

# QUARTERLY REPORT

## FOR THE THREE MONTHS ENDED 31 MARCH 2016



# ONE ASIA RESOURCES

## KEY POINTS

### Awak Mas Gold Project, 100% Owned

- **Updated PFS March 2016**
  - Material improvements in capex (US\$161m), cash cost (US\$496/oz) and NPV (US\$231m).
  - Geological review underway indicates potential for selective mining and further enhancement.
- **Permitting 7th Generation COW**
  - Preliminary AMDAL approved January 2016.

Following AMDAL approval the Feasibility Study will be fully approved and the COW enters the construction phase.

ACTIVITY	2015				2016			
Amdal study	■	■	■	■	■	■	■	■
FS/Amdal final approval				■	■	■	■	■
Construction phase granted (3 years max)								■

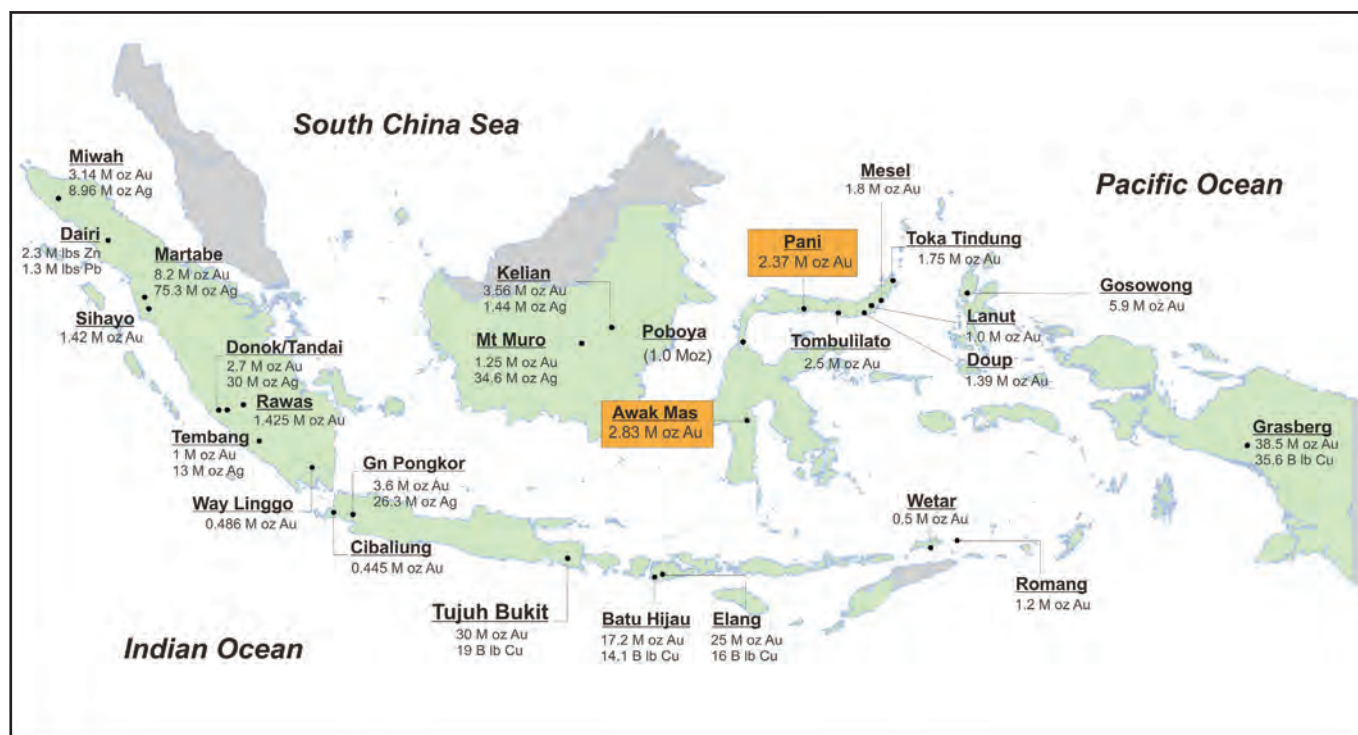
This is the Indonesian COW permitting and approval process and needs to be supplemented by a Bankable Feasibility Study. Directors are considering the alternative corporate pathways to production in the current attractive gold market.

### Pani Gold Project

- The alliance established with Provident in May 2015 continues with its objective of resolving the Pani IUP dispute.
- Marisa Court decision January 2016 was mostly supportive of One Asia. Appeals subsequently lodged by both sides. Decision expected Q2 2016.

### Corporate

- One Asia continues to examine pathways to shareholder liquidity pending resolution of the Pani IUP dispute.



## AWAK MAS GOLD PROJECT – UPDATED PFS

One Asia is pleased to announce updated economics for its Awak Mas Gold Project in Indonesia based on revised capital and operating cost estimates incorporating recent materially improved industry costs. This updated PFS shows improved economics for Awak Mas and its two satellite deposits, and is based on the same mine plan as the PFS released by the Company on 16 March 2015. The Awak Mas Project is held 100% under a 7th generation Contract of Work.

- **Revised pre-production capital cost estimated at US\$161M**, down from **US\$198M** reported in the March 2015 PFS Update.
- Estimated C1 Cash Costs of **US\$496/oz** (2015: US\$565/oz) and all in sustaining costs of **US\$535/oz** (2015: US\$638/oz).
- The revised NPV, after taking into account the above capital and operating cost adjustments, is estimated at **US\$231M** (at US\$1,250 per ounce gold price and an 7.5% discount rate), up from the **US\$166M** reported in the PFS for the same gold price and discount rate. This NPV estimation retains the pit design and physical parameters that were used in the 2015 study.

	PFS March 2015	PFS April 2016
Resource	60.6Mt x 1.45g/t: 2.83Moz	60.6Mt x 1.45g/t: 2.83Moz
Mined / Treated	23Mt x 1.55g/t <sup>(1,2)</sup>	23Mt x 1.55g/t <sup>(1,2)</sup>
Treatment Rate	2.5Mt	2.5Mt
Mine Life	10 years	10 years
Gold Recovered	1.02Moz <sup>(3)</sup>	1.02 Moz <sup>(3)</sup>
<b>Cash Operating Cost (C1)</b>	<b>US\$565/oz</b>	<b>US\$496/oz</b>
<b>All in Sustaining Cost <sup>(4)</sup></b>	<b>US\$638/oz</b>	<b>US\$535/oz</b>
Capex	US\$198M	US\$161M
Including Contingency	18%	18%
Pit Optimisation Gold Price	US\$1,250	US\$1,250
<b>NPV <sup>7.5%</sup></b>	<b>US\$166M</b>	<b>US\$231M</b>
<b>IRR</b>	<b>34%</b>	<b>49%</b>

(1) Strip ratio 3.8 : 1 recovery 89.2%.

(2) Includes Inferred Resources from Tarra Main of 2.8Mt @ 1.38 g/t Au

(3) Includes 111k ounces of gold recovered from an Inferred Resource on Tarra Main

(4) Quoted All-in-Sustaining Costs as defined by the World Gold Council ('WGC'). Excludes income tax.

The production targets opposite are derived from the Awak Mas Project Mineral Resources and Reserves that are consistent with the 2015 PFS, in each case prepared by a Competent Person in accordance with the requirements of Appendix 5A of the JORC Code. The mining inventory on which the production target is based is derived from 89% Measured and Indicated Resources and 11% Inferred Resources. There is no certainty that further exploration work will result in the upgrading of Inferred Resources to the Indicated category or that the production target based on Inferred Resources will be realised. The inclusion of the Inferred Resources is not material to the viability of the Awak Mas Project.

## REVISED CAPITAL COST ESTIMATE

As a result of material reductions in industry costs, capital costs have been reduced, particularly in a number of areas associated with pre-strip, earthworks and inputs for plant construction. Capital costs have been further reduced following engagement with credible local supply and construction suppliers, reflecting the significant fall in mining construction activities and equipment pricing since the 2015 PFS estimate was prepared. Substantial capital and operating cost savings from recent market price reductions in major consumables such as fuel and cyanide have also been recognised.

A two year construction phase will be required to develop the Project at a cost of US\$161 million inclusive of US\$24 million for Contingency. For the purposes of the PFS, One Asia has assumed the coal fired power station will be contracted to a specialist Independent Power Provider (IPP).

CAPITAL EXPENDITURES	PFS 2015 – Total US\$ (M)	PFS 2016 – Total US\$ (M)
Ore Processing Plant 2.5 mtpa	82.2	74.8
Mining Pre-Strip	23.5	19.6
Power Plant (IPP)	–	–
Infrastructure	21.0	18.2
Tailings Storage Facility	10.6	7.9
Site Access Road - Belopa to Mine site	6.0	5.2
Owner Costs	24.3	11.2
Contingency	30.2	24.5
<b>Total Pre-Production Capex</b>	<b>197.8</b>	<b>161.4</b>
Sustaining CAPEX	19.6	15.0
Sustaining CAPEX – Contingency	3.4	2.5
<b>Total Sustaining Capex</b>	<b>23.0</b>	<b>17.5</b>

## OPERATING EXPENDITURE

As noted above, operating costs have benefited from price reductions in major consumables such as fuel (based on \$0.30/l diesel price) and cyanide. In addition, local costs have also reduced due to the depreciation of the Indonesian Rupiah compared with the US dollar. The breakdown of the Cash Operating Costs (C1) estimate, totaling US\$496/oz (2015: \$565/oz) for the Awak Mas Project, is as follows:

LOM OPERATING COSTS	PFS 2015		PFS 2016	
	\$ / OUNCE	\$ / TONNE	\$ / OUNCE	\$ / TONNE
Mining	254	11.28	198	8.80
Processing	127	5.63	118	5.25
Power	134	5.95	135	5.95
Owner Costs	26	1.14	20	0.91
Infrastructure	19	0.85	20	0.87
Transport, Refining, Security	5	0.23	5	0.21
<b>Total Cash Operating Costs</b>	<b>565</b>	<b>25.08</b>	<b>496</b>	<b>21.99</b>

## CASHFLOW MODEL

The PFS financial modelling prepared by Resindo Resources & Energy on behalf of One Asia has been updated to reflect the projected capital and operating cost savings as noted above.

One Asia has adopted the World Gold Council (WGC) guidance on cost reporting measures released in June 2013.

## PERMITTING AND APPROVALS

Tenure of the Awak Mas project is held under a 7th Generation Contract of Work (COW) by PT Masmindo Dwi Area (PT MDA). The Company holds a 100% ownership of PT MDA. The COW covers an area of 14,390 hectares and allows for a construction period of three years and an operating period of 30 years.

The Awak Mas COW is situated in land classified as Area Penggunaan Lain (APL) (land for other uses), a non-protected forest area that readily allows for activities beyond agriculture such as mining.

The COW is in good standing and has received strong local support for the development of the Project. One Asia continues to have dialogue with the Government of the Republic of Indonesia in relation to possible amendments to the Awak Mas COW, with the Government seeking to align key terms with the provisions of the 2009 Mining Law. To date, One Asia and most Contract of Work holders have not completed their negotiations with the Government, with key topics for Awak Mas being royalty rates, and levels of local ownership and input.

## GEOLOGICAL REVIEW

The recent petrology report received from Corlett Petrological Services, reported in the last quarterly report, supports the 'alternative hypothesis' that the mineralisation occurs within multiphase epithermal hydrothermal breccias occurring as a series of sub-vertical sheeted bodies (previously mapped as fault breccias). It is believed the mineralised breccias should be visually identifiable during mining to enable selective mining. Selective mining potentially results 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, which if proven could further enhance the economics of the project.

The geological review will continue and if warranted re-modelling 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 and or investigate 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.

An updated geological summary is planned for dispatch to shareholders in the next month.

## 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 is intended to 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.

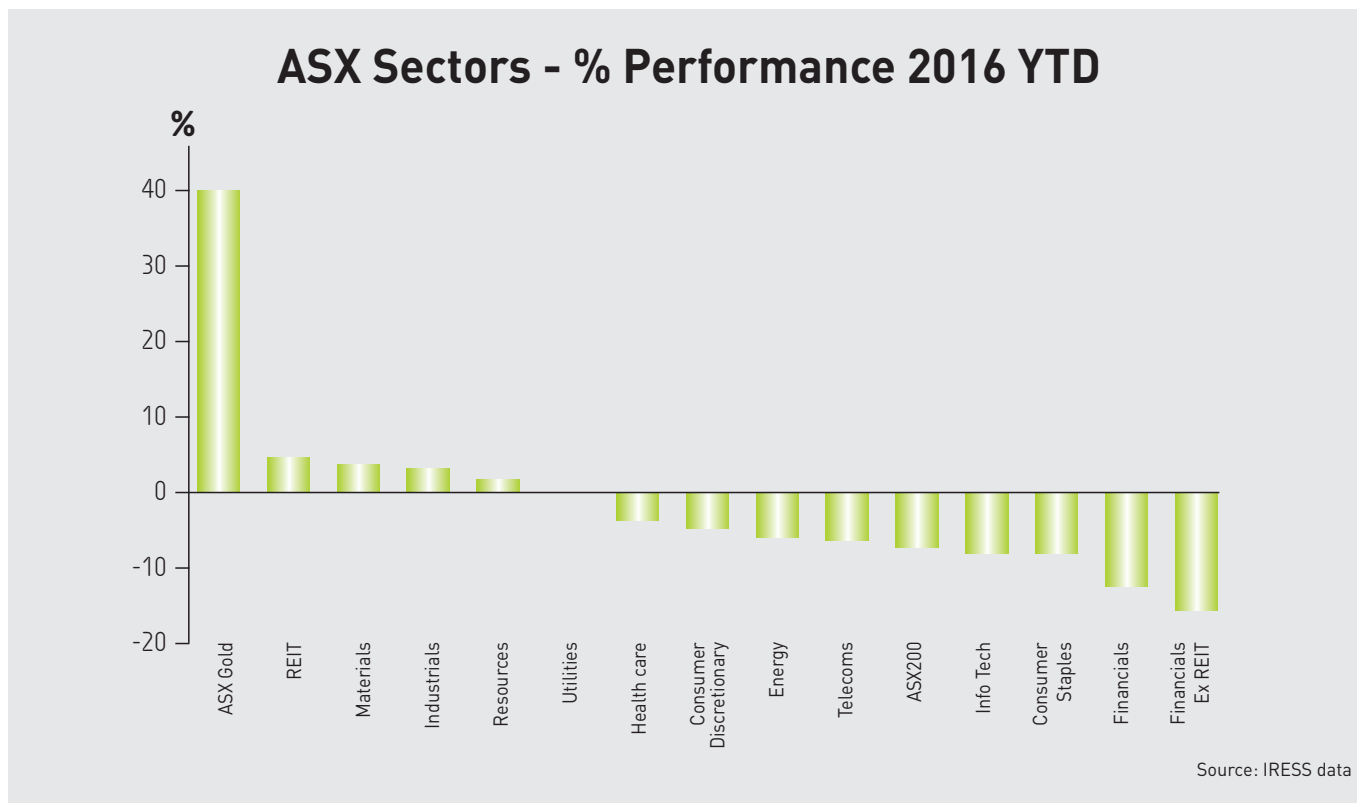
As previously advised to shareholders, the January 2016 Marisa District Court ruling on the KUD Management case was considered to be a mainly positive outcome for One Asia. Subsequently both parties have filed appeals of this ruling, with a decision anticipated in mid-2016.

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. Various CSR programs have been undertaken for the benefit of the KUD and 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. Internally, Provident and One Asia are devising a work plan for the development of a Bankable Feasibility Study for the project that can be initiated once the Pani conflict has been resolved.

# GOLD EQUITIES

Gold mining equities have performed well for the quarter, whilst other mining equities and the broader market continue to struggle. Sentiment for mining equities has palpably improved in recent months.



- Since early February gold has traded above US\$1,100 reaching a high of US\$1,278 in March and US\$1,250 at the date of this report.
- Miners have taken advantage of falling costs, as illustrated by the improved Awak Mas PFS financials presented in this quarterly.
- M&A activity has increased, with mid-tier miners acquiring projects. Highly significant for One Asia was the recent EMR Capital led private equity acquisition of the Martabe gold and silver mine in Indonesia for US\$775m (A\$1.07B). Additionally Newmont Mining is reportedly in discussions with a local Indonesian business consortium to sell its stake in the Batu Hijau open pit mine, the second largest copper mine in Indonesia, in a deal rumored to be valued at US\$2 billion.

## CORPORATE

The Company remains committed to providing liquidity for its shareholders. Previous attempts to list One Asia have been thwarted by deteriorating market conditions in 2012 and more recently the extended Pani IUP ownership dispute. A successful outcome in the Pani IUP dispute would enable the Company to re-open avenues of enquiry to provide shareholders with liquidity.

### 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).

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

## AWAK MAS MINERAL RESOURCES AND ORE RESERVES INFORMATION

The Company's Ore Reserves and Mineral Resource holdings are shown in the following tables in accordance with the JORC Code 2012 edition.

### MINERAL RESOURCES

The Mineral Resource estimates for the Awak Mas deposit (announced 22 May 2014), the Salu Bulu deposit (announced 12 December 2013) and the Tarra Main deposit (announced 16 March 2015) are situated within the Awak Mas Contract of Work. Approximately 125,133m of drilling in 1,093 drill holes has been completed within the Awak Mas (103,323m in 890 holes), Salu Bulu (12,909m in 132 holes) and Tarra Prospect area (8,901m in 71 holes).

The Mineral Resources for the Awak Mas, Salu Bulu and Tarra Main deposits have been prepared in accordance with the guidelines of the Australasian Code for the Reporting of Resources and Reserves 2012 Edition (the JORC Code), as tabulated below using a 0.5g/t cut off.

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

Mineral Resources are reported inclusive of Ore Reserves. Rounding may generate differences in last decimal place.

### AWAK MAS ORE RESERVES

Measured and Indicated Resources have been converted to Proved and Probable Ore Reserves, respectively, subject to mine design physicals and an economic evaluation by AMDAD (announced 16 March 2015). All inferred material was set to a zero grade for the purposes of the estimation.

RESERVE CATEGORY	AWAK MAS		SALU BULU		TOTAL		
	Million Tonnes	Grade (g/t Au)	Million Tonnes	Grade (g/t Au)	Million Tonnes	Grade (g/t Au)	Contained Gold Ounces
Proved	6.6	1.45	2.0	2.19	8.6	1.62	450,000
Proved	9.8	1.46	1.8	1.99	11.6	1.55	580,000
<b>Total</b>	<b>16.4</b>	<b>1.46</b>	<b>3.8</b>	<b>2.10</b>	<b>20.2</b>	<b>1.58</b>	<b>1,030,000</b>

The Company is not aware of any new information or data that materially affects the information included in this release and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## COMPETENT PERSON'S STATEMENT

### AWAK MAS ECONOMIC FACTORS

The information in this report that relates to the economic factors for evaluation of the Awak Mas Gold deposit is based on and fairly represents, information and supporting documentation compiled by Mr Simon Birch. Mr Birch is the Principal Engineer of PT Resindo Resources & Energy. Mr Birch is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is 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 Birch consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

### AWAK MAS & SALU BULO RESOURCE ESTIMATES

Information in this report that relates to Mineral Resources Estimates at Salu Bulu and Awak Mas is based on information compiled by Dr Rex Bryan, is a Society for Mining, Metallurgy & Exploration (SME) Registered Member No 411340, and Mr Arnand van Heerden a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Dr Rex Bryan, Senior Principal Consultant, is employed by Tetra Tech, Golden Colorado and compiled the Awak Mas resource estimate. Dr Bryan 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*. Dr Bryan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Mr Arnand van Heerden, Principal Geologist, was employed by Tetra Tech, Golden Colorado USA, compiled the drilling results and provided geological interpretations for the Mineral Resource estimates at Salu Bulu. Mr van Heerden 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*. Dr Bryan supervised the work of Mr van Heerden and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

### TARRA MAIN RESOURCE ESTIMATE

Information in this report that relates to the Tarra Main Exploration Results and the Mineral Resource estimate is based on information reviewed and compiled by Mr Andrew Davys, who is an Independent Consultant. 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 by 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 report of the matters based on his information in the form and context in which it appears.

### AWAK MAS & SALU BULO RESERVE ESTIMATES

Information that relates to Ore Reserve at Awak Mas and Salu Bulu is based on information compiled by or under the supervision of Chris Desoe of Australian Mine Design and Development Pty Ltd. Mr Desoe 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 Desoe is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Desoe consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

# CORPORATE INFORMATION

## Board Members

Fiona Robertson  
Adrian Rollke

Robin Widdup  
Rob Thomson  
Gavin Bradley  
Craig Smyth

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

## Issued Share Capital

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

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