One Asia Resources Limited

and its controlled entities

ABN 59 150 653 982

Annual Report for year ended

31 December 2017

Contents

DIRECTORS' REPORT

The Directors present their report together with the financial statements of the Group, being One Asia Resources Limited (the Company) and its controlled entities (the Group), for the financial year ended 31 December 2017.

Directors

The following persons held the office of director during the year ended 31 December 2017:

Mrs Fiona Robertson (resigned 31 August 2017)	Non-Executive Chairman
Mr Adrian Rollke	Managing Director
Mr Robert Thomson	Non-Executive Director
Mr Robin Widdup	Non-Executive Director
Mr Gavin Bradley (resigned 21 April 2017)	Non-Executive Director

Directors have been in office since the start of the financial year unless otherwise stated in this report.

Company Secretary

Mr Craig Smyth held the position of company secretary during the year.

Principal Activities and Significant Changes in the Nature of Activities

The principal activities of the Group during the financial year were as a gold explorer focusing on evaluating two advanced exploration projects in Sulawesi Indonesia.

Operating Results

The consolidated loss of the Group was $5,513,282 after providing for income tax (2016: loss of $14,783,392).

During the year One Asia continued its work on the Awak Mas and Pani gold projects including the successful demerger of the Awak Mas Gold Project under Nusantara Resources Limited which listed on the ASX on 2 August 2017. The Group announced on 2 February 2018 the sale of One Asia's interest in the Pani project in exchange for Lion Selection Group securities, with shareholders approving this transaction on 12 April 2018.

Pani Project

In December 2017 One Asia received notification from its Pani joint venture partner, Provident Capital Partners Pte Limited (Provident), that an agreement has been reached with J Resources relating to the Pani dispute. The agreement paves the way for taking the Pani project forward, including terms providing access necessary to develop the Pani project and satisfying the local ownership requirements for the life of the project. Provident and One Asia consider this a major milestone for the Pani project, with the parties committed to the development of the Pani project in cooperation with the KUD and local community.

Subsequent to the end of the year on 2 February 2018, the Company and Lion announced that they had entered into a conditional Asset Purchase Deed (the Asset Purchase Deed) pursuant to which Lion agreed to purchase the Company's 33.3% interest in the Pani Joint Venture (the Transaction). The Transaction contemplates the purchase by Lion of the Company's interest in the Pani Joint Venture in consideration for the issue of 35,750,000 Lion Shares and 23,833,333 Lion Options to the Company (Consideration Securities). The Transaction requires One Asia to distribute, subject to approval by the Shareholders (being the purpose of the Resolution), at least 34,750,000 Lion Shares and 23,166,666 Lion Options of the Consideration Securities (In-Specie Securities) promptly after their issue by way of an in specie equal capital return to the Shareholders in proportion to their respective interests in the Company (Capital Return). The purpose of the Transaction and Capital Return is to sell the Company's interest in the Pani Joint Venture to Lion with a view to Lion progressing the Pani Gold Project through feasibility and into production, enabling the Shareholders to benefit as holders of the In-Specie Securities.

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).

DIRECTORS' REPORT (Continued)

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 into 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, 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, 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 the Company).

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.

Awak Mas

During the year the Group completed the successful demerger of the Awak Mas Gold Project under Nusantara Resources Limited (Nusantara) listing on the ASX on 2 August 2017 after having raised $16.2m in the IPO. The IPO was well supported with the introduction of new cornerstone investors AustralianSuper and Zhaojin Mining Industry Company Limited (listed on the Hong Kong Stock Exchange, HK:1818). One Asia shareholders received 1 Nusantara share for every 3 shares held in One Asia.

In preparation for the demerger on 7 February 2017, One Asia's subsidiary Awak Mas Holdings Pty Ltd approved the change to become a public company and change of name to Nusantara Resources Limited. In addition, Nusantara adopted a new constitution consistent with an ASX listed company, appointed new directors and executives, and signed a mandate with a stock broker as plans for listing the company progress. On 9 May 2017 One Asia announced a new geological model and Mineral Resource Estimate reported in accordance with the JORC Code (2012) guidelines for the Awak Mas Gold Project. The total Indicated and Inferred Resource is reported at 38.4 Mt at 1.41 g/t Au for 1.74 Moz.

Australian Federal Police Investigation

In May 2016 One Asia received and complied with a warrant executed by the Australian Federal Police (AFP) 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. One Asia understands that the AFP has since expanded its investigation to all directors and officers of the Company at the time and the Company itself.

In addition, the Company previously reported that authorities were investigating the allegations in Indonesia. This investigation resulted in a trial of Ms Lisna Alamri, a Commissioner of an Indonesia 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 the company by Mr Stephen Walters in 2011 and was engaged as a Commissioner to undertake socialisation activities following the fall out with the KUD in December 2013. The decision of the court found no criminal wrong doing and released Ms Alamri from all charges. This decision is subject to appeal by the District Attorney.

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.

As previously announced to shareholders, the Company's former Managing Director, Mr Stephen 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.

Letter of Demand

One Asia 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.

Financial Position

The net assets of the consolidated group have decreased by $21,075,265 from 31 December 2016 to $294,430 as at 31 December 2017. This decrease is primarily due to the demerger of Nusantara during the year.

Significant Changes in State of Affairs

There are no significant changes in the state of affairs of the Company during the financial year, other than as disclosed in the Directors' Report.

Dividends Paid or Recommended

No dividends were paid or declared during the year by the Company and the Directors do not recommend paying a final dividend for the year ended 31 December 2017.

DIRECTORS' REPORT (Continued)

Events Subsequent To Balance Date

Subsequent to the end of the year on 2 February 2018, the Company and Lion Selection Group Limited (Lion) announced that they had entered into a conditional Asset Purchase Deed with Lion agreeing to purchase the Company's 33.3% interest in the Pani Joint Venture (the Transaction) in exchange for the issue of 35,750,000 Lion Shares and 23,833,333 Lion Options to the Company (Consideration Securities). The Transaction was approved by shareholders on 12 April 2018. One Asia distributed 34,750,000 Lion Shares and 23,166,667 Lion Options of the Consideration Securities by way of an pro rata in specie capital return to the Shareholders (Capital Return). The purpose of the Transaction and Capital Return is to realise the Company's interest in the Pani Joint Venture with a view to Lion progressing the Pani Gold Project through feasibility and into production, enabling the Shareholders to benefit as holders of the In-Specie Securities.

Likely Future Developments

After completion of the Pani Transaction and associated Capital Return, the Company will consider and possibly pursue other appropriate opportunities which have the potential to create shareholder wealth. If the Company is unable to find or fund other appropriate opportunities, the Company may consider an orderly wind up.

There are no changes proposed to the Company's Board or senior management as a consequence of the Transaction and Capital Return, however the remuneration of the Board and management is expected to reduce commensurate with the diminished workload.

Environmental Regulations

The Group's operations are subject to significant environmental regulation under the laws of Indonesia. The Directors are not aware of any breaches of the legislation during the financial year that are material in nature.

Information on Directors

Fiona Robertson	**Non-Executive Chairman (resigned 31 August 2017)**
Qualifications and experience	Fiona Robertson has been a Non-Executive Director of One Asia since 1 November 2011. Fiona has over 35 years of corporate finance experience including more than 25 years in the resources industry. She spent 14 years working for The Chase Manhattan Bank in London, New York and Sydney, and eight years with Delta Gold Ltd as General Manager, Finance/Chief Financial Officer. From 2000 to 2012, Fiona practised as a consulting CFO to emerging companies in the resources sector holding CFO roles with Climax Mining and Petsec Energy.She was a Non-Executive Director of ASX-listed Drillsearch Energy Limited from October 2009 to March 2016 and is currently a Non-Executive Director of ASX-listed Heron Resources Limited. Fiona holds an MA in Geology from Oxford University, is a Fellow of the Australian Institute of Company Directors and a Member of the Australasian Institute of Mining and Metallurgy.
Interest in shares and options	472,480 ordinary shares.
Special Responsibilities	Chair of the Remuneration and Nomination Committee and member of the Audit, Business Risk and Compliance Committee.
Adrian Rollke	**CEO and Managing Director**
Qualifications and experience	Adrian Rollke is a co-founder of One Asia and has been an Executive Director since 4 August 2011. Adrian 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 in 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. Adrian 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. In 2007, Mr. Rollke co-founded Pan Asia Resources Corporation which became One Asia Resources in 2011. Adrian holds a BA in Economics from the University of Western Ontario.
Interest in shares and options	2,993,045 ordinary shares; 2,000,000 options.

Robert Thomson	**Non-Executive Director**
Qualifications and experience	Rob Thomson has been a Non-Executive Director of One Asia Resources since 4 August 2011. Rob has over 30 years of experience covering exploration, bankable feasibility studies, construction, operations and company/project financing. Rob was formerly the General Manager Development for Kingsgate's Chatree Mine in Thailand and Project Director of Oxiana's Sepon Gold Mine in Laos. Rob 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. Rob was Executive Director of Finders Resources Limited responsible for the Wetar Copper Cathode Development in Indonesia. Rob holds a BE (Mining) from the University of Queensland, an MBA from the University of Wollongong, and is a fellow of the AusIMM. Rob Thomson was appointed Managing Director of the Stonewall group of companies including Stonewall Resources Limited (ASX SWJ) and Stonewall Mining (South Africa) in November 2016. Rob was a Non-Executive Director of Golden Cross Resources Limited from April 2014 to December 2017.
Interest in shares and options	1,270,501 ordinary shares.
Special Responsibilities	Chair of the Audit, Business Risk and Compliance Committee and member of the Remuneration and Nomination Committee.
Gavin Bradley	**Non-Executive Director (resigned 21 April 2017)**
Qualifications and experience	Gavin Bradley was a Non-Executive Director of One Asia from 10 June 2015 until 21 April 2017. Gavin is a senior finance executive with over 20 years banking experience, specializing in project finance and principal equity investing across the mining and oil and gas sectors. Gavin joined Macquarie Bank in 1994 and had a +20 year career at Macquarie Bank including +10 years as the Joint Head of Macquarie Bank Limited's Metals and Energy Capital Division. Gavin is a qualified Chartered Accountant who before moving into banking, held senior finance and accounting roles for Normandy Mining Limited from 1989 to 1994. He is a graduate from the University of Western Australia and obtained his Graduate Diploma of Finance from Curtin University.
Interest in shares and options	5,362,525 ordinary shares.
Special Responsibilities	Member of the Audit, Business Risk and Compliance Committee and member of the Remuneration and Nomination Committee.
Robin Widdup	**Non-Executive Director**
Qualifications and experience	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. Robin has over 38 years of industry experience. He graduated from Leeds University in 1975 with an Honors Degree in Geology. From 1986 to 1997 Robin worked as an Analyst and Manager for J B Were & Sons – Resource Research team. Robin founded Lion Selection Group and Lion Manager in 1997.
Interest in shares and options	4,135,640 ordinary shares and 1,000,000 options are held by Lion Manager Pty Ltd, a company in which both Mr Widdup and Mr Smyth hold a beneficial interest.
Special Responsibilities	Member of the Audit, Business Risk and Compliance Committee and member of the Remuneration and Nomination Committee.

Craig Smyth	**Chief Financial Officer and Company Secretary**
Qualifications and experience	Craig Smyth graduated from the Victoria University of Wellington with a Bachelor of Commerce and Administration, and has completed his Master of Applied Finance at the University of Melbourne. Craig's financial background includes Coopers & Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank. He is currently the CEO of Lion Selection Group Limited and Executive Director of Lion Manager Pty Limited. Craig is a member of the Institute of Chartered Accountants of Australia and New Zealand.
Interest in shares and options	4,135,640 ordinary shares and 1,000,000 options are held by Lion Manager Pty Ltd, a company in which both Mr Widdup and Mr Smyth hold a beneficial interest.

Meetings of the Board

The Board of Directors held 11 meetings during the year ended 31 December 2017. Attendances of Directors at these meetings is shown in the table below:

	Meetings Attended	Number eligible to attend
Mrs Fiona Robertson	8	8
Mr Adrian Rollke	11	11
Mr Robert Thomson	8	11
Mr Gavin Bradley	4	4
Mr Robin Widdup	11	11

Meetings of Audit Committee

Attendance of committee members at this meeting is shown in the table below:

Audit, Business Risk and Compliance Committee	Meetings Attended	Number eligible to attend
Mrs Fiona Robertson	1	1
Mr Robert Thomson	1	1
Mr Robin Widdup	1	1
Mr Gavin Bradley	-	-

Indemnification of Directors and Officers

Under the Constitution of the Company every officer (and former officer) of the Company is indemnified, to the extent permitted by law, against all costs expenses and liabilities incurred as such by an officer providing it is in respect of a liability to another person (other than the Company or a related body corporate) where such liability does not arise out of conduct involving a lack of good faith and is in respect of a liability for costs and expenses incurred in defending proceedings in which judgment is given in favour of the officer or in which the officer is acquitted or is granted relief under the Law.

The Company paid premiums to insure the Directors and Officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in their capacity as officers of the company other than conduct involving a wilful breach of duty in relation to the Company. The premiums amounted to $30,000 (2016: $17,250).

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Options

At the date of this report, there were 4,500,000 unissued ordinary shares of One Asia under option.

Non – audit services

The Board of Directors is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that any services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year, Ernst and Young acted as the investigating accountant for the Nusantara demerger and IPO and were paid $33,955 for the services provided. Other than the investigating accountant advice, no other fees were paid to Ernst & Young for non-audit services provided during the year ended 31 December 2017.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 31 December 2017 is set out on page 12 and forms part of this report.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

This Directors' Report, is signed in accordance with a resolution of the Board of Directors.

Mr Rob Thomson
Director

4 May 2018
SYDNEY

CORPORATE GOVERNANCE STATEMENT

The Board continues to frame the Company's corporate governance policies and procedures with the ultimate objective of fully meeting the requirements of the ASX Corporate Governance Principles. The following summarises the current status of implementation of the corporate governance program:

Role of the Board and Delegation to Management

The Board's role is to:

- represent and serve the interests of shareholders by overseeing and appraising the Company's strategies, policies and performance. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;
- protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company's constitution and within a framework of prudent and effective controls that enable risks to be assessed and managed;
- set, review and ensure compliance with the Company's values and governance framework (including establishing and observing high ethical standards); and
- ensure shareholders are kept informed of the Company's performance and major developments affecting its state of affairs.

Board key responsibilities

The responsibilities/functions of the Board include:

- selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Managing Director (MD) and the MD's direct reports;
- contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with the Company's businesses and the implementation of appropriate systems to manage these risks;
- monitoring corporate performance and implementation of strategy and policy;
- approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- developing and reviewing corporate governance principles and policies;
- promoting diversity within all levels of the Company, including establishing a Diversity Policy encompassing the Board and all levels of the Company and;
- performing such other functions as are prescribed by law or are assigned to the Board.

Reserved authorities

Matters which are specifically reserved for the Board or its committees include:

- appointment of a chair;
- appointment and removal of the MD;
- appointment of directors to fill a vacancy or as additional director;
- establishment of Board committees, their membership and delegated authorities;
- approval of dividends;
- approval of major capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- calling of meetings of shareholders; and
- any other specific matters nominated by the Board from time to time.

Relationship with management

- Directors may delegate their powers as they consider appropriate. However, ultimate responsibility for strategy and control rests with the directors.
- Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively.
- Directors are entitled to request additional information at any time when they consider it appropriate.

Role of the MD

- The management function is conducted by, or under the supervision of, the MD as directed by the Board (and by other officers to whom the management function is properly delegated by the MD).
- The Board approves corporate objectives for the MD to satisfy and, jointly with the MD, develops the duties and responsibilities of the MD.
- The MD is responsible for implementing strategic objectives, plans and budgets approved by the Board.

Delegation to Committees

- The Board from time to time establishes Committees to streamline the discharge of its responsibilities.
- Each standing Committee adopts a formal charter setting out the matters relevant to the composition, responsibilities and administration of the Committee.
- The Board may also delegate specific functions to ad hoc Committees on an 'as needs' basis.
- The powers delegated to these Committees are set out in Board resolutions.
- The Board will, at least once in each year, review the membership and charter of each Committee to determine its adequacy for current circumstances.

Structure and Composition of the Board

The Company's constitution (clause 12.5) provides the maximum number of Directors is to be fixed by the Directors, but may not be more than 12 unless the Company in general meeting resolves otherwise. The Directors must not determine a maximum which is less than the number of Directors in office at the time the determination takes effect.

It is intended that the Board should comprise a majority of independent non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds appropriate to the needs of the Company and take account of the desire for gender diversity.

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

Mr Robert Thomson is considered an independent director.

When determining whether a non-executive director is independent the director must not fail any one of the following materiality thresholds:

- no more than 5% of company shares are held by the director and any entity or individual directly or indirectly associated with the director; and
- no material sales are made to or material purchases made from any entity or individual directly or indirectly associated with the director.

The overriding consideration is that the director must be independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgment.

The Board believes that, given the size of the Company, the nature of its operation and the ability of all incumbent Directors to bring an independent judgment to bear in Board deliberations, the current Board composition is appropriate for the Company in its present position and allows for the best utlisation of the experience and expertise of its members.

CORPORATE GOVERNANCE STATEMENT (continued)

Any director having a confilict of interest in relation to a particular item of business must absent themselves from the Board meeting before commencement of discussion on the topic.

The Board will review its composition continually as the Company's circumstances change.

To accord with good corporate goverance practices and in step with the Company's objective of diversification of Board representatives, the roles of Chairman and Chief Executive Officer have been segregated.

Retirement and rotation of directors is governed by the Corporations Act 2001 and the Constitution of the Company.

Directors' Access to Professional Advice

In the discharge of their duties, directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the company.

Board Performance Evaluation

The small scale of the Board and the nature of the Company's activities make the formal establishment of a performance evaluation strategy unnecessary. Performance evaluation is managed by the Chairman. On an annual basis, the Chairman assesses each Board member's performance and the performance of management (including the Chief Executive Officer), the Board as a whole and its committees. This process includes one-on-one and collective meetings

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

One Asia's code of conduct requies directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

The Company's policy is to recruit and retain people on the basis of their skills, experience and performance, regardless of factors such as age, gender, cultural, ethnic or religious background, nationality, race or physical ability.

Integrity in Financial Reporting

The Board is committed to ensuring the Company's financial reports present a true and fair view of the Company's position and comply with relevant accounting standards.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the continuance of a separate Audit, Business Risk and Compliance Committee. As such, the Board as a whole ensures that the Company discharges its responsibilities for financial reporting and ensures all appropriate internal controls are in place, including overseeing:

- the Company's relationship with the external auditor and the external audit function generally;
- the internal audit function where such exists;
- the preparation of the financial statements and reports;
- the Company's financial controls and systems; and
- the process of identification and management of business and financial risks.

The Board will continue to review its position on the establishment of an Audit, Business Risk and Compliance Committee.

CORPORATE GOVERNANCE STATEMENT (continued)

Shareholder Rights

The Company endeavours to keep shareholders informed of its progress through periodic shareholder updates and presentations, and posting of information to the Company's website at www.oneasiaresources.com.

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of One Asia Resources Limited, to lodge questions to be responded to by the Board, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to the health of the company and to maximisation of shareholder wealth.

During the year, the Board continued to consider and monitor the company's risk profile considering all aspects of the business from operational through to strategic level risks. A formal risk assessment is conducted regularly and reviewed by the Board, with ongoing monitoring of key risks and risk mitigation initiatives as required.

Remuneration Policies

A formal remuneration policy, setting out the key principles by which remuneration is awarded for all staff, including key management personnel, was previously developed by the Remuneration and Nomination Committee and approved by the Board in 2012. The policy was designed to attract high calibre executives and reward them for their performance, resulting in long-term growth in shareholder value.

In light of the Company's circumstances and need to contain costs, remuneration packages across management and directors have been reviewed with a view to minimising cash expenditure including the issuing shares in lieu of salaries and directors' fees. The total amount of remuneration for all key management personnel for the company is detailed in the notes to the financial statements. All remuneration paid to executives is valued at the cost to the company and expensed. Options and performance rights provided to executives are valued using the Black Scholes Option Pricing Model.

The Board reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors, other companies and independent advice.

The payment of any bonuses, options and other incentive payments is reviewed by the Board as part of the annual review of executive remuneration. The Board can exercise its discretion in relation to approving incentives, bonuses and options

Remuneration and Nomination Committee

In view of the small size of the Company's Board and the fact that remuneration matters are monitored by the Board in its entirety and the Board acts effectively as Nomination Committee, there is no need to further subdivide to a Remuneration and Nomination Comittee. The Board as a whole reviews the size, structure and composition of the Board including competencies and diversity, in addition to reviewing Board succession plans and continuing development.

There are no schemes for retirement benefits other than the statutory superannuation obligation for non-executive directors.

Other Information

Further information relating to the company's corporate governance practices and policies are made publicly available on the company's website at www.oneasiaresources.com.

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Auditor's Independence Declaration to the Directors of One Asia Resources Limited

As lead auditor for the audit of One Asia Resources Limited for the financial year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of One Asia Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Scott Jarrett
Partner
4 May 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 $US	2016 $US
Other income	2	**1,357**	**17,104**
Expenses			
Professional fees		(1,001,077)	(344,894)
Employee and directors benefits expense		(566,619)	(527,520)
Share based remuneration		(27,617)	-
Corporate costs		(98,214)	(7,647)
Accounting and audit fees	6	(143,784)	(45,868)
Depreciation and amortisation		(32,992)	(73,983)
Foreign currency loss		(9,626)	-
Community and social		-	(108,874)
Impairment expense	13	-	(11,103,000)
Loss on demerger of subsidiary		(2,920,949)	-
Doubtful debt expense	9	(469,000)	(2,409,251)
Other expenses		(244,761)	(179,459)
Loss before income tax		**(5,513,282)**	**(14,783,392)**
Income tax expense	3	-	-
Loss for the year		(5,513,282)	(14,783,392)
Other comprehensive income			
Items that may be reclassified subsequently to the Statement of Comprehensive Income			
Foreign currency translation		311,616	857,015
Total comprehensive Loss for the year		**(5,201,666)**	**(13,926,377)**
Loss attributable to:			
Owners of the parent		(5,569,779)	(13,806,103)
Non-controlling interest		56,497	(977,289)
		(5,513,282)	**(14,783,392)**
Total comprehensive loss attributable to:			
Owners of the parent		(5,258,163)	(12,949,088)
Non-controlling interest		56,497	(977,289)
		(5,201,666)	**(13,926,377)**
Loss per share			
From continuing operations:			
Basic loss per share (cents)	7	(3.2)	(9.4)
Diluted loss per share (cents)	7	(3.2)	(9.4)

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 $US	2016 $US
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	435,203	703,311
Trade and other receivables	9	13,491	129,860
TOTAL CURRENT ASSETS		**448,694**	**833,171**
NON-CURRENT ASSETS			
Property, plant and equipment	12	-	60,412
Exploration and evaluation expenditure	13	-	22,851,800
Other assets	14	-	84,003
TOTAL NON-CURRENT ASSETS		**-**	**22,996,215**
TOTAL ASSETS		**448,694**	**23,829,386**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	154,264	1,622,792
Provisions	16	-	836,899
TOTAL CURRENT LIABILITIES		**154,264**	**2,459,691**
TOTAL LIABILITIES		**154,264**	**2,459,691**
NET ASSETS		**294,430**	**21,369,695**
EQUITY			
Issued capital	17	39,450,106	55,323,705
Reserves		2,495,224	2,183,608
Accumulated losses		(40,398,641)	(34,828,862)
Parent interests		**1,546,689**	**22,678,451**
Non-controlling interests		(1,252,259)	(1,308,756)
TOTAL EQUITY		**294,430**	**21,369,695**

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Consolidation Reserve	Non controlling Interests	Total
	$US	$US	$US	$US	$US	$US	$US
At 1 January 2017	**55,323,705**	**(34,828,862)**	**2,485,564**	**(906,125)**	**604,169**	**(1,308,756)**	**21,369,695**
(Loss) attributable to members of the Company	-	(5,569,779)	-	-	-	-	(5,569,779)
Profit attributable to non controlling interests	-	-	-	-	-	56,497	56,497
Other comprehensive income	-	-	-	311,616	-	-	311,616
Total comprehensive loss	-	(5,569,779)	-	311,616	-	56,497	(5,201,666)
Shares issued during the period	3,998,237	-	-	-	-	-	3,998,237
Share issue expenses	(40,621)	-	-	-	-	-	(40,621)
Capital return	(19,831,215)	-	-	-	-	-	(19,831,215)
Balance as at 31 December 2017	**39,450,106**	**(40,398,641)**	**2,485,564**	**(594,509)**	**604,169**	**(1,252,259)**	**294,430**
At 1 January 2016	**55,141,282**	**(21,022,759)**	**2,485,564**	**(1,763,140)**	**604,169**	**(331,467)**	**35,113,649**
Loss attributable to members of the Company	-	(13,806,103)	-	-	-	-	(13,806,103)
Loss attributable to non controlling interests	-	-	-	-	-	(977,289)	(977,289)
Other comprehensive income	-	-	-	857,015	-	-	857,015
Total comprehensive loss	-	(13,806,103)	-	857,015	-	(977,289)	(13,926,377)
Shares issued during the period	182,423	-	-	-	-	-	182,423
Balance as at 31 December 2016	**55,323,705**	**(34,828,862)**	**2,485,564**	**(906,125)**	**604,169**	**(1,308,756)**	**21,369,695**

The financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 $US	2016 $US
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(2,006,319)	(355,048)
Interest received		1,347	142
Net cash used in operating activities	20	**(2,004,972)**	**(354,906)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant, property and equipment		(2,610)	(411)
Payments for exploration expenditure		(402,173)	(432,330)
Loan finance provided		(440,840)	(1,956,552)
Net cash used in investing activities		**(845,623)**	**(2,389,293)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan finance obtained		(1,140,396)	1,000,000
Proceeds from issue of shares		3,784,522	25,186
Share issue expense		(40,621)	-
Net cash provided by financing activities		**2,603,505**	**1,025,186**
Net (decrease) /increase in cash held		**(247,090)**	**(1,719,013)**
Cash and cash equivalents at beginning of the year		703,311	2,399,537
Loss of control of subsidiary		(43,744)	-
Effect of exchange rates on cash holdings in foreign currencies		22,726	22,787
Cash and cash equivalents at end of the year	20	**435,203**	**703,311**

The financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This consolidated financial report includes the consolidated financial statements and notes of One Asia Resources Limited and controlled entities for the year ended 31 December 2017 ("Consolidated Group" or "Group") and financial information relating to One Asia Resources Limited as an individual parent entity ("Parent Entity" or "Company") for the year ended 31 December 2017.

The presentation currency for the One Asia Group is US dollars.

The comparative period has been restated to better reflect the current and non-current classification of loan receivable from investee company and the classification between fixed assets and intangibles.

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act* 2001. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the directors on 4 May 2018.

a. Going concern Basis of Accounting

The Group has made losses for the year of $5,513,282 (2016: $14,783,392) and experienced net cash outflows from operating activities of $2,004,972 (2016: $354,906). Net current assets as at 31 December 2017 were $294,430 (2016: net current liabilities $1,626,520). The Company is an exploration company currently without an operating cash inflow and the net cash position of the Group will continue to decrease until such time as the Group has an operating cash inflow or further equity raisings are completed. There is uncertainty in relation to going concern as the Group will need to raise additional capital to advance its current portfolio of exploration projects, meet its payment obligations and its ongoing working capital requirements. While no assurances can be given about future fund raising activity, with a proven past ability to raise funds, the directors believe the Company, given the quality of its assets, can raise future funds to pursue its business strategy and meet its obligations as and when they fall due. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

b. Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. A list of controlled entities is contained in Note 11 to the financial statements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future. Current tax assets and liabilities are off set where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are off set where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment

Plant and equipment are measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. The cost of property, plant and equipment constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

- Plant and equipment 17% - 33%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. There are currently no material restoration requirements for the areas of interest held.

Farm-in arrangements

The acquisition of working interests are accounted for according to the substance of the asset acquired. Where the interests are in the nature of a business, the acquisition will be treated as a business combination otherwise the interests will be treated as an asset acquisition.

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Group, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets. The useful life for each class of intangible assets are:

- Software: 4 years.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

h. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted). Financial assets are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately. Financial liabilities are recognised initially at fair value, and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss. The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets).

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.) If during the period the Group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

iv. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

v. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

j. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in United States dollars. The parent entity's functional currency is Australian dollars and its presentation currency is United States dollars.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

k. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

l. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Revenue and Other Income

Interest income is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. All revenue is stated net of the amount of goods and services tax (GST).

o. Equity Settled Compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Other equity settled share-based payments to service providers the Group measures the goods or services received and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

p. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and service received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

q. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cashflows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cashflows.

r. Comparative Figures

When required by Accounting Standards, comparative amounts have been adjusted to conform to changes in presentation for the current financial year. When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed. The Group has not changed its accounting policy during the year. In addition, the adoption of new accounting standards had no impact on the Group.

s. Key Estimates

i. Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in-use calculations which incorporate various key assumptions. These assumptions are disclosed in each of the notes to the financial report where applicable.

ii. Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

t. New Accounting Standards for Application in Future Periods

PART A - Changes in accounting policy, new and amended standards and interpretations

There was no material impact of any new accounting policies adopted during the period.

PART B – Accounting standards issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 31 December 2017.

Reference	Discussion	Application date of standard*	Application date for Group*
AASB 9 *Financial Instruments*	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, including hedge accounting. AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The only potential impact of AASB 9 relates to whether the Group would need to record any provisions for doubtful debts. However accounts receivable are not material and as such the Group assessed the impact of AASB 9 to be immaterial as well. The new hedging rules align hedge accounting more closely with risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.	1 January 2018	1 January 2018
AASB 15 Revenue from Contracts with Customers	AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Management has assessed there will not be any material impact of AASB 15, as the Group does not currently produce revenue	1 January 2018	1 January 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 16 Leases	The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. Management have not assessed the impact of the above changes on the Group yet.	1 January 2019	1 January 2019

* Designates the beginning of the applicable annual reporting period unless otherwise stated

	2017 $	2016 $
NOTE 2: OTHER INCOME		
Interest received	1,347	17,104
NOTE 3: INCOME TAX EXPENSE		
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before tax	(5,513,282)	(14,783,392)
Total income tax benefit calculated at 30% (2016: 30%)	(1,653,985)	(4,435,018)
Tax effect of:		
– Foreign tax rate adjustment	20,560	71,006
– Increase in provisions	-	29,030
– Non-deductible expenses	1,034,706	4,053,675
	(598,719)	(281,307)
Deferred tax asset not brought to account	598,719	281,307
Income Tax Expense	-	-

NOTE 4: INTERESTS OF KEY MANAGEMENT PERSONNEL

a) Compensation for Key Management Personnel

	2017 $	2016 $
Short term employee benefits(i)	347,719	496,324
Post-employment benefits (ii)	2,254	13,050
Share based payment	24,303	-
Total compensation	**374,276**	**509,374**

(i) Includes $186,098 One Asia shares issued in lieu of cash benefits. In addition, during the year directors reinvested $29,255 with respect to directors fees received.

(ii) Relates to superannuation and contributions to the pension plan of an executive.

b) Key Management Personnel Options and Rights Holdings

i) Options

	Balance at the beginning of the year	Granted as remuneration during the year	Expired during the year	Balance at end of year	Vested during the period	Vested and exercisable	Vested and unexercisable
31 December 2017							
Directors							
Fiona Robertson	-	-	-	-	-	-	-
Robert Thomson	-	-	-	-	-	-	-
Gavin Bradley	-	-	-	-	-	-	-
Robin Widdup	-	-	-	-	-	-	-
Adrian Rollke	2,000,000	-	-	2,000,000	-	2,000,000	-
Key management personnel							
Boyke Abidin	1,500,000	-	-	1,500,000	-	1,500,000	-
Craig Smyth	1,000,000*	-	-	1,000,000*	-	1,000,000*	-
	4,500,000	**-**	**-**	**4,500,000**	**-**	**4,500,000**	**-**

* Options held by Lion Manager Pty Ltd, a company that Mr Widdup also holds a beneficial interest.

	Balance at the beginning of the year	Granted as remuneration during the year	Expired during the year	Balance at end of year	Vested during the period	Vested and exercisable	Vested and unexercisable
31 December 2016							
Directors							
Fiona Robertson	-	-	-	-	-	-	-
Robert Thomson	-	-	-	-	-	-	-
Gavin Bradley	-	-	-	-	-	-	-
Robin Widdup	-	-	-	-	-	-	-
Adrian Rollke	2,000,000	-	-	2,000,000	-	2,000,000	-
Key management personnel							
Boyke Abidin	1,500,000	-	-	1,500,000	-	1,500,000	-
Craig Smyth	1,000,000*	-	-	1,000,000*	-	1,000,000*	-
	4,500,000	**-**	**-**	**4,500,000**	**-**	**4,500,000**	**-**

* Options held by Lion Manager Pty Ltd, a company that Mr Widdup also holds a beneficial interest.

NOTE 4: INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

ii) Performance rights

	Balance at the beginning of the year	Granted as remuneration during the year	Exercised during the year	Cancelled during the year	Balance at end of year	Vested and exercisable	Vested and unexercisable
31 December 2017							
Directors							
Fiona Robertson	-			-	-	-	-
Robert Thomson	131,136			(131,136)	-	-	-
Gavin Bradley	-	-	-	-	-	-	-
Robin Widdup	-	-	-	-	-	-	-
Adrian Rollke	114,744			(114,744)	-	-	-
Key management personnel							
Boyke Abidin	24,588			(24,588)	-	-	-
Craig Smyth	-	-		-	-	-	-
	270,468			**(270,468)**	**-**	**-**	**-**

	Balance at the beginning of the year	Granted as remuneration during the year	Exercised during the year	Lapsed during the year	Balance at end of year	Vested and exercisable	Vested and unexercisable
31 December 2016							
Directors							
Fiona Robertson	132,000			(132,000)	-	-	-
Robert Thomson	263,136			(132,000)	131,136	-	-
Gavin Bradley	-	-	-		-	-	-
Robin Widdup	-	-	-		-	-	-
Adrian Rollke	276,744			(162,000)	114,744	-	-
Key management personnel							
Boyke Abidin	67,921			(43,333)	24,588	-	-
Craig Smyth	-	-			-	-	-
	739,801			**(469,333)**	**270,468**	**-**	**-**

NOTE 4: INTERESTS OF KEY MANAGEMENT PERSONNEL (CONTINUED)

c) Key Management Personnel Shareholdings

The number of ordinary shares in the Company held by each KMP of the Group during the year is as follows:

	Balance at the beginning of the year	Granted as remuneration during the year	Issued in exchange for performance rights during the year	Other changes during the year	Balance at end of year
31 December 2017					
Directors					
Fiona Robertson	257,314	-	-	215,166(1)	472,480
Robert Thomson	974,743	-	87,424	208,334(2)	1,270,501
Gavin Bradley	3,229,690	111,112	-	2,021,723(3)	5,362,525
Robin Widdup	2,468,973	416,667	-	1,250,000	4,135,640(4)
Adrian Rollke	2,916,549	-	76,496	-	2,993,045
Key management personnel					
Boyke Abidin	267,714	175,600	16,392	-	459,706
Craig Smyth	2,468,973	1,250,000	-	416,667	4,135,640(4)
	12,583,956(5)	**1,953,379**	**180,312**	**4,111,890**	**18,829,537 (5)**

(1) 111,000 One Asia shares subscribed for under the December 2016 placement and 104,166 One Asia shares subscribed for representing the reinvestment of directors fees.

(2) 208,334 One Asia shares subscribed for representing the reinvestment of directors fees.

(3) 277,778 One Asia shares subscribed for under the December 2016 placement and 1,743,945 One Asia shares issued on conversion of loan of $313,910 by Mr Bradley to One Asia.

(4) Mr Widdup and Mr Smyth hold a beneficial interest in 4,135,640 One Asia shares held by Lion Manager Pty Ltd. This represents 416,667 shares granted as remuneration in 2017 for Mr Widdup and 1,250,000 shares issued in lieu of service fees with respect to Mr Smyth's services in 2017.

(5) Includes duplicated shares held by Mr Widdup and Mr Smyth.

	Balance at the beginning of the year	Granted as remuneration during the year	Issued on exercise of options and performance rights during the year	Other changes during the year	Balance at end of year
31 December 2016					
Directors					
Fiona Robertson	153,148			104,166(1)	257,314
Robert Thomson	2,415,777			(1,441,034)(2) (3)	974,743
Gavin Bradley	3,063,028	166,662			3,229,690
Robin Widdup	1,627,033	841,940			2,468,973(4)
Adrian Rollke	2,916,549				2,916,549
Key management personnel					
Boyke Abidin	89,859	177,855			267,714
Craig Smyth	1,627,033			841,940	2,468,973(4)
	11,892,427	**1,186,457**		**(494,928)**	**12,583,956(5)**

(1) 104,166 One Asia shares subscribed for representing the reinvestment of directors fees.

(2) 83,334 One Asia shares subscribed for representing the reinvestment of directors fees.

(3) Due to a change in association, Mr Thomson ceased to hold a beneficial interest in 1,524,368 One Asia Shares.

(4) Mr Widdup and Mr Smyth hold a beneficial interest in 2,468,973 One Asia shares held by Lion Manager Pty Ltd. This represents 539,806 shares granted as remuneration for Mr Widdup, 1,345,833 shares issued in lieu of service fees with respect to Mr Smyth's services, and 583,334 shares acquired in One Asia's May 2015 rights issue.

(5) Includes duplicated shares held by Mr Widdup and Mr Smyth.

d) Other Key Management Personnel Transactions

There have been no other KMP transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP refer to Note 22 Related Party Transactions.

NOTE 5. DEMERGER OF AWAK MAS GOLD PROJECT

In order to advance the development of the Awak Mas Gold Project, during the year the Group undertook a demerger of its Awak Mas Gold Project and completed an ASX listing under Nusantara Resources Limited listing on the ASX on 2 August 2017 raising $16.2m in the IPO.

In preparation for the demerger on 7 February 2017, One Asia's subsidiary Awak Mas Holdings Pty Ltd approved the change to become a public company and change of name to Nusantara Resources Limited, adopted a new constitution consistent with an ASX listed company, and appointed new directors and executives. In addition, 58,969,875 Nusantara shares were issued to the Company to settle loans payable to related body corporates. After receiving shareholder approval, these Nusantara shares were distributed to One Asia shareholders on a pro-rata basis, with each shareholder receiving 1 Nusantara Share for every 3 One Asia Shares held on 28 July 2017.

The loss on the demerger of Nusantara is as follows:

	2017 $
Consideration	
In specie distribution of shares in Nusantara	19,831,215
Net Assets of Nusantara immediately prior to demerger	(22,752,164)
Loss on the demerger of Nusantara	**(2,920,949)**

The major classes of assets and liabilities relating to Nusantara Resources are as follows:

	2017 $
Assets	
Cash	43,752
Other current assets	40,779
Property, plant and equipment	114,034
Exploration expenditure capitalised	23,481,548
Total Assets	**23,680,113**
Other creditors	118,387
Provisions	809,562
Total Liabilities	**927,949**
Net Assets	**22,752,164**

NOTE 6: AUDITORS' REMUNERATION	2017 $	2016 $
Ernst & Young Australia - audit services	109,829	45,868
Ernst & Young Australia – non-audit services	33,955	-
	143,784	**45,868**

NOTE 7: LOSS PER SHARE	**2017 $**	**2016 $**
a. Reconciliation of loss		
Loss for the year	(5,513,282)	(14,783,392)
Loss attributable to minority equity interest	(56,497)	977,289
Loss used in the calculation of basic and dilutive EPS	**(5,569,779)**	**(13,806,103)**
Loss per share (Cents)	**(3.2)**	**(9.4)**
	Number	**Number**
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and dilutive EPS	174,605,440	146,755,912
Weighted average number of dilutive options outstanding	-	-
c. Anti-dilutive options and performance rights on issue not used in dilutive EPS calculation	4,500,000	4,500,000

NOTE 8: CASH AND CASH EQUIVALENTS	**2017 $**	**2016 $**
Cash at bank	435,203	703,311
	435,203	**703,311**

NOTE 9: TRADE AND OTHER RECEIVABLES		
CURRENT		
Other receivables	13,491	129,860
Total current trade and other receivables	**13,491**	**129,860**
NON-CURRENT		
Amount due from investee company at the beginning of year	2,409,251	462,138
Advances to investee company	469,000	1,947,113
Doubtful debt provision	(2,878,251)	(2,409,251)
Carrying amount at the end of year	**-**	**-**

The Group has fully provided for loans advanced under the Pani Joint Venture. This treatment reflects that the Pani Joint Venture is unable to repay the loan in cash at balance date.

Refer to Note 21 with respect to the sale of One Asia`s interest in Pani Joint Venture.

NOTE 10: INFORMATION RELATING TO ONE ASIA (THE PARENT ENTITY)	**2017 $**	**2016 $**
Current assets	448,694	625,621
Total assets	448,694	22,850,106
Current liabilities	154,264	1,375,590
Total liabilities	154,264	1,375,590
Issued capital	39,450,106	55,323,705
Reserves	1,186,796	875,181
Accumulated losses	(40,342,472)	(34,724,370)
Net equity	**294,430**	**21,474,516**
Loss of the parent entity	(5,618,104)	(16,969,816)
Total comprehensive (loss) of the parent entity	(5,618,104)	(16,969,816)

NOTE 11. CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of One Asia Resources Limited and the subsidiaries listed in the following table:

Controlled Entities consolidated	Country of Incorporation	Percentage Owned	
		2017	2016
		%	%
Pan Asia Resources Corporation	Cayman Islands	100	100
Awak Mas Holdings Pty Limited	Australia	-	100
Pani Holdings Pty Limited	Australia	100	100
Pani Resources Pty Limited	Australia	100	100
Pani Mining Indonesia Pty Limited	Australia	100	100
PT Pani Resources Indonesia	Indonesia	90	90
PT Masmindo Dwi Area	Indonesia	-	100
Salu Siwa Pty Limited	Australia	-	100
Vista Gold Corp Barbados Inc	Barbados	-	100

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	$	$
Plant and equipment		
At cost	-	281,600
Accumulated depreciation	-	(221,188)
Total plant and equipment	**-**	**60,412**
Reconciliation of the carrying amounts are set out below:		
Plant and equipment		
Carrying amount at beginning of year	60,412	65,126
Additions	2,610	411
Depreciation	(2,990)	(5,125)
Loss of control of subsidiary	(60,032)	-
Carrying amount of plant and equipment at end of year	-	**60,412**

NOTE 13: EXPLORATION AND EVALUATION EXPENDITURE

	2017	2016
	$	$
Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases at the end of year	-	**22,851,800**
Reconciliations		
Carrying amount at the beginning of year	22,851,800	32,795,547
Expenditure incurred during current year	303,472	325,030
Impairment expense	-	(11,103,000)
Foreign exchange movement during the current year	326,276	834,223
Loss of control of subsidiary	(23,481,548)	-
Carrying amount at the end of year	-	**22,851,800**

NOTE 14: OTHER ASSETS	2017 $	2016 $
Intangible asset – computer software		
At cost	-	285,126
Amortisation	-	(201,123)
	-	**84,003**
Reconciliation of the carrying amounts are set out below:		
Computer software		
Carrying amount at beginning of year	84,003	152,861
Additions	-	411
Amortisation	(30,002)	(68,858)
Loss of control of subsidiary	(54,001)	-
Carrying amount of intangible assets at end of year	**-**	**84,003**
NOTE 15: TRADE AND OTHER PAYABLES		
Payables and accrued expenses	154,264	482,397
Loan facility – current	-	1,140,395
	154,264	**1,622,792**
NOTE 16: PROVISIONS		
Provisions	**-**	**836,899**
NOTE 17: CONTRIBUTED EQUITY		
177,784,617 (2016: 147,670,186) fully paid ordinary shares. The shares have no par value.	**39,450,106**	**55,323,705**
a. Movements in ordinary share capital	**Shares**	**Shares**
At the beginning of the reporting period	147,670,186	146,296,229
Shares issued during the year		
Share placement	27,643,652	-
Shares issued in lieu of cancelled Performance Rights	204,900	-
Shares issued in lieu of salaries, directors fees and consultancy fees	1,953,379	1,186,457
Placement – reinvestment of director's fees	312,500	187,500
At the end of the reporting period	**177,784,617**	**147,670,186**
b. Movements in ordinary share capital	**2017 $**	**2016 $**
Balance at beginning of the reporting period	55,323,705	55,141,282
Shares issued during the year		
Placement	3,755,267	-
Share issue expenses	(40,621)	-
Shares issued in lieu of cancelled Performance Rights	27,617	-
Shares issued in lieu of salaries, directors fees and other fees	186,098	157,237
Placement – reinvestment of director's fees	29,255	25,186
Capital return	(19,831,215)	-
At the end of the reporting period	**39,450,106**	**55,323,705**

NOTE 17: CONTRIBUTED EQUITY (CONTINUED)

c. Capital Management

a. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business to provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

b. The Group's capital comprises ordinary share capital.

c. There are no externally imposed capital requirements.

d. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of distributions to shareholders and share issues.

NOTE 18: OPTIONS AND PERFORMANCE RIGHTS

Expiry Date	Exercise Price $	Outstanding at 1 January 2017	Cancelled during year	Outstanding at 31 December 2017
Unlisted Options				
31 May 2018	A$0.31	4,500,000	-	4,500,000
		4,500,000	**-**	**4,500,000**
Unlisted Performance Rights				
May 2019	N/A	307,350	(307,350)	-
		307,350	**(307,350)**	**-**

In accordance with the terms and conditions of the unlisted options, the exercise price was reduced by A$0.14 per share due to the capital return of the Nusantara shares.

NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES

a. Under Legacy Agreements the Group has a obligations to various parties. It is currently unclear what obligations the Group has following the recent developments in the Pani project. Obligations under the Legacy Agreements include:

- Monthly payments of $2,500 to PT Prima until such time as commercial production commences at Pani.
- A 1% Net Smelter Royalty is due to the KUD upon the commencement of commercial production from the Pani IUP. On 7 July 2015 the Group received correspondence from PT Prima purporting to terminate one of the agreements that establish the Pani Joint Venture.
- PT Pertiwi is due a 5% net profits royalty interest subject to a total maximum payment of US $300,000 and restricted to a maximum annual payment of US $50,000.
- PT Prima Mineralindo Nusantara is due a 5% Net Profits Interest subject to a total maximum payment of US $1,000,000 and restricted to a maximum annual payment of US $200,000

b. In May 2016 One Asia 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 Indonesian authorities have investigated the allegations in Indonesia, leading to the commencement of a trial of the alleged recipient after the end of the year. The Company is not aware of any illegal activity.

Under its indemnity arrangements the Company is likely to be obliged to meet the costs of such investigations with respect to the directors. These potential costs are not possible to quantify at this stage.

NOTE 20: NOTES TO THE CASH FLOW STATEMENT	2017 $	2016 $
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash at bank	435,203	703,311
	435,203	**703,311**
b. Reconciliation of Loss from ordinary activities after Income Tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(5,513,282)	(14,783,392)
Add non-cash items:		
Depreciation and amortisation	32,992	73,983
Loss of control of subsidiary	2,920,949	-
Impairment of assets	469,000	11,103,000
Non-cash expenses	231,367	2,689,700
Changes in assets and liabilities, net of the effects of purchase and disposal of Controlled Entities during the financial year:		
(Increase)/Decrease in receivables	75,590	288,093
Increase/(Decrease) in payables	(81,051)	273,418
Increase/(Decrease) in provisions	(140,537)	292
Net cash used in operating activities	**(2,004,972)**	**(354,906)**

c. Non-Cash Financing

In specie capital return

The Company entered a convertible loan agreement with Nusantara, in relation to outstanding funding amounts provided by the Group. On 26 July 2017 the Company converted its outstanding loan amounts owed by Nusantara and its subsidiaries, in exchange for the issue of 58,969,875 Nusantara shares to settle loans payable to related body corporates. The fair value of the shares issued is determined with reference to the IPO price of A$0.42. These shares with a fair value of A$24,767,348 ($19,831,215) were distributed to the Company's shareholders on 28 July 2017 by way of an in specie capital return.

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the year on 2 February 2018, the Company and Lion announced that they had entered into a conditional Asset Purchase Deed (the Asset Purchase Deed) pursuant to which Lion agreed to purchase the Company's 33.3% interest in the Pani Joint Venture (the Transaction). The Transaction was approved by shareholders, involved the sale to Lion of the Company's interest in the Pani Joint Venture in consideration for the issue of 35,750,000 Lion Shares and 23,833,333 Lion Options to the Company (Consideration Securities). One Asia distributed 34,750,000 Lion Shares and 23,166,667 Lion Options of the Consideration Securities (In-Specie Securities) immediately after their issue by way of an in specie equal capital return to the Shareholders in proportion to their respective interests in the Company (Capital Return). The purpose of the Transaction and Capital Return is to sell the Company's interest in the Pani Joint Venture to Lion with a view to Lion progressing the Pani Gold Project through feasibility and into production, enabling the Shareholders to benefit as holders of the In-Specie Securities.

Other than the matters above, no matters that have arisen in the interval between the end of the financial year and the date of this report of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the One Asia Resources Group, the results of those operations, or the state of affairs of the One Asia Resources Group, in future financial years.

NOTE 22: RELATED PARTIES

Transactions between related parties as set out below are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors

The names of each person holding the position of Director of One Asia Resources Limited during the financial year are:

Mr Robert Thomson, Mr Adrian Rollke, Mrs Fiona Robertson (resigned 31 August 2017), Mr Robin Widdup and Mr Gavin Bradley (resigned 21 April 2017).

Details of Key Management Personnel remuneration are set out in Note 4.

Transactions with related parties:

Directors

A services agreement has been entered into for Company Secretarial and CFO duties fulfilled by Craig Smyth. Under the services agreement Lion Manager, an entity affiliated with Mr Robin Widdup, is paid a monthly fee commensurate with rates charged by third-parties for the provision of accounting and company secretarial services. The services agreement is structured for the monthly fee to be paid in One Asia shares in lieu of cash as approved by One Asia shareholders most recently in July 2017.

During the year the company issued shares in lieu of cash payment for a component of the remuneration of key management personnel, as approved by shareholders. This is deemed by the Board as an appropriate and responsible measure to reduce the cash burn rate of the Company given the difficult market conditions in the junior mining sector. These arrangements are considered to be on an arms-length basis and represent reasonable remuneration. The Company maintains the right to pay the remuneration in cash if the Board believes this is in the best interest of the Company.

During the year the Company issued 204,900 shares valued at A$36,882 ($27,617) to cancel the outstanding performance rights. This included 87,424 shares to Mr Rob Thomson, 76,496 shares to Mr Adrian Rollke and 16,392 shares to Mr Boyke Abidin. These arrangements are considered to be on an arms-length basis with the personnel involved excluded from any discussions or decisions on this matter.

Apart from the details disclosed in this note, no Directors entered into a material contract with the Company or the Consolidated Group since the end of the previous financial year.

Directors' and Executive Officer's holdings of shares and options

The aggregate interests of Directors and the Executive Officer of the reporting entity and their Director-related entities in shares and share options of entities within the Consolidated Group at year end are set out in the Directors' Report and at Note 4.

NOTE 23: FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, trade and other receivables, trade and other payables and convertible notes. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2017 $	2016 $
Financial Assets			
Cash and cash equivalents	8	435,203	703,311
Receivables	9	13,491	129,860
Trade and other payables	15	(154,264)	(1,622,792)

The carrying values of these assets and liabilities approximates the fair values.

Financial Risk Management Policies

The Board of Directors is responsible for, amongst other issues, monitoring and managing financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, and foreign currency risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures the regular monitoring of exposures and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board has otherwise cleared as being financially sound.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Group has a significant credit risk exposure to Citibank Australia where the cash reserves of One Asia are deposited. There is no other significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the Group has significant credit risk exposures to Indonesia and Australia given the substantial operations in those countries.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 9.

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

All payables are due within one year.

c. Market Risk - Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the USD functional currency of the Subsidiaries, or the AUD functional currency of One Asia Resources Limited. The Consolidated Group is exposed to foreign exchange risk through cash assets held as at balance date.

	2017 $	2016 $
United States currency equivalents of cash assets held in Australian dollars and subject to floating interest rate	374,948	136,665
United States currency equivalents of cash assets held in Indonesian Rupiah and subject to floating interest rate	-	82,769
Cash assets held in US currency and subject to floating interest rate	60,255	483,877
Total cash assets	**435,203**	**703,311**

Foreign Currency Risk Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	2017 $	2016 $
Change in profit pre-tax		
Improvement in AUD to USD by 5%	238,330	848,491
Decline in AUD to USD by 5%	(238,330)	(848,491)
Change in equity		
Improvement in AUD to USD by 5%	11,097	6,896
Decline in AUD to USD by 5%	(11,097)	(6,896)

NOTE 24: RESERVES

a. Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation on foreign currency amounts.

b. Consolidation Reserve

The consolidation reserve arises on the consolidation of Pan Asia as a controlled entity.

c. Option and Performance Rights Reserve

The option reserve records items recognised as expenses on valuation of employee share options and performance rights.

NOTE 25: COMPANY DETAILS

One Asia Resources Limited is a company domiciled in Australia and its registered office and principal office is located at:

Level 2
175 Flinders Lane
Melbourne
Victoria 3000 Australia

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of One Asia Resources Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations regulations 2001*;

(b) the financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Director

Mr Rob Thomson
Dated 4 May 2018

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Independent auditor's report to the members of One Asia Resources Ltd

Opinion

We have audited the financial report of One Asia Resources Ltd (the "Company") and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2017 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Scott Jarrett
Engagement Partner
Sydney
4 May 2018

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Auditors

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200 George Street
Sydney NSW 2000