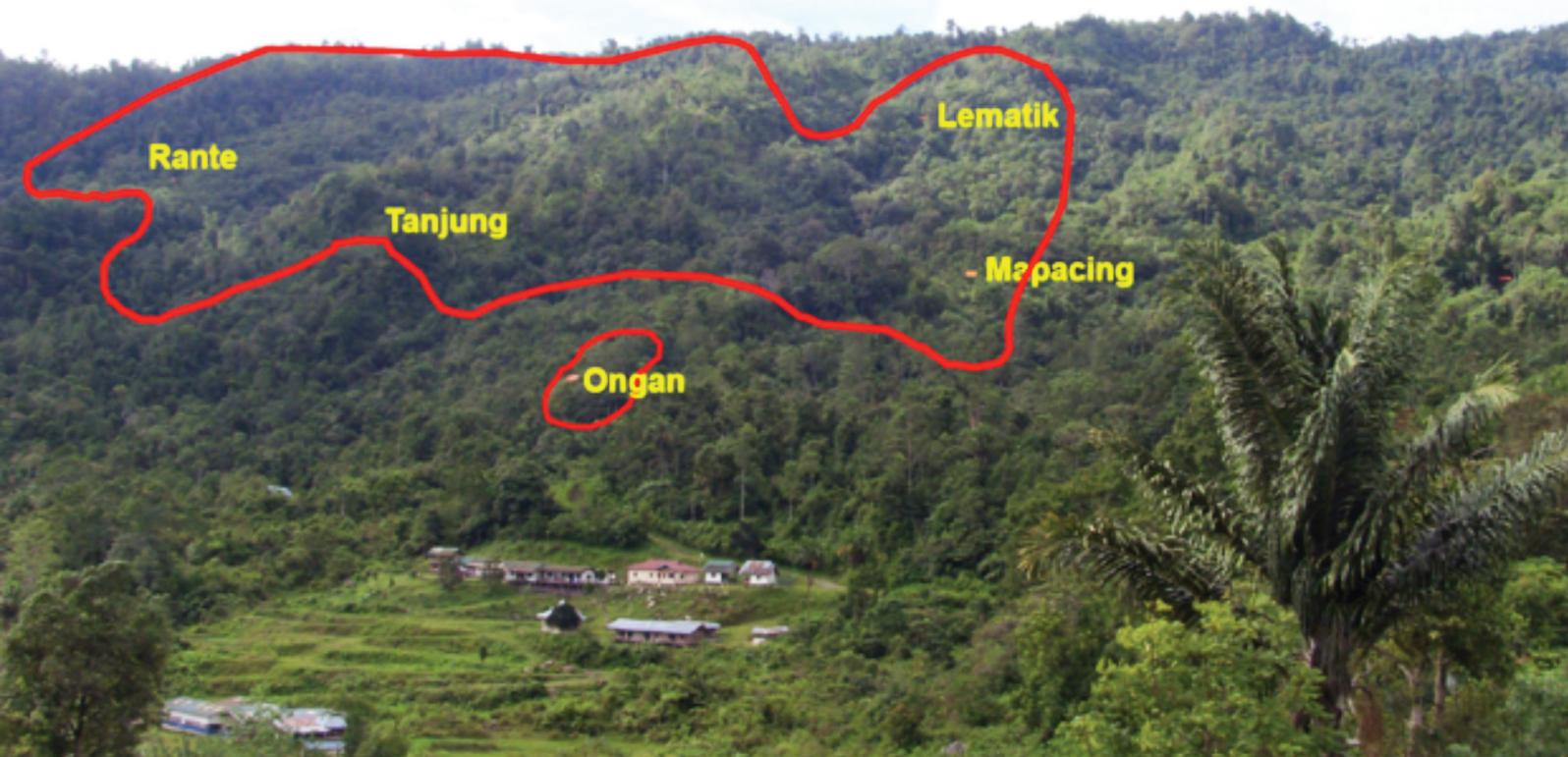
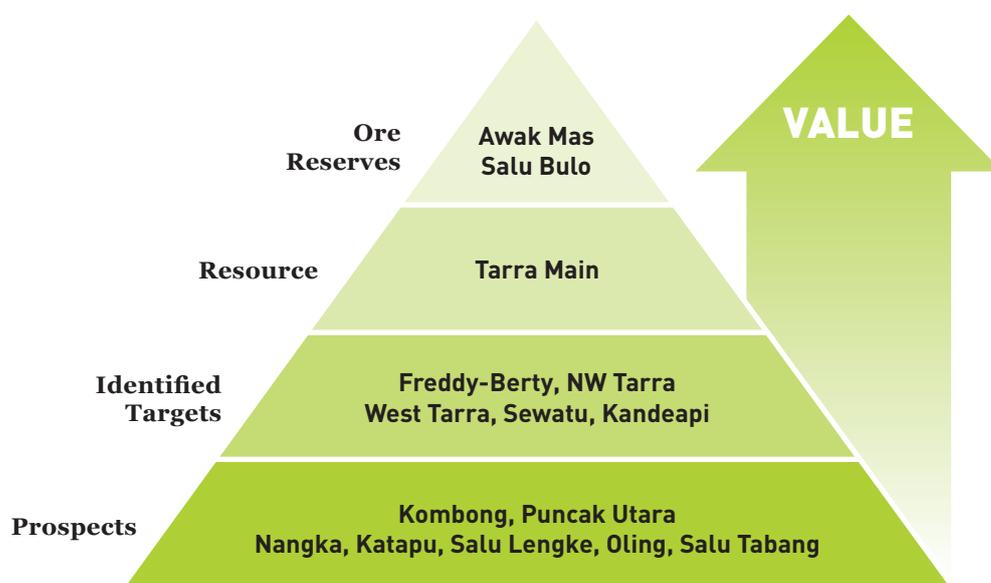


PROSPECTS

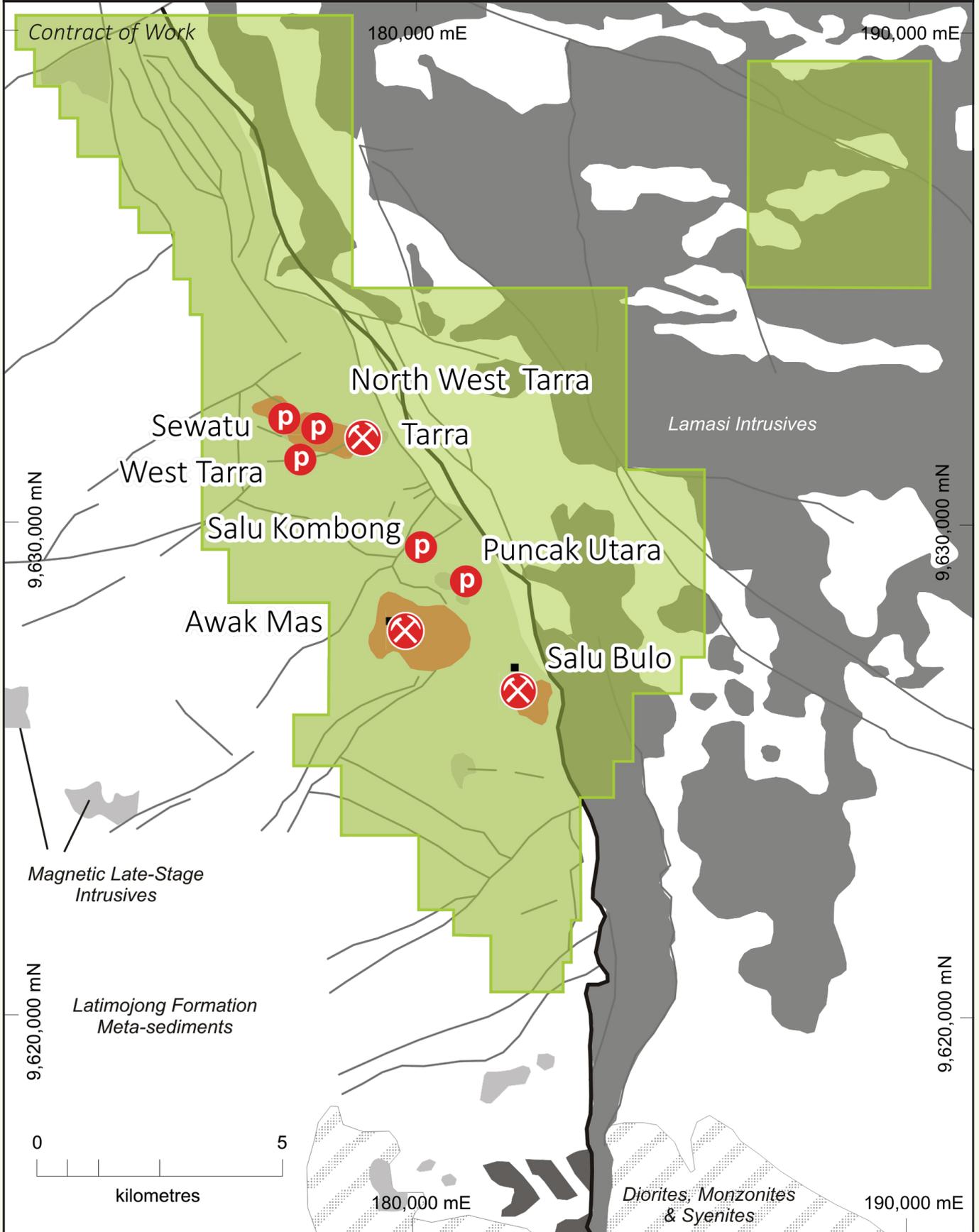
The Lematik – Ongan – Rante – Tanjung prospects in the main Awak Mas area, and the nearby Salu Bulu prospect are essentially a series of sub-parallel N-S zones, and their characteristics are the same. The drill pattern to date is steep and not deep enough to have effectively tested the mineralised structures at depth. Coherent zones of significant gold mineralisation currently defined at shallow levels at Awak Mas remain open and represent excellent targets for extending the current resource base down-dip. There remains potential to extend the deposits along strike to the south, where boulder scree cover prevented ready access for the drill rigs.

The Tarra Main Prospect is slightly different; the host rocks are more arenaceous and structurally it trends NW-SE. Petrology suggests mineralisation may have formed at a shallower paleo-level in the hydrothermal system, however the style remains very similar to Awak Mas. Tarra Main currently has an Inferred Resource of 0.3 moz Au which could be readily converted to an Indicated Resource with a few well targeted drill holes.

The areas between these prospects and along strike from known mineralised domains remain prospective. Regional exploration has identified a number of other targets along a 7km structural corridor that could add to gold Resources.



Awak Mas Prospects



MINERALISATION AND PETROLOGY

The mineralisation at all the prospects is essentially similar. Petrology shows the gold occurs with pyrite associated with a late phase stockwork of quartz-albite-ankerite veinlets (1mm – 2mm width) within or adjacent to hydrothermal breccias.

Gold is seen in two distinct phases with pyrite – as minute inclusions (predominantly <5 micron) within pyrite crystals and as late stage high-fineness recrystallised gold as fracture infill in, or as growths on shattered pyrite (gold particle >25 micron Equivalent Circular Diameter). From the limited petrology observations recorded it is estimated that about 70%+ of the gold occurs as the 'fracture infill', which is considered 'free gold'. The remobilisation and recrystallisation of gold is indicative of a late stage hydrothermal overprint or possibly from supergene processes.

The degree and depth of oxidation has not been clearly logged, however this needs to be understood as oxidised ores tend to be amenable to be heap leached. Oxidation was noted in the ore zones at depth in cores from Salu Bulu and Rante Prospects.

METALLURGICAL TESTING

There has been considerable metallurgical testing at different times by different past owners and different labs. As far as can be determined, much of the metallurgical testing has been undertaken to optimise the process of a flowsheet initially proposed in the late 1990s. There has been little or no recent attempts to relate the metallurgy to the mineralogy, in particular the fact that most of the gold occurs in a relatively free form with pyrite.

Gravity testwork to date has proved promising in concentrating gold grade thus warrants additional work as a priority, noting that pyrite is the key gold-carrier as well as being just about the only sulphide / dense mineral in the ore.

The opportunity will be taken to follow-up the encouraging early test results from 1994/95 with comprehensive tests on crushed ore to explore the option for initially heap leaching certain ore.

The information supplied on the Awak Mas geological review was compiled by Mr Andrew Davys, BSc. (Hons), an independent consulting geologist. Mr Davys is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience 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 Davys consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

AUSTRALIAN FEDERAL POLICE INVESTIGATION

One Asia has 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 the Company at that time. The Company is also aware that authorities are investigating the allegations in Indonesia.

Under its indemnity arrangements the Company is likely to be obliged to meet the costs of such investigations with respect to the directors.

The Company is not aware of any illegal activity. Due to the ongoing nature of the investigations, the Company is unable to comment further on the matter at this time.

Shareholders may be aware that the Company's former Managing Director, Mr Stephen Walters was offered and took the opportunity to step down from all roles in the One Asia Group in May 2014. This followed negative developments at the Pani Project in December 2013 when One Asia became aware that some members of the KUD had signed an agreement with J Resources and sought to cancel its arrangements with One Asia. One Asia has since invested considerable time and effort into repairing, restoring and strengthening relationships with the KUD, its members and the local community. As previously announced to shareholders, Mr Walters and PT Prima, a company associated with Mr Walters, has made a number of unsubstantiated allegations since his departure which are unhelpful to a settlement of the Pani conflict and are not aligned with One Asia's shareholder interests. The Company maintains its position in refuting these claims. It remains to be seen whether Mr Walters is behind the latest allegations.

PANI PROJECT DFS PREPARATION

Initial work has started on a Definitive Feasibility Study (DFS) at the Pani project with early stage geological and metallurgy test-work program works commencing.



CORPORATE INFORMATION

Board Members

Fiona Robertson
Adrian Rollke

Robin Widdup
Rob Thomson
Gavin Bradley
Craig Smyth

Chairman
Acting Managing Director
and Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Company Secretary

Issued Share Capital

At 31 March 2016: 146,296,229 ordinary
shares on issue.

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Disclaimer

All statements in this Shareholder Update, 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.