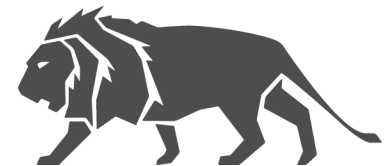




Lion Selection Group

ASX : LSX
July 2024

www.lionselection.com.au



Lion Selection Group

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Disclaimer

Lion Selection Group Limited

27 years of investing, managing and selling

Investing in *high growth* Resources via Lion

- 1.** Investing in a deeply discounted market
Micro-capitalisation Resources **down 70%** since April 2022
- 2.** Targeting highest growth sector
Micro-capitalisation Resources: multiples upside
Targeted investments made from high volume deal flow
- 3.** Well-funded
\$56.8M¹ cash to establish high % holdings in target investments at cyclical low prices
- 4.** Entry price < asset backing
44.5cps VS 62.5cps. Deeply liquid asset backing
- 5.** Research driven process
In house due diligence, underpinned by deep experience and broad networks
- 6.** Broad opportunity access
High quality deal flow from start-up stage explorers and deal makers eg Plutonic (Lion \$4.4M invested)
High proportion of deal flow internally originated
- 7.** Lowest jurisdiction risk
Australia
- 8.** Portfolio approach to high growth sector
Multiple commodity and project exposures to minimise individual exposure risks
- 9.** Specialist Mining Investment Team
Established performance track record across multiple cycles, hands on approach, experienced across mining, finance and M&A plugged into the mining investment sector

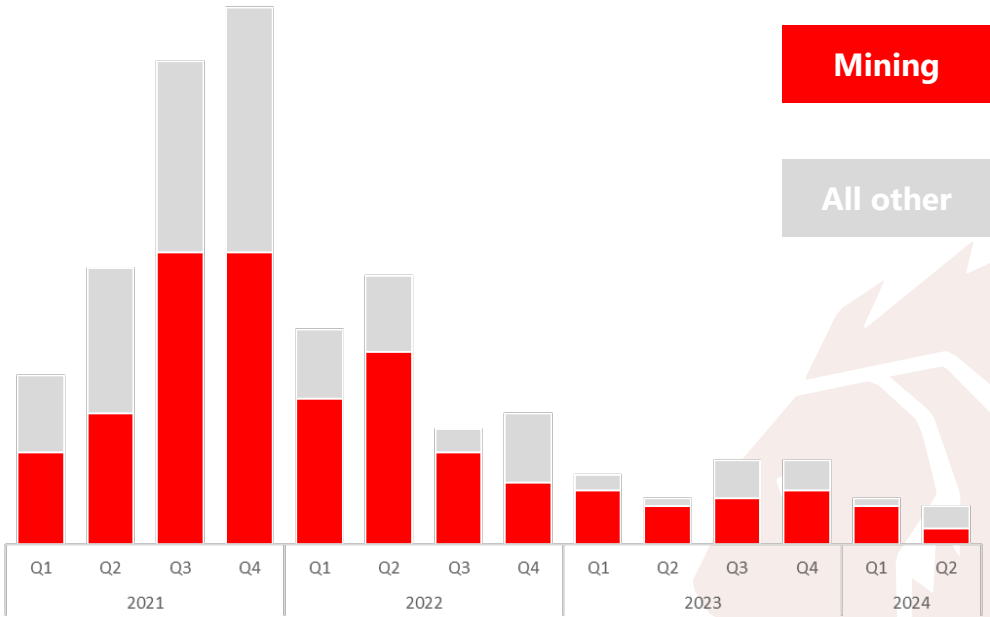
Opportunity: Lion’s target asset class is down 70%

1. **Equity prices** for micro-capitalisation Resources companies have collapsed, and are still falling



Mining equity indices (ASX100 Resources and ASX Small Resources)
Jan 2022 – Present, rebased to 19 April 2022

2. **Liquidity** for the mining space has collapsed: very challenging conditions for micro-capitalisation Resources companies to raise money

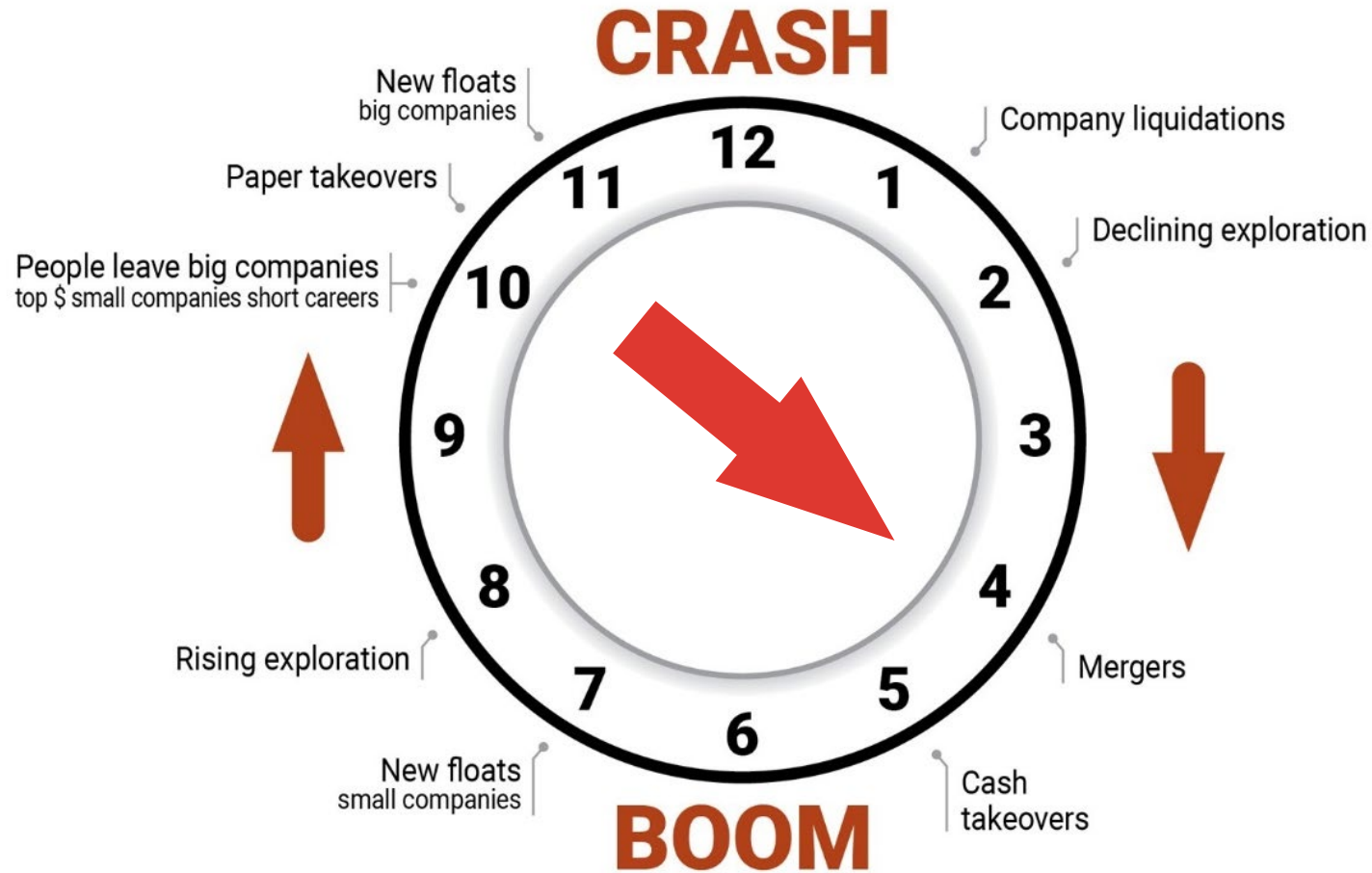


Number of IPO’s onto ASX (Mining VS All Other)
Jan 2021 – Present

* The proxy for price of Micro-capitalisation Resources companies is the Median Performance of a group of 608 ASX listed companies with GICS classification Metals & Mining, that were capitalised at less than A\$100M on 1 December 2023

Mining Cycle – The Lion Clock

There's a time to buy, and a time to sell



And now is the time to buy

\$56.8M cash to invest¹

Into a falling market

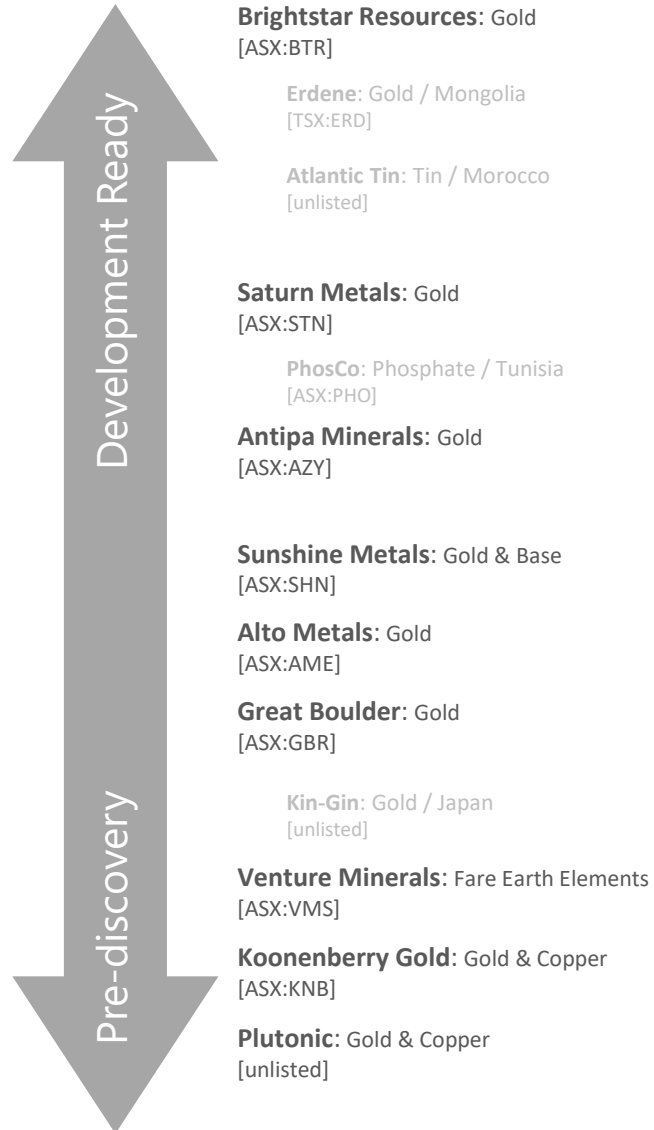
Assembling a commodity diverse portfolio of pre-production Australian mining assets

Pre-development stage

Greatest value growth potential

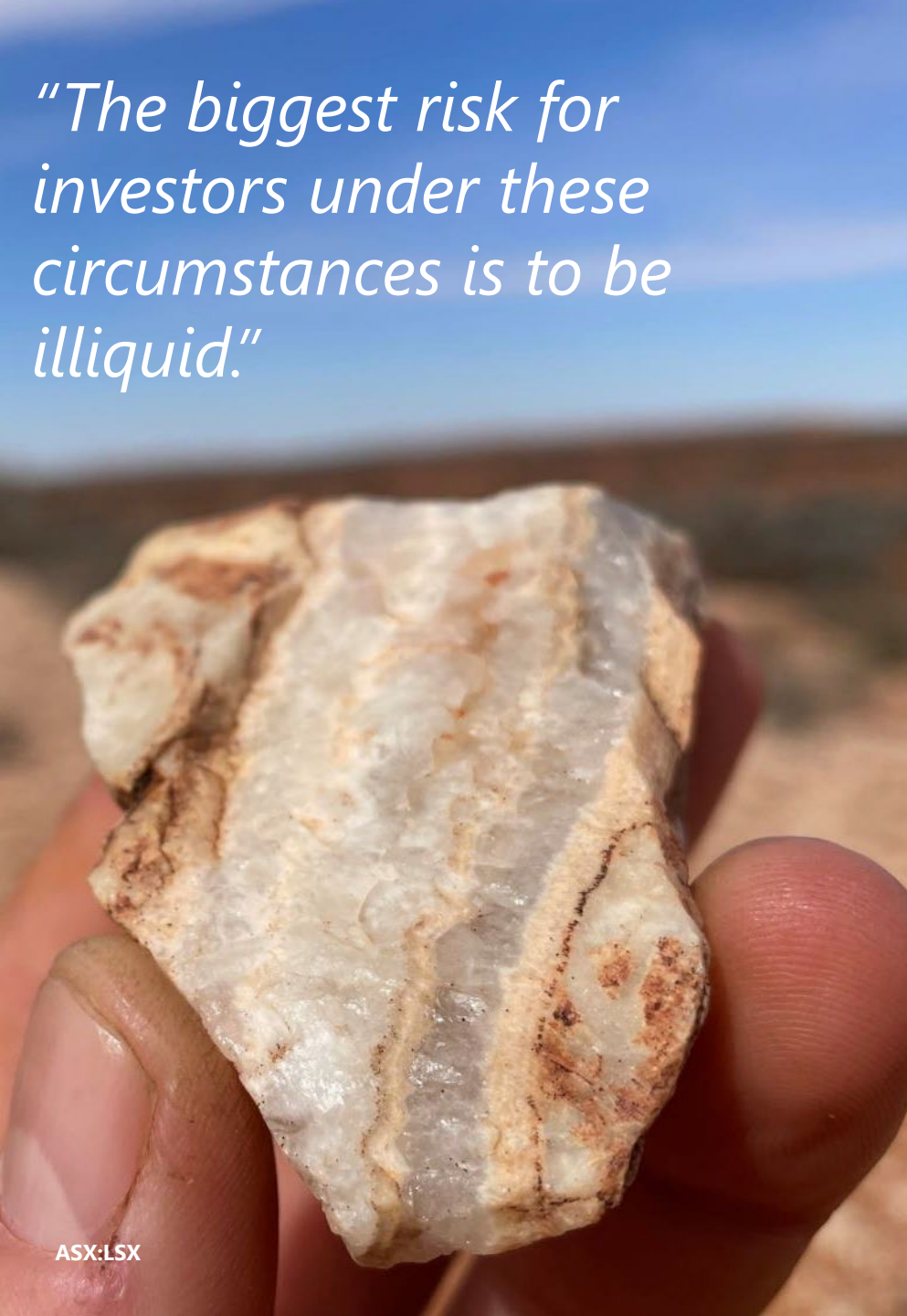
Commodity Focus

Precious, base and strategic materials



(legacy investments shown in pale grey)





“The biggest risk for investors under these circumstances is to be illiquid.”

Valuation¹

Sum of the parts

30 June 2024

Cash	\$56.8M	40.3cps
Legacy Investments	\$9.0M	22.6cps
New Investments ²	\$22.9M	
Tax	-\$0.5M	
Total Value	\$88.2M	62.5cps
Market Capitalisation	\$62.8M	44.5cps

The New Investment pool consists of investments made by Lion, with a focus on Australia, since the exit of two substantial Indonesian gold investments in 2021 and 2022

- **\$20.2M invested** in New Investments
- This pool of New Investments has **performed +14%**

Deal Flow

Extremely broad access to opportunities

Micro Capitalisation Resources

- Deep but inefficient target market
- 000's of companies, with high creation / turnover rate

Huge investment universe

- **LISTED:** Metals and Mining classified micro-caps largest group on ASX. >600 (of >1900 listed companies)³
- **UNLISTED:** Large community of startup, explorers and deal makers

Delivered by networks

- Extensive relationship network throughout the industry
- Results in high in-bound volume of enquiry from brokers, companies, etc

Internally originated

- Bottom-up investment approach: We know what we are *looking and watching* for
- And establish / maintain contact

Watchlist

- Deal flow is actively processed: watch / pursue, wait, or ignore
- Watchlist companies have detailed assessment in place

Process

- Highly selective conversion to investment

Investment Process

27 years of deployment

Micro Capitalisation Resources

- Highest growth stage in mining
- But very rare to capture high multiple growth
- Requires strong technical approach and alignment to the mining cycle

Highly selective

- High deal flow (1,000's per year)
- Highly selective conversion to investment (targeting 10-20 portfolio stocks)
- 100% in-house due diligence, specialist mining investment team

Portfolio objectives

- Growth target: ***Multiples***
- Long term holdings, with strong follow on
- Risk management via exposure to multiple commodities, projects, stage of project and people

Filter

- **Jurisdiction / People / Project**

Jurisdiction

- Australia only

People

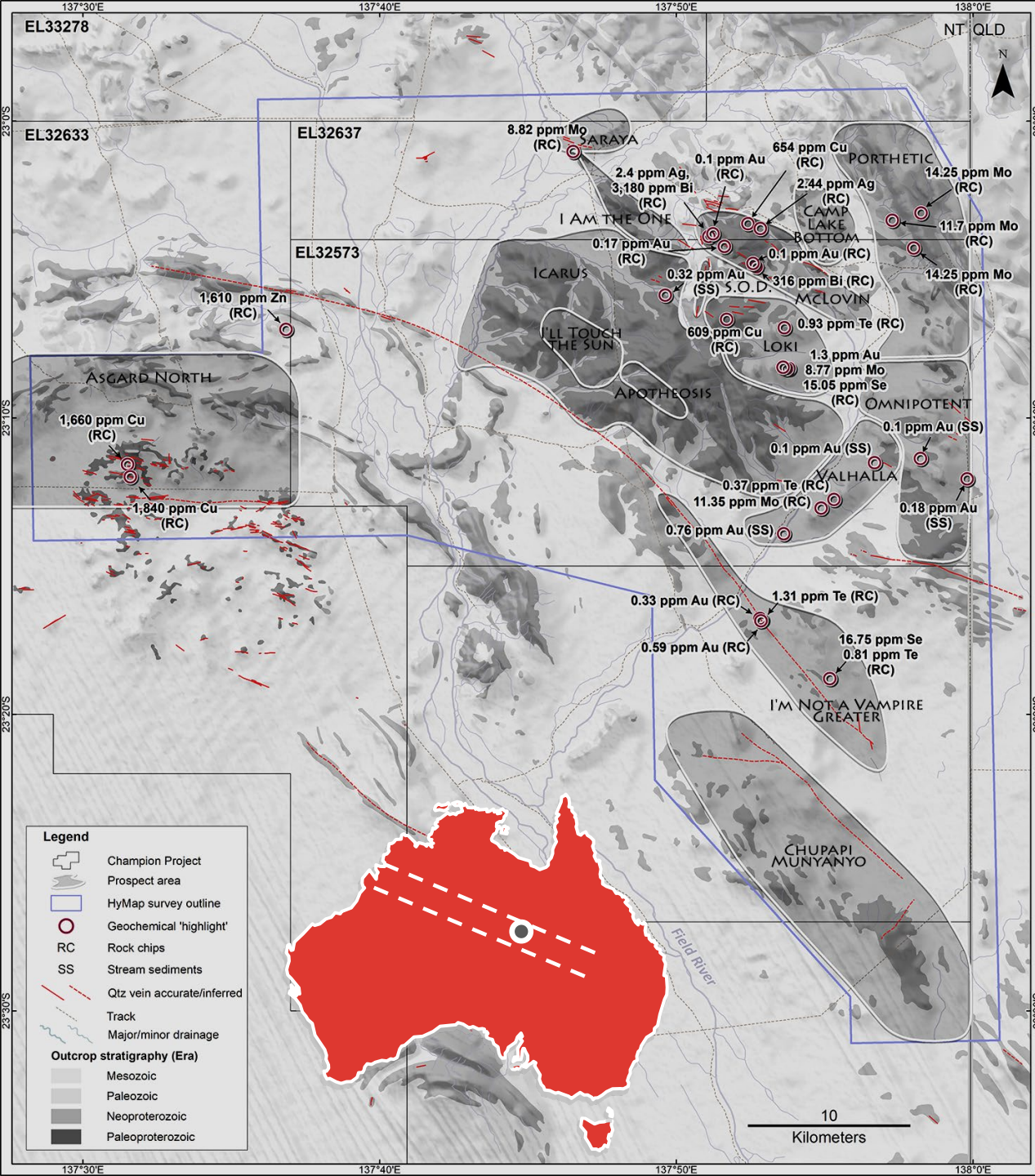
- High capability, strong integrity
- Extension / part of the Lion Team

Project

- Valuation
- Risk assessment

Exit

- Consolidate or sell



Investment in Focus

PLUTONIC

Chasing hypergiant gold and copper deposits

Never-before considered mineral systems over a large area: *District scale discovery potential*

- ✓ Gold and copper anomalism
- ✓ Hydrothermal system 400-450Ma
- ✓ G3 structural corridor

Ultra-leveraged to discovery

Lion 48% shareholder⁴

This investment is not available in the market

Plutonic unlisted – ordinary retail access only via LSX

Board & Management

Strong Foundation

BOARD



Peter Maloney

Non-Executive Director

Peter has commercial background developed through various roles at WMC Resources, Santos and FH Faulding. Peter was Chairman at Catalpa Resources when it merged into Evolution Mining Limited.



Chris Melloy

Non-Executive Director

Chris is a mining engineer with 40+ years experience in mining operations, securities analysis and investment. He has worked with Lion since inception, and held directorships of several Lion investee companies.



Robin Widdup

Executive Chairman

Robin's mining experience spans Africa, UK and Australia. Robin led the mining analyst team at JB Were and was the founder of Lion Selection Group.



Craig Smyth

CFO⁵

18 years mining investment experience. Craig is a member of the Institute of Chartered Accountants of Australia with experience working for Coopers & Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank.



Hedley Widdup

CEO⁵

20+ years mining and investment experience. Hedley has extensive experience as a mine geologist covering the Mt Keith nickel mine, Olympic Dam, Mt Isa and the St Ives gold mine.

MANAGEMENT TEAM

Exceptional Access to People



Plutonic Limited



Brightstar Resources



Alto Metals



Great Boulder



Saturn Metals



??????????



Venture Minerals



Antipa Minerals



Sunshine Metals



Koonenberry Gold



2024

Building Lion's Portfolio of Mining Assets

ASX:LSX

Looking ahead

Lion will invest in equities and projects

Opportunity

(low point in a long-term asset cycle)

- Lion is investing in a deeply discounted market
- Long term: exceptionally healthy commodity fundamentals
- Lion is well funded to acquire high % holdings

Asset portfolio development

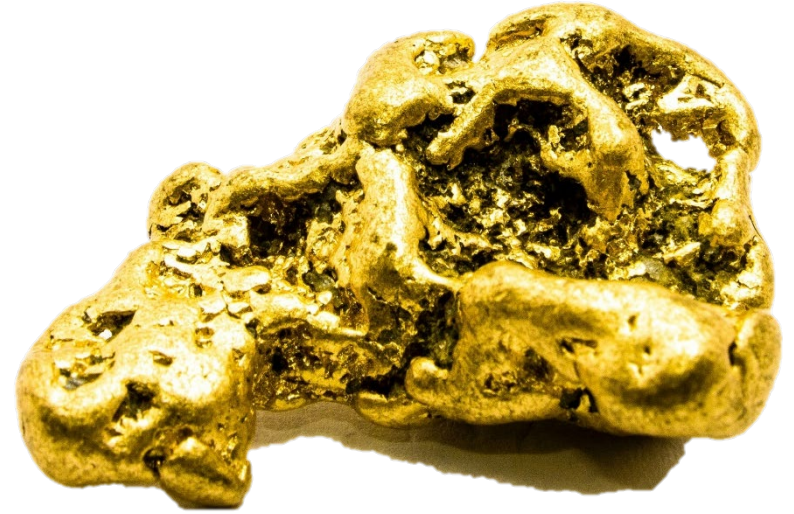
- **Micro capitalisation resources equities and projects**
- Highest growth stage in mining
- Expect commodity diverse asset mix, all within Australia

Targeting

- Cents in the dollar investments
- Leverage to consolidation
- Exposure to precious and base metals, and strategic materials

LSX:ASX

Lion Selection Group | Well funded | Investing at cyclical low
Powerful contrarian play in a weakened market



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The Lion Story

27 years

Veteran of three mining
cycles

EST.
1997

Melbourne • Australia

ASX:LSX

Founded in 1997 by Robin Widdup, Lion Selection Group has built a track record as a successful investor in mining assets and interpreter of the cycles of mining.

In a 27 year history, Lion has been an early shareholder and contributed to the success of a long list of successful mining companies. These include East African Gold Mines (The North Mara Mine which is now a substantial gold producer for Barrick in Tanzania), Consolidated Minerals, Independence Group (now known as IGO), Catalpa Resources (now known as Evolution Mining), MPI Mines, Redback Mining, Gallery Gold, EganStreet Resources, Indophil Resources and Platmin. Profitable exits have enabled Lion to make distributions to shareholders exceeding 341cps⁶ which underpin Total Shareholder Return since 1997 well exceeding the ASX Small Resources Index⁶.

In 2021 / 2022 Lion exited two substantial Indonesian gold investments which resulted in a cash return to Lion of over \$90M at the top of the mining cycle. \$16.7M of this cash was distributed via dividends and an on-market buy-back, the remainder is available for investing in a market that has more than halved. Lion is strongly re-capitalised for a new mining boom cycle.

Lion closely monitors the mining cycle via the Lion Mining Clock and aims to align investments and exits with mining busts and booms to take best advantage of weak markets to invest and strong markets to sell.

Lion has always backed people whose competency and integrity are high and aligned with our own.

Our sole focus is developing a commodity diverse portfolio of pre-production Australian mining assets that have strong investment cases. This positions Lion as a mid-tier sized mining house of the future, with high leverage to the long term strongly positive fundamentals for mineral commodities and the inevitable next mining boom, based on assets that have been accumulated through the current weak market.

Appendices

Notes and Lion Asset Selection Processes

References

1. Refer to Lion Selection Group announcement to ASX on 3 July 2024
2. New investments are companies invested in by Lion for the first time after 1 January 2022.
3. Source: ASX
4. Refer to Lion Selection Group announcement to ASX on 12 February 2024
5. Refer to Lion Selection Group announcement to ASX on 30 April 2024
6. Total Shareholder Return (TSR) for Lion Selection Group as at 30 June 2024 since inception in July 1997 was **7.8%pa**, versus the ASX Small Resources Accumulation Index **4.3%pa**
Investment performance figures reflect the historic performance of Lion Selection Group Limited (ASX:LSG, 1997–2007), Lion Selection Limited (ASX:LST, 2007–2009), Lion Selection Group Limited (NSX:LGP, 2009–2013) and Lion Selection Group Limited (ASX:LSX, 2013–present).
Methodology for calculating total shareholder return is based on MorningStar (2006), which assumes reinvestment of distributions.
Lion assume all distributions are reinvested, with all non-cash distributions sold and the proceeds reinvested on the distribution pay date.
Investment performance is pre-tax and ignores the potential value of franking credits on dividends that were partially or fully franked.
Past performance is not a guide to future performance.
Indices used for comparison are accumulation indices, which assume reinvestment of dividends.
Data source: IRESS, Lion Manager

Proven Investing Process

27 years of junior mining investing success

Lion invests across the capital structure, seeking to balance capital protection with attractive returns

Access to deal flow

- Large, broad range of investing opportunities
- Over 1,000 opportunities per year
- Projects and companies, variety of structures

Experienced investment team

- In-house technical assessment
- Unparalleled networks – access to people / critical to investment appraisal
- Mining strategy development, fund raising, mergers and acquisitions

Lion target investments

Seek

- Strong company and project fundamentals
- Deep value investing thesis – multiples upside

Avoid

- Overheated stocks at strong premium to underlying value
- Cyclical price downside risks

Commodities have differing risk profiles

Mineral commodities have differing "degrees of difficulty", that result from:

- Process risk (how challenging to separate from host rocks and create a product that matches market specifications)
- Off-site capex requirements for transport infrastructure
- Transparency / liquidity of the commodity market

Lion targets low risk commodities:
Precious and base metals, strategic materials

