



Lion Selection Group



LION SELECTION GROUP LIMITED

ABN 26 077 729 572

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Lion Selection Group Limited will be held at **Level 2, 175 Flinders Lane, Melbourne** on **Thursday 27 July 2017 at 10.00am** (Melbourne time).

BUSINESS

RESOLUTION 1 – Lion Manager Share Issue Resolution

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That approval is given for the purposes of ASX Listing Rule 10.11 and section 208(1)(a) of the Corporations Act 2001 (Cth), to issue up to 3,822,351 Lion Shares to Lion Manager Pty Ltd in exchange for the outstanding amount payable by Asian Lion Limited, as described in the explanatory memorandum accompanying the notice convening this meeting.

Voting Exclusions: The Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes below.

By Order of the Board

Jane Rose

Company Secretary
20 June 2017

NOTES

These Notes form part of the Notice of Meeting.

Right to vote

The Directors have determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of shares at 7.00pm (Melbourne Time) on 25 July 2017.

Each member entitled to attend and vote at the meeting may vote by:

- (a) attending the meeting in person; or
- (b) appointing a proxy to attend and vote at the meeting on their behalf.

Voting Exclusions

Under ASX Listing Rule 14.11, Lion Selection Group Limited will disregard any votes cast on resolution 1 above by Lion Manager Pty Ltd or any of its associates (including its executives).

However, Lion Selection Group Limited need not disregard a vote if :

- it is cast by a person as proxy for a member who is entitled to vote, in accordance with the directions on the proxy appointment form; or
- it is cast by Lion Manager Pty Ltd or any of its associates (including its executives) as proxy for a member who is entitled to vote, in accordance with a direction on the proxy appointment form to vote as the proxy decides and the member who is entitled to vote has indicated on the proxy appointment form that Lion Manager Pty Ltd or any of its associates (including its executives) may vote as a proxy in relation to each resolution to which the voting exclusion relates.

Item 1 – Lion Manager Pty Ltd Share Issue Resolution

Lion Selection Group Limited (**Lion**) has increased its ownership of Asian Lion Limited (**Asian Lion**) to 100%, buying out the remaining shares from Proparco and Lion Manager Pty Ltd (**Lion Manager**) based on Asian Lion's net tangible asset backing.

Asian Lion has an outstanding liability owed to Lion Manager of US\$1,298,644 (A\$1,720,058 based on an exchange rate 0.7550 – Source: IRESS, 8 June 2017). Lion Manager currently provides services to Asian Lion Fund under its June 2006 management agreement. Asian Lion's management agreement was amended in 2015, with management fees no longer applicable from 1 July 2015.

Lion Directors requested, and Lion Manager agreed, to exchange the outstanding Asian Lion liability for Lion shares rather than a cash payment. The Lion Directors consider Lion's share-based consideration is preferable for Lion and its shareholders for the following reasons:

- (1) Based on the Lion net tangible asset backing released as at 31 May 2017, the Lion Directors expect that Lion will have approximately \$3.4 million in cash immediately after investing \$4.5 million in the anticipated listing of Nusantara Resources Limited.
- (2) In particular, Lion Directors consider that it is preferable that the \$3.4 million cash remaining be retained in Lion rather than be used to pay the outstanding liability to Lion Manager.
- (3) Lion Directors believe the issue of Lion shares to Lion Manager will also ensure alignment of the Lion Manager's risk/reward with Lion Shareholders.

Mr Widdup is a director of Lion and has a beneficial interest in Lion Manager. Accordingly, although the above arrangements are on an arm's length basis, Lion Directors will put this matter to a general meeting for shareholder approval.

The issue price of shares to be issued to Lion Manager

The price agreed for the issue of the Lion shares is 45 cents per share, being the highest traded price for Lion shares in the last 30 days.

Lion and Lion Manager agreed that the applicable price would be the higher of the market price or the net tangible asset backing per share at the time of the notice of meeting. The comparable market trading history and volume weighted average of the price at which Lion shares trade on ASX over a period ending shortly before this notice are set out below:

Reference Price	cents/Lion share
30 Day maximum price	45.0
NTA	40.0
5 Day VWAP	43.6
30 Day VWAP	41.8
30 Day minimum price	37.5

Source: IRESS, 8 June 2017

Lion Directors acknowledge that the market price of Lion shares could increase, or decrease, between the date on which the issue price of the Lion Manager shares was determined and the date on which those shares are issued to Lion Manager, however note that exposure to such movements is consistent with the alignment of interests with shareholders as noted in (3) above.

Shareholder Approval of the Lion Manager Share Issue

Although Lion does not believe that Lion Manager is a related party in respect of the issue of Lion shares to Lion Manager, because of the related party nature of the proposed arrangements, the Directors consider that it is appropriate in the circumstances to seek shareholder approval, in line with best company practice and good corporate governance.

Accordingly, Lion shareholders are being asked to approve the Lion Manager share issue as a related party transaction for the purposes of ASX Listing Rule 10.11.1 and Section 208(1)(a) of the Corporations Act.

Lion Directors believe the issue of Lion shares to Lion Manager in exchange for the outstanding Asian Lion liability is in the best interest of Lion shareholders. Accordingly, the Lion Directors recommend that Lion shareholders vote in favour of the Lion Manager share issue resolution.

As Mr Widdup is the Managing Director of Lion Manager, he has not participated in the Lion Directors' deliberations concerning the Lion Manager share issue or this recommendation to Lion shareholders.

Neither Lion Manager nor any of its associates (including its executives) may vote on the Lion Manager share issue resolution.

Lion Manager Arrangements with Asian Lion

Lion Manager will continue to provide management services to Asian Lion under its management agreement for no fee. Lion intends to transfer the remaining investments held in Asian Lion to Lion in due course.

Appointment of proxies

A Proxy Form accompanies this Notice of General Meeting. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint no more than two proxies to attend and vote in their place. A proxy may be either an individual or a corporation, and need not be a shareholder of the Company.

A single proxy exercises all voting rights. Where a shareholder wishes to appoint two proxies, the shareholder should follow the instructions on the proxy form, or the shareholder may copy the enclosed Proxy Form. A shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and does not specify each proxy's

voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. Where two proxies are appointed, neither may vote on a show of hands.

A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the Meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of these Notes, including the voting exclusions noted above).

If a proxy does not attend the meeting, then the Chairman of the Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting. If the Chairman of the Meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the other provisions of these Notes, including the voting exclusions noted above).

A proxy need not be a member of the Company and can be an individual or a body corporate.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the general meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Lodgment of proxy documents

For an appointment of a proxy for the meeting to be effective:

- the proxy's appointment; and
 - if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,
- must be received by the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

Online: visit www.investorvote.com.au and follow the prompts.

By fax: 1800 783 447 (within Australia) or +61 3 9473 2555 (from outside Australia)

By mail: Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Vic 3001

Intermediary Online Subscribers (such as custodians and nominees):

In Person:
Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street, Abbotsford Vic 3067

Visit www.intermediaryonline.com to submit your voting intentions.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:00am (Melbourne time) on Tuesday 25 July 2017

How to Vote on the Item of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on the item your vote will be invalid.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1

Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Lion Selection Group Limited hereby appoint



the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Lion Selection Group Limited to be held at Level 2, 175 Flinders Lane, Melbourne on Thursday 27 July 2017 at 10.00am (Melbourne time) and at any adjournment or postponement of that meeting.

STEP 2

Item of Business



PLEASE NOTE: If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution 1 Lion Manager Share Issue Resolution

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

LSX

228418A

Computershare +