

# QUARTERLY REPORT

## for the three months ended 31 December 2015



# ONE ASIA RESOURCES

## KEY POINTS

- Pani Project – Marisa Court Decision re KUD Management Case was mostly supportive of One Asia with costs to be paid by opponents. Appeals subsequently lodged by both sides.
- Awak Mas Project – geological review continues, PFS Opex and Capex optimisation underway.
- The sector turns – gold equity markets improve significantly.

## OVERVIEW

The alliance established with Provident in May 2015 continues with its objective of resolving the current Pani IUP dispute, and ultimately working in co-operation with Provident, the KUD Dharma Tani Marisa, and the local community to develop the Pani Project. Progress has been slow but steady, with One Asia and Provident actively working with the KUD, the local community and regional authorities to resolve the current dispute. In January 2016 the District Court of Marisa ruled on the KUD Management case where the management team lead by Mr. Idris Kadji remains supportive of and continues to honor the legal agreements with One Asia. Appeals have been filed to the Provincial High Court of Gorontalo by both Mr. Mbuinga and Mr. Kadji.

At Awak Mas, One Asia continues to optimise the project filing its revised AMDAL (Indonesian environmental and social approval) in November 2015 with preliminary approval in January 2016, subject to a number of minor revisions requested. In addition, the company continues to investigate opportunities to leverage the improving cost environment for developing the project.

Equity markets for junior resources, in particular gold, have begun to show signs of improvement including the gold price, improving cost environment, and increasing M&A activity as evidenced by EMR Capital agreeing to acquire the Martabe gold and silver mine in Sumatra for US\$775M.

# PANI GOLD PROJECT

In May 2015 One Asia signed a Memorandum of Understanding (MOU) with Provident Capital Partners Pte Ltd (Provident) providing for the establishment of a joint venture on the Pani Gold Project. The ultimate ownership of the Joint Venture will be 66.6% Provident and 33.3% One Asia, with One Asia and Provident each committing US\$4m cash. The working relationship with Provident is well established and One Asia is appreciative of the tangible support received.

On 20 January 2016, the Marisa District Court ruled on the KUD Management case with One Asia providing a shareholder update on 4 February 2016. The result of the decision through the Marisa District Court we believe represents a positive outcome over the opposing management team of the KUD dharma Tani Marisa (KUD) lead by Mr Uns Mbuinga. However, the decision also brings into to question the management of Mr Idris Kadji, a supporter of One Asia seeking to honour the legal agreements with One Asia. The Marisa Court decision is now under appeal, as both parties have filed statements of appeal.

Final Decision of the Marisa Court:

1. All the Defendants were deemed to have committed unlawful acts.
2. The Articles of the KUD resulting from the Defendants AGM are invalid.
3. The Articles of the KUD resulting from the EGM which elected Lisna Alamri as Head of the KUD are invalid. As a result, the Articles resulting from the AGM held which elected Mr. Kadji as Head of the KUD are also invalid as a chain reaction.
4. The Defendants AGM was invalid.
5. The Defendants Accountability Report presented at their AGM is invalid
6. All decisions and actions approved at the Defendants AGM are invalid including the appointment of the directors and commissioners (the Defendants) at that meeting.
7. The courts ordered Mr. Abdul Kadir Akib (former Head of the KUD and one of the Defendants) to repay 300m rupiah to the KUD in damages.
8. The courts ordered the Defendants (as members of the KUD) to join the Plaintiff in conducting a united AGM.
9. The Defendants were ordered to pay for the costs of the court.

Since the fallout with the KUD, which occurred in December 2013, considerable time has gone into repairing and establishing relationships with the KUD, its members and the local community. One Asia and Provident receive strong support from the members of the KUD and the local community and are optimistic that a solution can be reached to resolve the conflict. One Asia and Provident remain committed to the development of the Pani IUP in cooperation with the KUD and local community.

During the quarter One Asia staff and personnel continued baseline studies, and undertook routine technical activities at the Pani site.

## AWAK MAS GOLD PROJECT

During the quarter the company submitted the revised AMDAL to the Government of Indonesia (GOI) and received preliminary approval in January 2016. A resubmission of the AMDAL is required due to a number of minor revisions requested. Final approval of the AMDAL is expected in mid-2016, following this we expect the final approval of the Indonesia Feasibility Study from the GOI.

The 2015 updated Awak Mas Prefeasibility Study (PFS), based on a gold price of \$US1,250/oz demonstrates the potential for a commercial scale gold project. Due to improving industry costs, One Asia is conducting a review of the cost estimates contained in the 2015 PFS to assess if further improvements in the project economics are possible.

The geological review, as reported in our last quarterly report, is advancing with encouraging results with potential implications for both mining and treatment method. Petrographic analysis by Corlett Petrological Services on samples from Awak Mas, Salu Bulu and Tarra Main shows the mineralisation at all three prospects is essentially similar and gold is associated with pyrite, predominantly within a late stage albite – carbonate depositional event. There are two distinct phases of gold occurrence – minute inclusions (predominantly < 5 micron) within pyrite crystals and late-stage high-fineness recrystallised gold within fractures and adjacent to shattered pyrite crystals (>25micron Equivalent Circular Diameter). From the limited data available the petrologist estimates that 70%+ of the gold is reported in and around fractured pyrite and is considered ‘free gold’ possibly of supergene origin.

The report supports the ‘alternative hypothesis’ that the mineralization occurs within multiphase epithermal hydrothermal breccias. Indications are the hydrothermal breccias occur as a series of sub-vertical sheeted bodies (previously mapped as fault breccias). It is believed the mineralised breccias should be readily identifiable during mining to enable selective mining. Selective mining will result in greater productivity for the processing plant by reducing waste feed and increasing the head grade to the Mill. Further work is ongoing to verify these findings.

Work will continue with a re-logging of the 1,093 historic diamond drill holes totalling more than 125,000m of drilling and the remodelling of the ore body to better understand the various domains and further investigate the three project areas; Awak Mas, Salu Bulu and Tarra Main plus identify other potential ore bodies.

The information supplied on the Awak Mas geological review was compiled by Mr. Andrew Davys, BSc. (Hons), an independent consulting geologist.. Mr. Davys is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Davys consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.



## EQUITY MARKETS

Mining equities have been weak for an extended “bust” period, correlated with commodity prices giving rise to a natural selection event for projects high on the cost curve. Pre-production companies such as One Asia have been the hardest hit over the period of the bust due lack of cash flow and the challenges of raising equity finance, however there have been encouraging signals during the quarter. Sentiment for mining equities has palpably improved in recent months with three key factors relevant to One Asia:

- The gold price is has jumped from a low of US\$1,000 to around US\$1,200 at the date of this report.
- Miners have begun to take advantage of falling costs.
- M&A has recommenced, with mid-tier miners are acquiring projects. Highly significant for One Asia was the EMR Capital led private equity acquisition of the Martabe gold and silver mine in Indonesia for US\$775m (A\$1.07B).

## CORPORATE

As noted in our news release to shareholders on 21 December 2015, the Melbourne office is now located at Level 2, 175 Flinders Lane, Melbourne, Australia.

One Asia welcomes the appointment of Mr Colin Moorhead as CEO of Merdeka Copper Gold Tbk PT, one of Provident’s key resource investments.

## INVESTOR RELATIONS

The Company welcomes shareholder feedback, and any questions or comments should be addressed to Adrian Rollke at +62 21 2904 0727 or via email at [arollke@oneasiareources.com](mailto:arollke@oneasiareources.com) or to Craig Smyth at +61 3 9620 0718 or via email at [csmyth@lsg.com.au](mailto:csmyth@lsg.com.au).

## CAUTIONARY STATEMENT

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



# CORPORATE INFORMATION

## Board Members

Fiona Robertson	Chairman
Adrian Rollke	Acting Managing Director and Chief Executive Officer
Robin Widdup	Non-Executive Director
Rob Thomson	Non-Executive Director
Gavin Bradley	Non-Executive Director
Craig Smyth	Company Secretary

## Issued Share Capital

At 31 December 2015: 146,296,229 ordinary shares on issue.

## Jakarta Office

Menara FIF, 2nd Floor, Suite 201  
JL. TB Simatupang Kav 15, Cilandak  
Jakarta, 12440, INDONESIA

Tel +62 21 2904 0727  
Email [info@oneasiareources.com](mailto:info@oneasiareources.com)

## Melbourne Office

Level 2,175 Filnders Lane  
Melbourne, VIC 3000  
AUSTRALIA

Tel +61 3 9620 0718  
Email [info@oneasiareources.com](mailto:info@oneasiareources.com)

**[www.oneasiareources.com](http://www.oneasiareources.com)**

ABN 59 150 653 982