

The background of the slide is a collage of several images of lion cubs inside a glass jar, viewed from above. The cubs are seen through the glass, and their reflections are visible on the inner surface. The collage is composed of several overlapping, irregularly shaped pieces, creating a fragmented, puzzle-like effect. The colors are muted, with a lot of greys, browns, and tans from the cubs' fur and the jar's interior.

Lion Selection Group

Lion After Pani
March 2022

www.lionselection.com.au



Lion Selection Group

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Disclaimer

Lion After Pani

1. Establish shareholder distributions and liquidity

- On-market buy-back
- 3.5cps special dividend April 2022
- 1.5cps annual dividend (following final accounts: circa November 2022)
- Further special dividend will be considered early 2023

2. Immediate return to investing

- Appropriate structures and outlook for mature mining cycle
- Well funded for weakened market
- Australia / precious metals, base metals, battery materials

3. Strategic approach to portfolio construction

- Complementary assets
- Companies and projects (public and private)
- Considering transition from LIC status
- NTA masks asset upside – not suited to pre-mining focus

Pani Sale

Value Crystallisation & Return to Investing

Pani Sale

17% above NTA¹

3.5x return on investment²

Provides for **dividends**

And Lion *well funded* for
**new opportunity
investing**

	Pro Forma NTA ³ (28 Feb 2022) A\$M
Net Cash	47.8
Cash by 28 January 2023	
Share Sale Proceeds*	27.0
Pani Deferred Consideration	<u>14.9</u>
Sub Total	89.7
Portfolio	<u>11.4</u>
NTA Post Tax	<u>101.1</u>

67.4cps
NTA
(pre distribution)

VS

50.5cps
share price
(9 Mar 2022)



Planned Distributions

On-Market Buy-back

- Commence April 2022

Dividends

- 3.5cps special April 2022
- 1.5cps annual Circa November 2022
- A further special dividend will be considered following the receipt of deferred cash payment and determination of Merdeka shareholding (28 Jan 2023)

Dynamic Lion Investing Approach

Proven Investment Process

25 years of Lion

- **Asset stage**

Pre-Production Mining, Companies and Projects

- **Deal flow**

Over 1,000 opportunities per year

- **Access to people**

Unparalleled networks

- **Experienced investment team**

Mining strategy development, fund raising, mergers and acquisitions

Pre-Production Mining Investing in 2022

Demands a disciplined approach

SEEK

- Lowest possible jurisdiction risks
- Capital protection with attractive returns
- Low entry / holding cost originated investments

AVOID

- Overheated stocks at strong premium to underlying value
- Equities with cyclical price downside risks
- Jurisdiction risk

Investing Style – Across the Capital Structure

Balance Capital Protection with Attractive Returns



Portfolio Construction

- **Project Interest**
Earn in or purchase
- **Originate**
Tenure pegging, strategic asset
- **Royalty**
Acquire / funding mechanism / combined with exit
- **Lend**
Convertible note

Typical
equity
market
investor

- **Company equity**
On market / fresh equity raising

Value Realisation

- **Sale**
To mining industry
- **Strategic consolidation**
Leverage complementary assets
- **IPO**
Into market liquidity
- **Cash flow**
Project earnings, interest, royalties
- **Sale**
To equity market

Lion Investing Focus



Australia focus
for new investments

- ✓ Mining investment destination of choice

Precious Metals



Base Metals & Battery Materials



ASX:LSX

- ✓ Low to moderate processing risks
- ✓ No ex-site infrastructure capital requirements
- ✓ Future facing / excellent ESG credentials
- ✓ Outright best demand growth projections

Remaining Portfolio Exposure

Minimal follow on required:

PhosCo

Phosco (ASX:PHO)

Tunisia
130MT at 20.5% P_2O_5 ⁴
Recovery following project theft, feasibility study



Erdene Resource Development

Erdene (TSX:ERD)

Mongolia
409koz at 3.7g/t gold Reserves ⁵
BFS for development, 2x new discoveries underway
• 15m at 43g/t gold (Dark Horse) ⁶ • 258m at 1g/t gold (Ulaan) ⁷

No further investment required:



Merdeka (IDX:MDKA)

Indonesia
Multiple producing projects & world class development pipeline
Lion interest value protected (*min* US\$20m) until Jan 2023

Other

Total value A\$2.8m

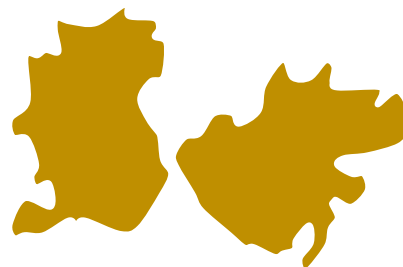
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History

Challenging Exits

Profitable Outcomes

Experience: *Funding / Strategic Development / M&A*



Pani JV Interest

- Gold / Indonesia
- \$21m invested
- \$74m exit



\$5.9m invested
\$9.5m exit



C\$16.8m invested
C\$25.4m exit



\$33.8m invested
\$88m exit



\$23.4m invested
\$113.5m exit



\$9.8m invested
\$99.9m exit



\$31.7m invested
\$90.3m exit



Foundation assets:
Evolution Mining



\$9.4m invested
\$43.2m exit



\$11.8m invested
\$42.5m exit



\$6.1m invested
\$48.3m exit

- Well funded
- Targeting pre-production mining investments the equity market can't
- Capital protection with attractive returns
- With a dividend



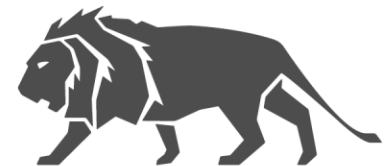
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Lion Selection Group

Lion Selection Group – Established 1997

Large discount to highly certain underlying value

Well Funded

Strong cash position following large asset divestment

Proven Approach

25 years experience / strong deal flow / exceptional people networks

Target Investments

Pre-production mining: companies and projects

Country & Commodity

Australia / Precious Metals / Base Metals / Battery Materials

Live Distributions

2022 Dividends: 3.5cps (Apr) / 1.5cps (Nov) / On-market buy-back

Sustainability

Follows World Bank's sustainability policies for exploration and mining

Current Investment Portfolio³

Name	Commodity	Value	Per Share
PT Merdeka Copp & Gold	Gold / Copper	\$27.0M	18.0c
Pani Def. Consideration (due 28 Jan 2023)	Cash	\$14.9M	10.0c
Erdene Resources	Gold	\$5.3M	3.5c
Kasbah Resources	Tin	\$2.0M	1.3c
PhosCo Ltd	Phosphate	\$3.3M	2.2c
Other	Various	\$0.8M	0.5c
Net Cash	-	\$47.8M	31.9c
Total		\$101.1M	67.4c (post tax)

\$68.3M

Market Cap at \$0.455/Share

19% Owned

by Board & Management

150M Shares on Issue

67.4c

Net Tangible Asset

45.5c

Share Price

333cps

Historic Distributions to Shareholders⁸

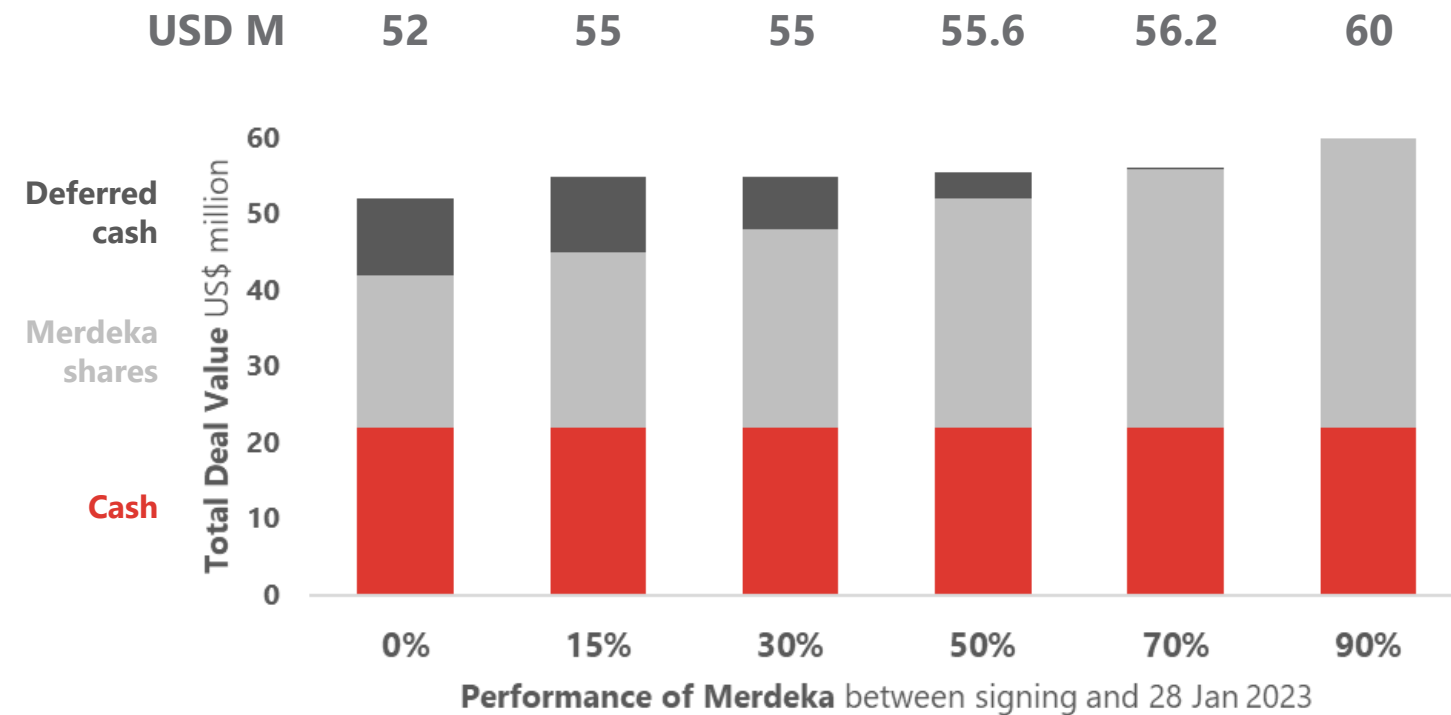
5cps

Dividends to pay in 2022

Pani Sale: [at least] US\$52m total value¹

Downside Protection

Exposure to Merdeka



- **US\$22M** cash (received)
- **US\$20M** Merdeka Stock (received)
(“top up” payable Jan 2023 if market value is below US\$20M)
- **US\$10M** deferred cash (due Jan 23)
(subject to adjustment for performance of Merdeka above +15% benchmark)

*Exit at logical point of asset cycle:
**prior to substantial
capex***

Mining Market Outlook



- Shortage of everything scenario
- Rebounding global growth
- Going green / battery material demand
- S&P vs Commodities – commodities cheap

VS

- Superheated equity market
- Armed conflict
- Inflation
- When the music stops, its always a surprise

Commodity

Precious metals and battery materials focus

Development Focus

Preferred

Gold

- Simple extraction
- No marketing
- Excellent inflation thematic

Copper

- Large / liquid market
- Low value loss to smelters

Nickel

- High value concentrates
- Scalable

Lithium

- Immense projected demand growth
- Geologically common / immature development thematic

By
Exception

Mixed base metals / Silver / Manganese

- Low abundance of robust projects
- Risk: value leakage to downstream

Investment
Only

Bulk commodities

- Infrastructure / marketing / ESG concerns

PGM, REE, Laterites, Uranium

- Complex metallurgy / marketing

Excellent contrarian cyclical long term land-banking opportunities



Board & Management

Strong Foundation

BOARD



Barry Sullivan
Chairman

Barry is a mining engineer with over 40 years experience. Barry has held numerous Non-Executive Directorships and was previously Chairman of EganStreet Resources.



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
Managing Director

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
Executive Director

15 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
Executive Director

13 years mining 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

Footnotes

1. Lion Selection Group ASX announcement on 31 January 2022, *Sale of Pani JV interest for \$74M plus upside*
2. Lion has invested A\$21m, including the acquisition of Pani from One Asia, since 2018. Sale value A\$74m per Lion Selection Group announcement to ASX on 31 January 2022, *Sale of Pani JV interest for \$74M plus upside*
3. Lion Selection Group ASX announcement on 8 March 2022, *Net Tangible Asset Backing*
4. PhosCo Ltd (formerly Celamin Ltd) ASX announcement on 18 June 2013, *Initial Gassaa Kebira Resource triples Chaketma Inventory*
5. Erdene Resource Development Corp Technical Report dated 1 September 2020, *Bayan Khundii Gold Project Feasibility Study NI 43-101 Technical Report*
6. Erdene Resource Development Corp TSX announcement on 8 February 2022, *Erdene Intercepts 123.5 g/t Gold Over 5 Metres Within 15 Metres of 42.8 g/t Gold At Dark Horse Gold Prospect*
7. Erdene Resource Development Corp TSX announcement on 11 August 2021, *Erdene Reports New Discovery at Ulaan - Intersects 3.77 g/t Gold over 40 Metres within 258 Metres of 0.98 g/t Gold*
8. Distributions by Lion Selection (ASX:LSG, ASX:LST, NSX:LGP, ASX:LSX) 1997-2021, includes dividends, cash returns, offmarket buyback and distribution of listed equities