2018 ANNUAL REPORT

BUILDING EMERGING MINERS

Lion Selection Group

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Lion and Lion Manager donated two truckloads of tsunami relief items to the people of Palu

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Chairman's Letter to Shareholders

> Your directors are pleased to provide you with the annual report for the year ended 31 July 2018. This year marks the first Annual Report since Lion acquired its 33.3% interest in the Pani gold project from One Asia in April 2018. This flagship acquisition followed the resolution of the Pani ownership dispute in December 2017, negotiated by Provident Capital, Lion's 66.6% partner in the Pani Joint Venture.

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With respect to Lion's broader portfolio, most investees have advanced significantly along their development curve, with three companies now in steady state commercial operations, and several investees delivering and now seeking funding on the back of positive feasibility studies. In most cases debt funding appears readily available, but it is the equity capital that is holding these companies back.

Market uncertainty has dented the upswing in the resources cycle that has been underway since January 2016, with markets generally flat. Limited risk capital has enabled IPO's and secondary equity capital raisings, although these generally have been challenging and at discounted valuations.

Importantly cautious global equity markets have not always reflected performance, discounting companies that require funding irrespective of project economics, and being slow to re-rate companies that achieve commercial production. This appears to reflect destabilising influences undermining market confidence, including bearish gold market trends, large scale portfolio liquidation by passive funds and volatile international relations. It is difficult to predict when markets might return to some level of normalcy, but in the interim the key is to survive, find funding solutions and focus on cashflow. Further, gold is often a beneficiary of volatility, so may yet rebound.

Well done to the Lion team on the adept acquisition of the Pani Joint Venture interest, and who once again have actively assisted many investees throughout the year.

Barry Sullivan
Chairman

Lion Selection Group Investment Summary

AS AT 30 SEPTEMBER 2018	COMMODITY	MARKET VALUE A$M
Pani Joint Venture (33.3% Interest)	Gold	**16.9**
Fair value for Pani reflecting the consideration paid by Lion to acquire 33.3% interest from One Asia Resources in May 2018 and further funding advanced to Pani JV.		
Portfolio		
Nusantara Resources	Gold	**7.1**
Roxgold	Gold	**5.3**
Egan Street Resources	Gold	**4.4**
Erdene Resources	Gold	**2.6**
Toro Gold	Gold	**1.6**
Other • Portfolio holdings measured at fair value • Includes investments held directly by Lion and the value to Lion of investments held by African Lion		**3.7**
Net Cash		**1.3**
Net Tangible Assets		**A$42.9m**
NTA Per Share		**29c**

Capital Structure		
Shares on Issue:	150,134,879	
Share Price:	30¢ps	30 September 2018
Options on Issue:	15,720,958	$0.50 expiry 12 April 2020

Lion Manager's Report

The last mining bust ended in early 2016, and money began to flow back into the mining space. In May 2018, the Lion Clock was moved to 6 o'clock as a reflection. It was a rapid and surprising turnaround as measured by the performance of mining equity indices, and for that reason is historically anomalous – previous cycles have been characterised by a more gradual price recovery. The quick recovery enabled a recapitalisation of the sector, the IPO market opened up and exploration activity lifted.

More than two years after the recovery commenced, and there has been a recovery of the fortunes of many miners, especially larger companies. The mid-tier is exhibiting appetite for growth, these companies have been the main proponents of exploration – not only deploying drill rigs but adding to their mine lives. They have also made some tentative and selective investments outside of their own projects, in some cases taking on equity investments in or joint ventures with junior explorers.

Whilst the headlines for the sector read well – indices plot a healthy recovery; the industry is exploring again and investors are seeking and rewarding growth – this activity is strongly skewed toward large capitalisation companies. Indices include a very small proportion of all the companies operating in the mineral resources space and miss a large number of junior companies. The sub-index juniors only captured a small amount of the flurry of money which has been injected into the mining sector by investors through 2016-2018. In many cases, this amounted to little more than some air in the tyres, rather than a total renewal of life.

Commodity prices

Commodity prices provide a strong guide for equity investors in miners, as these are the key short-term profitability swing factor and are entirely out of the control of company management. Long term fundamentals for many metals remain attractive. Even so, this has been overprinted during 2018 by sentiment surrounding economic policy in the United States, particularly tariffs on non-US produced goods being sold into the US, a concept more colloquially known as a US-China trade war. Most mineral commodities have weakened during this time against a strengthening US dollar.

A number of fundamentals are likely to affect commodities over the medium to long term:

- Lack of supply to meet long term demand after 4-5 years of under investment in new projects and closure of excess (mainly high cost) production.
- Inflationary pressures and the resultant tightening of global monetary policy, against a backdrop of huge private and public debt.
- China's one-belt-one-road initiative, which is a long-term ambition to streamline China's access to foreign economies both for buying and selling of goods.

Lion Manager's Report

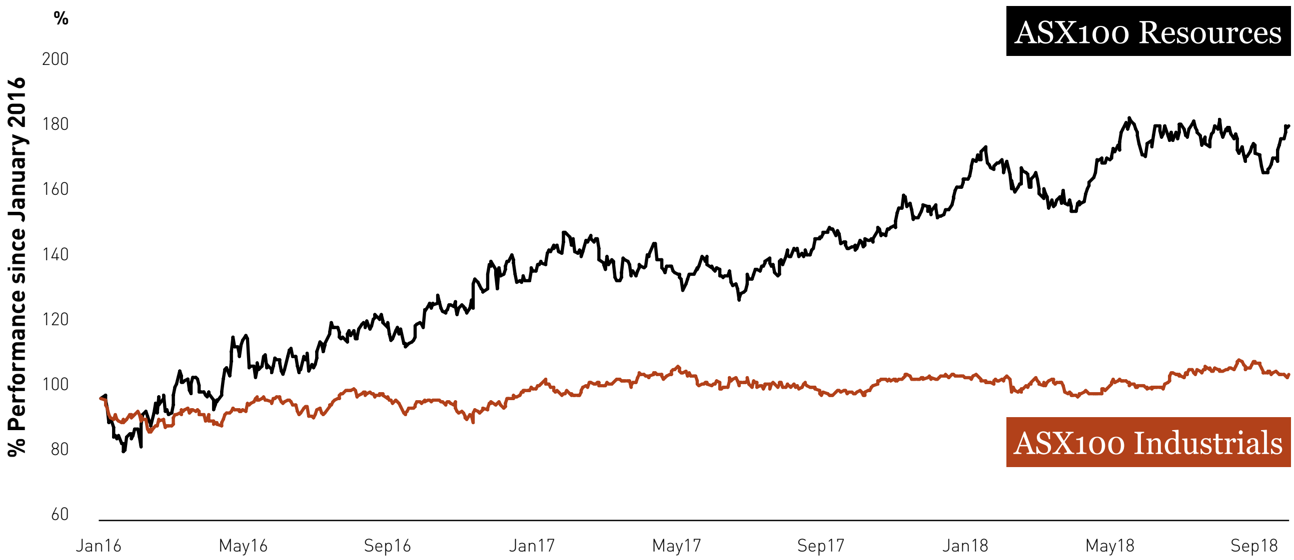
Long term fundamentals
for many metals
remain attractive

Mining equities

Mining stocks still performing

Mining equity performance in 2018 has been positive, but so far lags behind performance during 2016 and 2017, due largely to the lead provided by commodities. The ASX100 Resources index, which tracks the largest capitalisation resource stocks, improved by 38% in 2016 and then 20% in 2017, but year to date in 2018 is only up by 9%. Resources have continued a trend of outperformance over the rest of the market, demonstrated in a comparison with the ASX100 Industrials index. The industrials index has provided returns of 3% in 2016, 4% in 2017 and 1% in 2018 year to date.

Mining equities outperforming



Source: IRESS

Lion Manager's Report

Recovery in sentiment toward miners in the almost three years since the market turned in early 2016 has seen favouritism from investors toward three key themes:

- Large capitalisation miners – having re-discovered financial discipline, and adopted responsible outlooks toward capital allocation (even if that means extremely frugal allocation of capital, weighted heavily toward existing operations).
- Gold miners – collectively the best performing sector of 2016 globally, largely because the gold mining sector had been the first to suffer commodity price weakness in 2011, and therefore had the longest to address costs in response. Gold miners have been a feature especially in Australia, where the return to Australian (ASX listed) ownership of many local assets coupled with operational turnarounds have produced stunning cash flows which has made a cluster of Australian gold miners global market darlings.
- Battery commodities – new technologies around energy storage have driven investment market interest in sources of potential supply of the commodities that will likely feed into their eventual production. It seems reasonably clear that batteries are a growth area, however economics for production of the commodities are subject to uncertainty. Most of the commodities required are geologically abundant, so availability of supply is assured but timing of delivery of new production could affect commodity prices as lumpy changes occur to supply in small markets, notwithstanding steadily growing demand.

Investor interest has been reasonably well focussed on lower risk, high market capitalisation stocks. Whilst there is clearly risks involved in the battery commodities space and a high degree of speculative behaviour, the thematic is around the emergence and growth of a new industry and is partly tied to the market's interest in technology plays which have been favoured for many years. Appetite for risk-taking in traditional commodities and toward projects in riskier jurisdictions is still very low.

Liquidity – flowing, but overlooking juniors

The recovery of mining equities as evidenced by resources indices masks the performance of junior and micro-cap stocks. The small end of the mining market is extremely well populated, in fact there are more than 600 companies currently listed on ASX which are classified as having a metals and mining focus and too small to enable inclusion in the ASX100 Resources or Small Resources indices, this group accounts for more than 25% of the number of companies listed on ASX. Notwithstanding some notable individual successes, performance of this population as a whole has not been nearly as sparkling as for their larger capitalisation contemporaries, and there is no index for very small capitalisation resources stocks which shows this.

The median performance of metals and mining stocks on ASX from 1 January 2016 to 30 September 2018 (ie the approximate duration of the present boom) is shown in the table and chart below. Since the return of the boom, the metals and mining companies in the ASX100 have returned a median performance of 110% (ie, more than doubled). The 33 metals and mining companies in the deceptively named Small Resources Index (the smallest is capitalised above A$300m) exhibited the best collective performance with a median of 156%. In comparison, the median performance of the 534 companies that fall below these indices was 4%.

It is expectable that the best performing stocks will end up with a large capitalisation and likely in an index. Similarly, poor performers will shrink into the lower capitalisation group. Even so, performance of the companies within the indices is almost uniformly positive: not a single one of the metals and mining companies in the ASX100 lost ground in the period, in fact the worst performer increased share price by 50% in the period. Performance of metals and mining companies in the Small Resources Index were considerably more varied; ranging from a best performer with a multiple of 42x, to the sole negative performer which fell by 40% – again, an overwhelmingly positive collective performance.

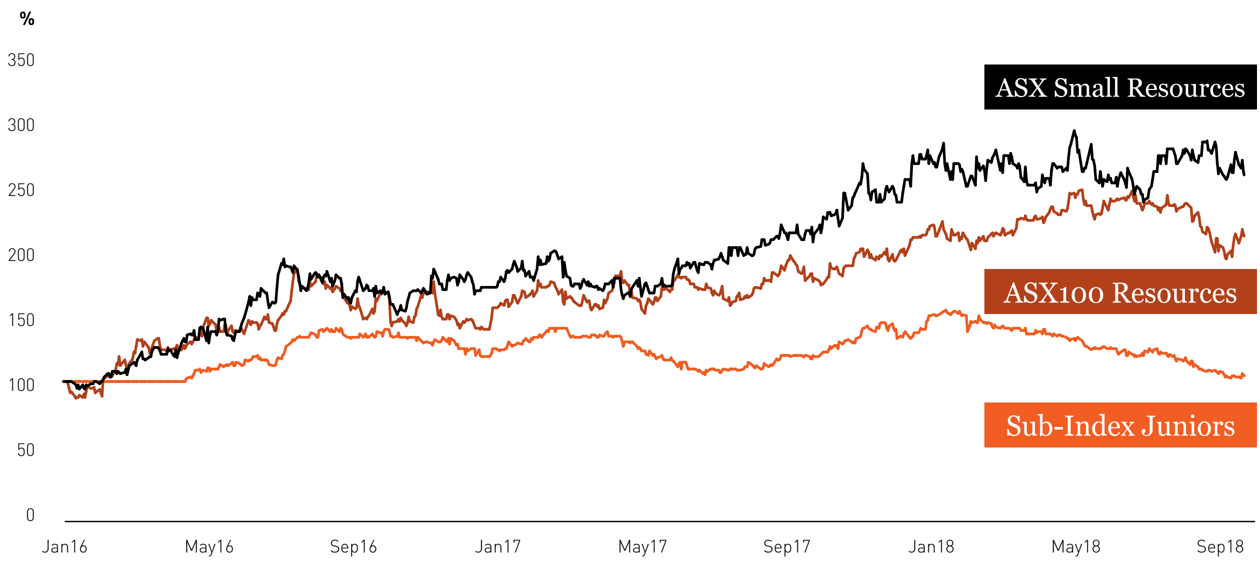
Within the population of sub-index juniors, only half the companies put on a positive performance, which is a stark difference to the index populations. This is despite a flurry of activity in the space, project progress and recent emergence of corporate interest. The sentiment is echoed by a litany of small company directors – it remains extremely challenging, even with demonstrable company achievements, to obtain market support and share price appreciation. In fact, it has become common for junior miners share price to react negatively to good news, perhaps the perverse effect of news drawing attention to an approaching inevitable capital raising.

Lion Manager's Report

	ASX100 Resources	ASX Small Resources	Sub-Index juniors
Number of companies	11	33	534
Median performance 1 January 2016 to 30 September 2018 (0% = no change)	110%	156%	4%
Number of companies with a positive 2016-2018 performance (% of population)	11 (100%)	32 (97%)	276 (52%)

Median share price performance of metals and mining stocks

1 January 2016 to 30 September 2018



Lion Manager's Report

IPOs and Exploration

The number of mining and exploration focussed IPO's onto ASX per year has increased steadily over the past three years. After bottoming out with only three new listings in 2015, there were 10 in 2016, 26 in 2017 and 25 in the year 2018 to date. Most of the IPO's of miners and explorers in this time have featured fund raisings in the vicinity of millions, to low tens of millions of dollars. 2018 has seen two much larger listings, with Jupiter Mines (South Africa) raising A$240m to list in April, and Nickel Mines (Indonesia) raising A$200m to list in August 2018. In the same period of time, an observation of IPO activity suggests that alongside successful listings there has been an increase in companies that fail to list. The IPO trend suggests that liquidity available for smaller companies is both limited and selective.

Australian Bureau of Statistics data show a trend of increasing exploration expenditure and activity in Australia since 2016, which has been maintained through 2018 so far. This trend is mirrored in global exploration data although activity in Australia appears to have grown at a greater rate. Much of the activity appears to have been driven by mid-tier miners, especially in gold, and explorers for battery commodities.

Mergers and Acquisitions interest

Performance and access to growth capital has led to a virtual bifurcation of the population of miners and explorers – well funded miners and select group of advanced explorer/developers, against a large population of juniors, mostly exploration focussed, who struggle to access meaningful funding under present market conditions. The gold space has been a stand-out in Australia, not only for the implementation of effective cost discipline, but impressive returns on capital that has been deployed and exploration success extending the lives of many assets which had previously been judged to be close to the end of their productive lives. Accumulation of cash on the balance sheets of many of the gold miners in Australia has produced a class of cashed up acquirers, and under-funded juniors present a range of potential targets. Through 2017 and 2018 there have been a range of mostly small sized equity investments, joint ventures and acquisition deals which support the concept of emerging growth appetite, albeit at an early stage.

Historically, North American listed gold miners have usually commanded a market premium over their ASX listed contemporaries, a factor which encouraged acquisitions of Australian companies by North Americans. Recent performance by Australian gold miners has resulted in the premium being bestowed on the ASX gold miners, for the first time since 1987 (when there was no tax on gold in Australia). If this is sustained, it places Australian gold miners strongly to be the aggressors of future growth and consolidation.

Market weighting – not yet a global phenomenon

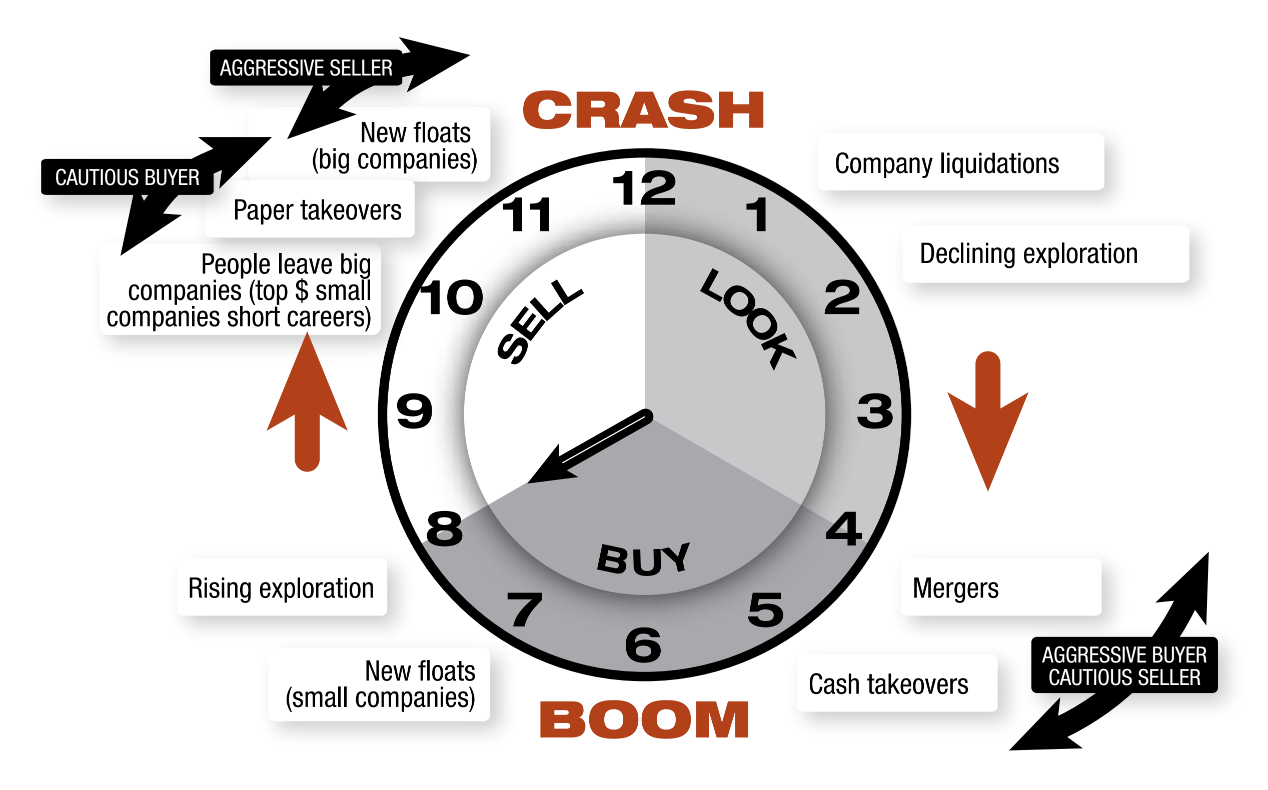
The market weighting of miners based on the ASX300 index is 15%, having recovered from a low of 8% in 2015. This compares with the long term average of 16%, and peak weighting in 2008 and 2011 of over 25%, a trend which is in line with expectations of the early stages of the cycle. It does appear however to be a global phenomenon, with market weightings of miners in North American and European markets remaining much closer to 2015 levels.

Lion Manager's Report

The Lion clock depicts the mining cycle according to liquidity indicators that are diagnostic of the different stages of the cycle. The clock moved to 6 o'clock in early 2016, after the sense of sentiment toward miners flipped and became positive. It became 7 o'clock later in 2016 when it became clear that the IPO market was opening, and investor interest had commensurately increased. A recapitalisation of the sector between capital raisings and improving operating cash flows precipitated an increase in funds available for exploration and growth, which moved the clock to 8 o'clock in 2017.

Whilst liquidity has been flowing back into the sector, it has clearly favoured larger (particularly mid-tier) companies who in turn have been key contributors to exploration activity. Many junior companies are yet to benefit from the improvement in sentiment, and sentiment in North American / European markets are lagging the Australian market. With these in mind, it is likely that conditions remain at or around 8 o'clock for some time. The most obvious potential catalyst to move the cycle onwards to 9 o'clock and beyond is M&A activity, which we have already seen early indications of especially in Australia, with predominantly small sized deals announced.

Lion Clock – 8 o'clock



Lion Performance

Total shareholder return for Lion Selection Group versus ASX Small Resources Accumulation Index

at 31 July 2018	Lion	ASX Small Resources
1 Year	-22.5%	41.1%
3 Years	13.9%	25.9%
5 Years	-12.2%	4.7%
10 Years	5.5%	-5.6%
15 Years	6.8%	5.8%
Return since inception – 21 years	7.2%	4.3%

Lion places the greatest emphasis on long term returns, as this timeframe best matches the investment timeframe approach used by Lion.

Past performance is no guarantee of future performance, but we believe the long-term performance illustrated above endorses the Lion investment model which importantly has remained unchanged. Lion takes a portfolio approach to invest in companies with quality people and projects, with the advantage of being able to take a long-term investment view, elements which are essential to generating excess returns from the small resources sector.

1. 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)
2. Methodology for calculating total shareholder return is based on MorningStar (2006), which assumes reinvestment of distributions
3. Distributions made include cash dividends, shares distributed in specie as a dividend, proceeds from an off-market buyback conducted in Dec 2008, and the distribution of shares in Catalpa Resources via the demerger of Lion Selection Limited in Dec 2009. Lion assume all distributions are reinvested, with all non-cash distributions sold and the proceeds reinvested on the distribution pay date.
4. Investment performance is pre-tax and ignores the potential value of franking credits on dividends that were partially or fully franked.
5. Past performance is not a guide to future performance.
6. Indices used for comparison are accumulation indices, which assume reinvestment of dividends.
7. Source: IRESS, Lion Manager

Pani Gold Project

In April 2018 Lion acquired One Asia's 33.3% joint venture interest in the Pani Gold Project in Sulawesi, Indonesia.

Through a series of steps detailed in note 3 of the financial report, Lion acquired One Asia's interest in the Pani Joint Venture, resulting in One Asia shareholders receiving an in specie return of Lion shares and options.

Lion has been involved with the Pani project since 2012 when Lion made its first investment into One Asia. One Asia published a Mineral Resource Estimate (MRE) of 90Mt at 0.82g/t for 2.4 million ounces of gold based on a 0.2g/t cut-off (3 December 2014).

Technical work on the project is accelerating again following settlement of a long running dispute with respect to ownership of the Pani project dating back to December 2013. Lion would like to acknowledge the outstanding contribution of its 66.6% partner in the Pani Joint Venture, Provident Capital, in resolving the ownership dispute. In the opinion of the Lion team, Pani is shaping up as the best gold discovery that Lion has been involved with since its inception in 1997, however at this early stage three key factors are apparent at Pani which point towards a large and low cost new gold mine:

- Exceptionally thick and continuous gold mineralisation;
- Minimal overburden;
- Early test work indicating very high heap leach recovery.

Direct Equity Ownership

In August 2018 regulatory approval was received by the Pani Joint Venture to allow for foreign investors to hold equity directly. Accordingly, Lion's 33.3% economic interest in the Pani Joint Venture is now being converted into a direct ownership interest. The regulatory approval also allows Lion to appoint representation to the board of the Pani Joint Venture, consistent with its memorandum of understanding with Provident.

The Pani Joint Venture is progressing permitting for the Pani gold project including the Pani IUP license containing the Pani gold Resource, a processing and refining area, and an access corridor.

The Pani IUP licence was issued by the Government of Indonesia in November 2009 for a period of 13 years, and, subject to government approval, is extendable for two 10-year periods. The Pani IUP is subject to the Mining Law 4 of 2009, including applicable royalty rates and levels of local ownership and input. The Pani Joint Venture meets the required level of local ownership, and accordingly no divestment will be required.

Summary of the Pani Mineral Resources at a cut-off grade of 0.2g/t is tabulated below:

Classification	Tonnes (Mt)	Au Grade (g/t)	Au (Million Oz)
Measured	10.8	1.13	0.39
Indicated	62.5	0.81	1.63
Inferred	16.2	0.67	0.35
Total	**89.5**	**0.82**	**2.37**

Technical Work

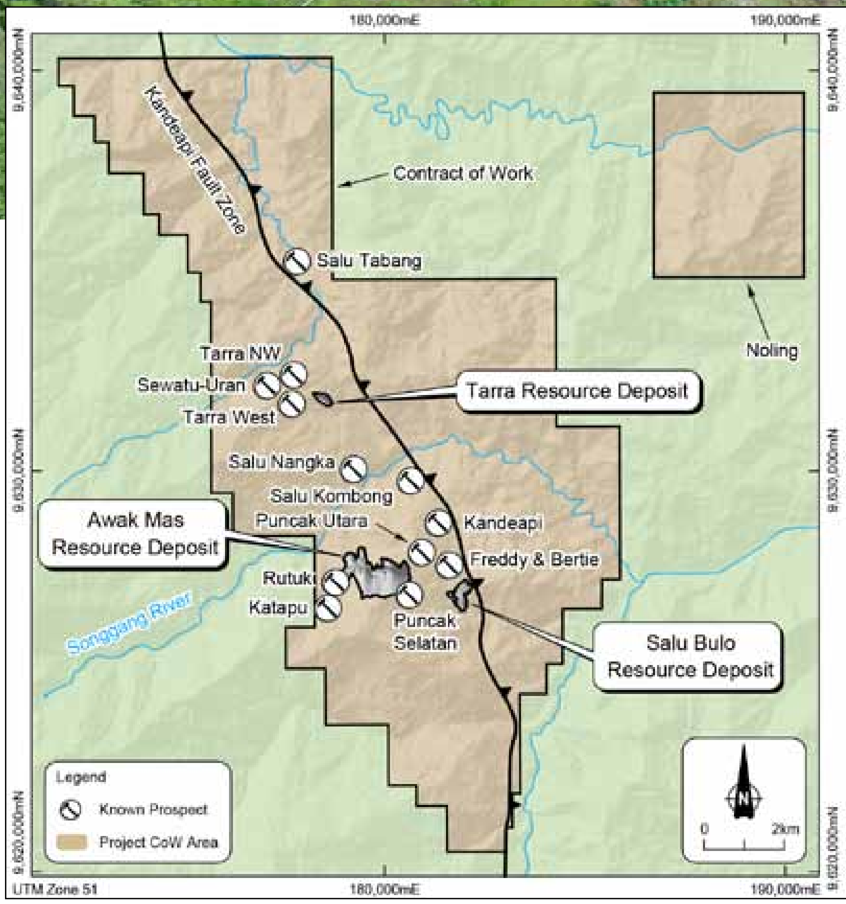
The Pani Joint Venture is currently undertaking key work streams towards a feasibility study for the Pani Gold Project. The Pani Joint Venture has been able to access technical personnel from Merdeka Copper and Gold where Provident is a shareholder. Merdeka is a listed Indonesian company that has relevant recent experience in successfully developing the Tujuh Bukit Gold heap leach project.

Recent independent technical reviews have highlighted the presence of significant free gold associated with the mineralisation at Pani. It was therefore considered prudent to revisit certain elements of previous work programs underlying the 2014 Mineral Resource Estimate including the sampling and assay procedures, definition of geological domains, and metallurgical test-work. This technical reassurance included re-logging of all diamond drill core and some re-assays of stored material from historical drilling.

Following these reviews, the next phase of work at Pani is now firming up, with more detailed works that contribute toward an economic assessment of the project. This is expected to include a comprehensive program of re-assaying stored material, drilling, metallurgical testwork and technical studies. An updated Resource is expected as part of this process.

Nusantara Resources

Awak Mas – Indonesia's largest undeveloped, fully permitted gold project.



Nusantara listed on the ASX in August 2017 following a $16m IPO to fund completion of a Definitive Feasibility Study on the Awak Mas Gold Project in Sulawesi, Indonesia.

Progress since listing has been:

August 2017 – low cost grid power secured from Indonesian national power company PLN, delivering significant cost savings.

March 2018 – tenure secured with Indonesian government until 2050 with no divestment until 10 years post production and largely permitted to production.

May 2018 – Resource increased to 2.08Moz. (Refer Table 1)

September 2018 – Reserve increased to 1.1Moz. (Refer Table 2)

October 2018 – DFS completed:

- 11 years x 100,000 oz gold pa
- Capex US$146m, NPV_5 US$152m
- All-In-Sustaining-Costs US$758/oz.
- 91% recovery, 3.5/1 strip ratio.
- 2.5Mtpa x 1.3g/t CIL.

Exploration of the large 14,390 ha Contract of Work has been a secondary focus over the year with the following areas recognised to potentially increase resources and reserves:

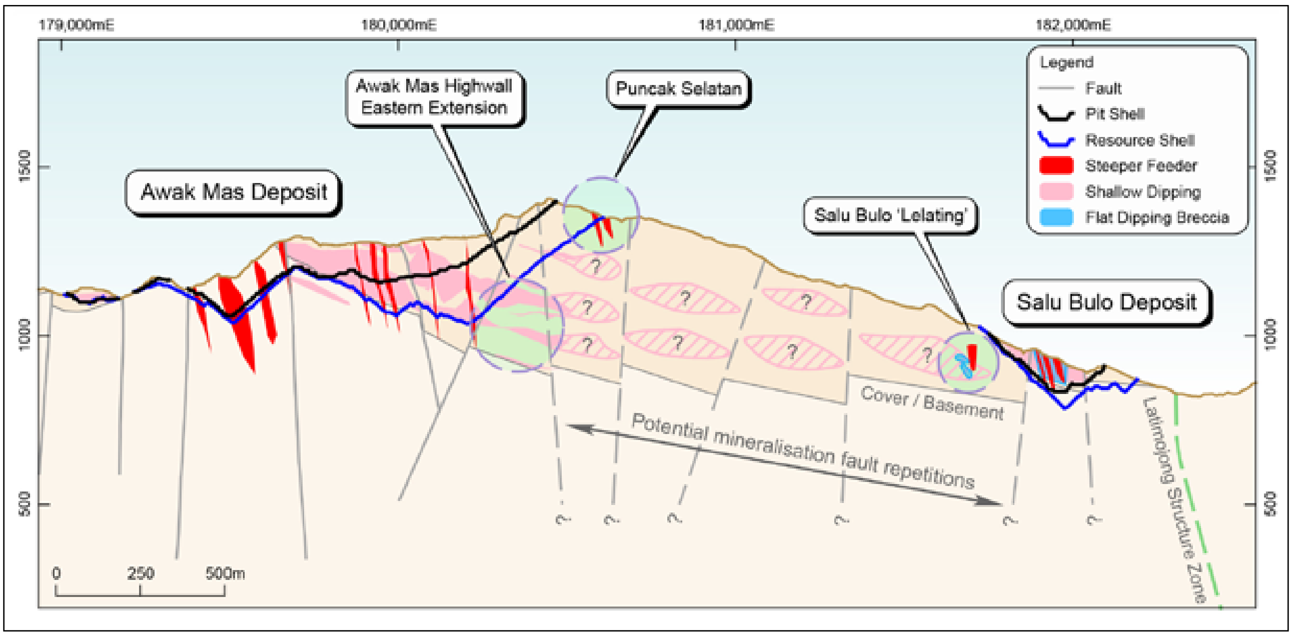
- Continuity of mineralisation between Awak Mas and Salu bulo.
- Grade increase within Awak Mas resource from close spaced drilling.
- Near mine extensions – Puncak Selatan, Puncak Utara etc
- Multiple prospects near to processing plant.
- Brownfields expansion of Tarra Project/area.
- Greenfields potential recognised from recent reworking of historic geophysical information.

Table 1: Awak Mas Mineral Resource estimates (May 2018) by deposit at 0.5g/t Au cut-off and constrained within a US$1,400/oz optimisation shell

	Classification	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)
Awak Mas	Measured	-	-	-
	Indicated	36.4	1.4	1.62
	Inferred	3.1	1.0	0.10
	Sub-Total	**39.5**	**1.4**	**1.72**
Salu Bulo	Measured	-	-	-
	Indicated	2.9	1.7	0.16
	Inferred	0.6	1.1	0.02
	Sub-Total	**3.6**	**1.6**	**0.18**
Tarra	Measured	-	-	-
	Indicated	2.9	1.7	0.16
	Inferred	0.6	1.1	0.02
	Sub-Total	**3.6**	**1.6**	**0.18**
Total	**Measured**	-	-	-
	Indicated	39.3	1.4	1.78
	Inferred	6.0	1.1	0.22
	Total	**45.3**	**1.4**	**2.00**

Table 2: Awak Mas Gold Project Ore Reserve estimates (August 2018) by deposit

	Classification	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)
Awak Mas	Proved	-	-	-
	Probable	24.1	1.28	0.99
	Sub-total	**24.1**	**1.28**	**0.99**
Salu Bulo	Proved	-	-	-
	Probable	2.8	1.67	0.15
	Sub-total	**2.8**	**1.67**	**0.15**
Total	Proved	-	-	-
	Probable	**26.9**	**1.32**	**1.14**
	Total	**26.9**	**1.32**	**1.14**



Roxgold

Lion holds an indirect investment in Roxgold through its African Lion 3 fund. Yaramoko's 55 Zone has subsequently evolved into one of the highest-grade new gold mines globally with a Resource grade of 16.8g/t gold, and Resource and exploration upside remaining to be tested.

Roxgold has continued its track record of operational excellence at the Yaramoko Gold Mine since the first gold pour in May 2016 and in the first half of 2018 produced 76,280oz of gold generating US$57m from operations at a Cash Cost of US$401/oz and an All-in-Sustaining-Cost of US$686/oz. Roxgold has since increased guidance for gold production in 2018 to 120-130koz. The mine development is well ahead of schedule as Roxgold has focused on ensuring there is maximum flexibility in the mine plan. Roxgold has done this with an impeccable safety record having achieved 5 million hours Lost Time Injury Free during the year.

Upcoming catalysts for Roxgold include an additional 40koz pa production (average over 4 years) from the soon to be commissioned Bagassi South Gold Mine nearby, as well as results from an extensive regional exploration program around the highly prospective Boni Shear.

Roxgold is in a strong position with US$66m in cash at 30 June 2018 with long term debt of US$43m, and this includes Roxgold self-funding the Bagassi South expansion.

Erdene Resources Development Corp

Erdene is well established in Mongolia, having maintained a team and work programs through the mining downturn and the Mongolian moratorium on issuing new exploration licenses.

Erdene is well established in Mongolia, having maintained a team and work programs through the mining downturn and the Mongolian moratorium on issuing new exploration licenses. Through a combination of 100% held tenure and a Strategic Alliance with Teck, Erdene is exposed to a substantial holding of unexplored and prospective geology in the fertile gold-copper Tian Shan Belt, which hosts several world class assets.

Erdene's focus recently has been two, 100% owned gold epithermal discoveries which have both progressed to now have Mineral Resources, located in South Western Mongolia.

Highlights:

- Completed drill out of High Grade and shallow Bayan Khundii to culminate in a maiden Mineral Resource, as well as updating Mineral Resources for Altan Naar to take the combined Resources for the Khundii Project to 10.1Mt at 2.3g/t for 751koz gold (Measured + Indicated) plus 5.2Mt at 1.8g/t for 291koz gold (Inferred).
- Acquired 51% of the Ulaan prospect, which is adjacent to Bayan Khundii, with alteration and lithological features that potentially support a model of a porphyry system.
- Initial metallurgical testwork results for Bayan Khundii indicated gold recoveries from gravity and cyanidation of up to 97%.
- Listed on the Mongolian Stock Exchange, to become the first cross-listed company on MSE.

EganStreet Resources

EganStreet listed on ASX in 2016 in order to complete an assessment for mining and processing gold at its 100% owned Rothsay project in the Southern Murchison region of Western Australia.

Having completed a Scoping Study in 2016 and then Pre-Feasibility Study in 2017, achievements of the last 12 months have culminated in completion of a Definitive Feasibility Study.

Highlights:

- Discovery and delineation of a new high grade gold zone at Woodley's East, parallel to and 30-40m into the Hangingwall from the main Woodley's lode and Mineral Resource.
- First drilling on the other mineralised shears for over 20 years, results show mineralisation exists at multiple locations on the field presenting exciting exploration targets for future work.
- Appointment of key management personnel: CFO Richard Hill, Rothsay General Manager Jed Whitford.
- Secured an additional A$12m of funding from the exercise of listed options which expired in March 2018.
- Appointment of Financial Advisor for the development of Rothsay
- Increased Mineral Resource for the Rothsay project to 1.42Mt at 8.8g/t for 401koz contained gold.
- Announced the results of a Definitive Feasibility Study, with key results compared against the outcomes of the Scoping Study and Pre-Feasibility Study in the table below.
- The company is on track to develop the project and pour first gold in 2019 (subject to completion of financing).
- Lion exercised listed options (25cps) in March 2018 to maintain a shareholding of 16.4%.

	Scoping Study – Dec 2016	PFS – May 2017	DFS – July 2018
Gold Mined	106.2koz	210.7koz	278.0koz
Gold Produced	100.9koz	200.2koz	250.0koz
Life of Mine	3.75 years	5.5 years	6.5 years
Capex + Working Capital	A$20.5m + A$4.6m (Tot A$25.1m)	A$21.7m + A$8.9m (Tot A$30.6m)	A$36.1m + A$12.0m (Tot A$48.1m)
All In Sustaining Cost	A$1056/oz	A$1020/oz	A$1083/oz
Life of Mine Free Cash Flow	A$26.7m	A$82.3m	A$100.0m

Principal Risks and Uncertainties

The activities of Lion are subject to risks that can adversely impact its business and financial condition. The risks and uncertainties described below are not the only ones that Lion may face. There may be additional risks unknown to Lion and other risks, currently believed to be immaterial, which could turn out to become material.

Risk Factor	Nature
Investment in resource companies	Lion has investments in a range of resource companies whose exploration, development and mining activities are at varying stages. Lion's investees are subject to operating risks that are inherent to mining and exploration activities, and may influence the financial performance and share price of the investees. The value of Lion's investments in these companies, and in turn the financial performance of Lion itself, will continue to be influenced by a variety of factors including: • general investment, economic and market conditions as outlined above, which can affect the investee's performance and share price; • exploration is a speculative endeavour which may not result in investees finding economic deposits capable of being successfully exploited; • mining operations may be affected by a variety of factors which may or may not be within the control of the investee. Whether or not income will result from exploration and development programs depends on the successful establishment of mining operations. Factors including costs, integrity of mineralisation, consistency and reliability of ore grades, metallurgical recoveries, and commodity prices affect successful project development and mining operations; • depending on the location of its exploration and/or mining activities, an investee may be subject to political and other uncertainties, including risk of civil rebellion, expropriation, nationalisation, and renegotiation or nullification of existing contracts, mining licences and permits or other agreements; • reliance on the performance of key management of Lion, investees and Lion Manager; • investees may enter into hedging transactions to fix the commodity price for a portion of production and there is a risk that the investee may not be able to deliver into these hedges if, for example, there is a production shortage at their mining operations, which could adversely affect the investee's operating performance if the commodity price moves unfavourably; • investees that borrow money are potentially exposed to adverse interest rate movements that may affect their cost of borrowing, which in turn would impact on their earnings and increase the financial risk inherent in their businesses. In this situation there is also risk that an investee may not be able to repay its debts and may be at risk of bankruptcy; • resource nationalisation, politicial unrest, war or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region, which could impact adversely on the business, financial condition and financial performance of the investee; • there is a risk that investees may lose title to mining tenements if conditions attached to licences are changed or not complied with. Further, it is possible that tenements in which Lion's investees have an interest may be subject to misappropriation or legal challenge in jurisdictions without well-established legal systems. • a form of native title reflecting the rights and entitlements of indigenous inhabitants to traditional lands may exist on investee's tenements, such that exploration and/or mining restrictions may be imposed or claims for compensation forthcoming; and • the high initial funding requirements of emerging exploration and mining companies can result in delays in developing projects and a lack of liquidity, which may affect Lion's ability to invest or divest.
Market Movements	The performance of Lion and the prices at which its shares may trade on ASX can be expected to fluctuate depending on a range of factors including movements in inflation, interest rates, exchange rates, general economic conditions and outlooks, changes in government, fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities and acts of terrorism. Certain of these factors could affect the trading price of Lion's shares, regardless of operating performance. Lion attempts to mitigate these factors by implementing appropriate safeguards and commercial actions but these factors are largely beyond Lion's control. The underlying value of Lion's investments in its investees also may not be fully reflected in Lion's share price.
Reliance on key personnel	A number of key management and personnel is important to attaining the respective business goals of Lion. One or more of Lion's or Lion Manager's respective key employees could leave their employment, and this may adversely affect the ability of Lion to conduct its business and, accordingly, affect the financial performance and share price of Lion. Further, the success of Lion in part depends on the ability of Lion and Lion Manager to attract and retain additional highly qualified management and personnel.
Pani Gold Project	The Company is exposed to operating risks associated with holding an interest in the Pani Joint Venture including: • Increased investment portfolio exposure to Indonesian country risk. • Concentrated exposure to the inherent risks and uncertainties of the relatively early stage Pani Gold Project operations. • Elevated exposure to the various counterparties to the contractual arrangements that create the ownership interest in the Pani Gold Project that may default on their contractual obligations or act in a manner contrary to the best interests of the Company. The Company will need to fund its share of its 33.3% interest in the Pani Joint Venture. As the Pani Gold Project progresses towards development, It is anticipated that the Company will need to undertake an equity raising in order to meet its commitments to the Pani Joint Venture, which may ultimately lead to dilution for all shareholders. Further, there is no surety that the Company would be successful with raising sufficient funds in an equity raising, risking material dilution or loss of its interest in the Pani Joint Venture.

Corporate Governance Statement

As a professional investor in junior miners, Lion is particularly focussed on the corporate governance of its investee companies. Lion's approach is based on experience through multiple resource cycles and reflects its view that in corporate governance one size does not fit all and careful consideration must be given for smaller mining companies, notably a material sub-set of ASX listed companies. Three key departures are relevant, in particular for pre-production mining companies:

(1)

Because the mineral resource/ore reserve usually has both greater value and risk than purely financial assets, a company's internal controls and processes surrounding establishing and announcing these are one of the most material aspects for pre-production mining companies.
This extends to studies that seek to establish parameters around how a mining operation might operate. This area may have been overlooked in the current ASX guidelines and consideration should be given for how mining companies approve such releases, and having geological and mining expertise at board level to understand the issues and provide formal approval. Regulatory debate in 2016 has focussed on scoping study disclosure and restricting release of this information which is vital to investor comprehension and proper functioning of the ASX as a funding mechanism. Lion opposes any restriction on disclosure of feasibility work.

(2)

The ASX Corporate Governance Council requires listed firms to adopt a majority of 'independent' board members without links to management or substantial shareholders (ie 5% or greater shareholding), or explain 'if not, why not'. The concept is that such directors should be more dispassionate and less biased in favour of either management or significant shareholders. We note that there is limited empirical research supporting that such boards add value to a company, and in Lion's experience this structure can be detrimental for junior mining companies. Lion concurs that it is essential that a board operates as an effective check on management, however a non-executive director with a significant shareholding is often better placed to fulfil this role, and has interests closely aligned with the general shareholder register. Junior mining companies often have many challenges to be overcome to develop their projects, and need the necessary entrepreneurial drive to achieve this. In a crisis, an ASX-defined independent director risks being disinterested, overly conservative, or may lack the fortitude to see the task through when their personal incentives are limited to on-going directors fees.

(3)

The ASX guidelines provide that non-executive directors should not receive options with performance hurdles or performance rights as part of their remuneration which may lead to bias in their decision making and compromise their objectivity. Lion notes that pre-production mining companies almost always have limited cash, and issuing appropriately structured options both reduces the cash burden on the company and provides greater alignment with the interests of shareholders.

Corporate Governance Statement

Introduction

The Board of Directors of Lion Selection Group Limited (Lion or the Company) is committed to high standards of corporate governance. The Company recognises that it has responsibilities to its shareholders and personnel, as well as to the communities in which it invests.

As required by the ASX Listing Rules, this statement discloses the extent to which the Company follows the Corporate Governance Principles and Recommendations released in March 2014 by the ASX Corporate Governance Council (ASX Recommendations). Except where otherwise explained, the Company follows all of the ASX Recommendations. This Corporate Governance Statement has been approved by the Board of Directors of Lion Selection Group Limited.

PRINCIPLE 1: Lay solid foundations for management and oversight

Recommendation 1.1

A listed entity should disclose:

(a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.

The Board

The Board of directors monitors the progress and performance of Lion on behalf of its shareholders, by whom it is elected and to whom it is accountable. The Board charter seeks to ensure that the Board discharges its responsibilities in an effective and capable manner.

The Board's primary responsibility is to satisfy the expectations and be a custodian for the interests of its shareholders. In addition, the Board seeks to fulfil its broader ethical and statutory obligations, and ensure that Lion operates in accordance with these standards. The Board is also responsible for identifying areas of risk and opportunity, and responding appropriately.

Responsibility for the administration and functioning of Lion is delegated by the Board to the Chief Executive Officer and to Lion Manager Pty Ltd (the Manager), which provides investment management services to the Company. Through monitoring the performance of these parties at least annually by way of performance evaluations, the Board ensures that Lion is appropriately administered and managed. Lion's investments are managed by the Manager. Lion's Board reviews the Manager's performance internally through the Manager's reports, processes and presentations. The Board monitors the Manager's staffing and processes.

In addition, the Board guides strategic planning and ensures it adheres to the interests and expectations of Lion's shareholders, manages risks and opportunities, and monitors company progress, expenditure, significant business investments and transactions, key performance indicators and financial and other reporting.

Management

The Manager has been appointed by Lion to implement its investment strategy and manage its investments. This includes all steps of the investment selection process and the making of recommendations to the Board.

A Management Agreement has been established to formalise the relationship between the Company and the Manager. The Manager, under this agreement, undertakes to act as investment manager for Lion. The Manager is at liberty to engage specialists and consultants as appropriate to assist in the investment assessment process and provides a regular flow of information to Lion's directors. Lion's Board retains the power to make the final investment decision on the basis of this information and advice. This retention of final investment decision allows the Board to effectively review the function and proficiency of the Manager and of the investment selection processes.

Further information on performance evaluations can be found under ASX Principle 8.

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Lion ensures that all candidates for directorship are well known to the company. In addition, all appropriate checks and due diligence are undertaken by the Lion board prior to nominating a director for election. Information about candidates who are standing for election or re-election as a director including biographical details, qualifications, experience and other directorships is provided to shareholders to enable them to make an informed decision.

Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Corporate Governance Statement

The terms on which the directors and senior executives are appointed is set out in the written agreement between the Company or the Manager and the individual. This establishes the roles and responsibilities of each person, their duties and accountabilities.

Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary is responsible for co-ordination of all Board business, including agendas, Board papers, minutes, communication with regulatory bodies and ASX and all statutory and other filings.

Through the Chairman, the Company Secretary is accountable directly to the Board on all matters to do with the proper functioning of the Board.

Recommendation 1.5

A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
(b) disclose that policy or a summary of it; and
(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:
   1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
   2. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.16

While the Company does not have a gender diversity policy at present, the Company promotes a culture of equal opportunity and has the principles of equality, fairness and contribution to commercial success at all levels within the Company. Lion recognises and values the blend of skills, perspectives, styles and attitudes available to the Company through a diverse workforce. Different perspectives in the investment selection process and stronger problem-solving capabilities flow from a diverse workforce.

Workplace diversity in this context includes, but is not limited to, gender, age, ethnicity and cultural background.

Workplace flexibility involves developing people management strategies that accommodate differences in background, perspectives and family responsibilities of staff.

Recommendation 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The small scale of the Board and the nature of the Company's activities make the formal establishment of a performance evaluation strategy unnecessary. Performance evaluation is managed by the Chairman. The Chairman assesses each Board member's performance and the performance of management (including the Chief Executive Officer), the Board as a whole and its committees on an annual basis. This process includes one-on-one and collective meetings.

PRINCIPLE 2: Structure the board to add value

Recommendation 2.1

The board of a listed entity should:

(a) have a nomination committee which:
  1. has at least three members, a majority of whom are independent directors; and
  2. is chaired by an independent director,
  and disclose:
  3. the charter of the committee;
  4. the members of the committee; and
  5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Lion recognises that Recommendation 2.1 of the Principles and Recommendations of the ASX Corporate Governance Council suggests the establishment of a Nomination Committee and associated Charter. However, in view of the small size of Lion's Board, the Board in its entirety, acts effectively as Nomination Committee and there is no need to further subdivide it. As such, a Nomination Committee is an unnecessary measure for Lion.

The Lion Board as a whole reviews the size, structure and composition of the Board including competencies and diversity, in addition to reviewing Board succession plans and continuing development.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Recommendation 2.3

A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

It is a policy of Lion that the Board comprises individuals with a range of knowledge, skills and experience which are appropriate to its objectives.

A summary of the Lion directors' skills and experience is set out below:

Skills and Experience	No. of Lion Directors
Leadership and Governance	
Leadership	4
Corporate Governance	4
Strategy	4
Operations	
Geology & Exploration	1
Infrastructure	2
Engineering	2
Project Delivery	4
Finance & Risk	
Accounting	2
Finance	3
Acquisitions	4
Risk Management	4
Mining Investment	**4**

Lion's Constitution provides that the number of directors is to be determined by the Board shall not be less than three. As a matter of policy, the Board is comprised of a majority of independent non-executive directors. At present, the Company has four directors – three independent non-executive directors, being Barry Sullivan (who is also the Chairman), Chris Melloy and Peter Maloney, and an executive director, Robin Widdup. The relevant skills, experience and expertise of each director as well as the period of office held by each director are described in the Company's Annual Report.

Corporate Governance Statement

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

The independent and objective judgment of Lion's directors is of paramount importance to the effective operation of the Board. Independence is defined for the purposes of the director as he/she being independent of any business relations, whether managerial or otherwise, with Lion or its actual or potential investments which might interfere with their ability to make sound, unfettered, objective judgments, and act in the best interest of Lion and its shareholders.

The directors' independence is regularly assessed by the Board.

The majority of the Board of Lion are independent non-executive directors.

The executive director, Robin Widdup, is a director of the Manager, which manages Lion's portfolio. To avoid any conflict of interest and in keeping with the Corporations Act, Mr Widdup is not present during any deliberations concerning Lion's relationship with the Manager, nor does he vote in relation to such matters.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

To accord with good corporate governance practices and in step with our objective of diversification of Board representatives, the roles of Chairman and Chief Executive Officer have been segregated.

Recommendation 2.6

A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The directors of the Board are specifically and individually selected for their diverse skills and knowledge already acquired through their education, professions, experience, positions held and ongoing exposure to industry.

Nomination, Appointment and Retirement of Directors

If a vacancy occurs or if it is considered that the Board would benefit from the services and skills of an additional director, the Board selects a panel of candidates with appropriate expertise and experience and, after assessment, appoints the most suitable candidate.

Lion's Constitution requires that directors appointed by the Board submit themselves for re-election at the first meeting of shareholders following their appointment. Whilst directors are not appointed for a fixed term, under the Constitution, one-third of the directors (excluding any Managing Director) must retire by rotation each year and submit themselves for re-election by shareholders.

Directors' Access to Professional Advice

In the discharge of their duties, directors have the right to seek independent professional advice at the expense of the Company subject to the prior approval of the Chairman.

Please see comments under ASX Principle 8 with respect to the performance evaluation of the board, its committees and individual directors.

PRINCIPLE 3: Act ethically and responsibly

Recommendation 3.1

A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees; and
(b) disclose that code or a summary of it.

The Company's code of conduct is as follows:

> **The highest standards of corporate governance practice and ethical conduct must be upheld by all directors and employees of both the Company and the Manager.**

All directors and employees of the Company must, and the directors must ensure that the Manager and its employees, preserve the highest standards of integrity, accountability and honesty in their dealings, operating in strict adherence to statutory and ethical obligations. All such individuals are to be mindful and respectful of relevant policies and responsibilities, must avoid all conflicts of interest or, where a conflict is able to be managed, must speak with the Chairman about how the conflict should be managed (who will consult with the board of directors if necessary). Where there is uncertainty about whether a conflict exists, all directors and employees are encouraged to discuss the relevant circumstances with the Chairman. All concerns about a breach of this code are to be reported to the Chairman (who will in turn consult with the board).

The Company's practices are to be stringently monitored by the Board, while the Board itself must adhere to the principles of its charter and uphold a high standard of independence, objectivity and openness in its dealings and relationship with shareholders and the management team.

The Shareholder Communications Strategy, the Securities Trading Policy, and the Continuous Disclosure Policy, which collectively form a solid ethical foundation for company practices, must be complied with at all times.

Securities Trading Policy

The Company's securities trading policy is as follows:

Introduction
As a result of the nature of the business of Lion and the Manager, directors, officers and other employees of Lion and the Manager will be in possession of information regarding a wide range of small and medium sized exploration and mineral production companies. From time to time some of this information may be classified as "inside" information. They may also be aware of potential transactions between small and medium sized exploration companies and other companies.

- The Manager has a management contract with Lion, and also has management contracts with private funds African Lion and Asian Lion.
- Lion and the Manager will continue to be in the possession of information on a variety of small companies which at times may be insider information.
- The Manager maintains a parallel Securities Trading Policy which applies to all employees and directors of the Manager.
- Office space is shared by Lion and the Manager.

1. **The Policy and Procedures are designed to prevent the possibility of any actual or perceived:**
   - conflict of interest between the Manager and Lion; and
   - insider trading by the directors and employees (and related parties) of Lion. The policy extends to include investments for, or on behalf of the relevant director or employee, spouse, an associated company or trust, or any other related person, company or entity (related parties).
2. **Summary of the insider trading prohibitions in the Corporations Act**

   Meaning of insider and inside information
   For the purposes of the insider trading provisions of the Corporations Act, a person is an "insider" if the person possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of securities ("inside information") and the person knows, or ought reasonably to know that the information is inside information.

   Information is taken to be generally available if it:
   - consists of readily observable matter; or
   - has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose prices might be affected by the information and since it was so made known, a reasonable period for it to be disseminated among such persons has elapsed; or
   - consists of deductions, conclusions or inferences made or drawn from such information.

   A reasonable person is taken to expect information to have a material effect in the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the relevant securities.

   What activities are prohibited under the Corporations Act?
   The Corporations Act prohibits an insider from "trading" or "procuring" another person to trade in relevant securities and from "tipping" another person in relation to the relevant securities, whether as principal or agent.

   (a) **Trading** means to subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell any such relevant securities;

   (b) **Procuring** includes to incite, induce or encourage another person to trade in the relevant securities; and

   (c) **Tipping** means to communicate directly or indirectly inside information (or to cause the inside information to be communicated) to another person where the insider knows, or ought reasonably to know, that the other person would or would be likely to trade or procure a third person to trade in the relevant securities.
3. **Supervisory Procedures**

   To assist in the adherence to this policy, the Lion Board will:
   - ensure all directors, officers and employees of Lion are familiar with these policies and procedures;
   - review on a regular basis and update as necessary, these policies and procedures;
   - seek declarations of interests at each regular Board meeting; and

- review the trading activity of each director and employee from time to time, including trading for or on behalf of the relevant director or employee, a family member (spouse or minors only), company or trust, or any other person, company or entity, and whether directly, or through a stockbroker or other intermediary.

Each director, officer and employee of Lion will annually provide the Company Secretary with a statement that they are aware of this policy (or update), and have adhered to it for the prior 12 month period.

4. Compliance Procedures

The compliance procedures are as follows:

(a) Directors and employees of Lion (and their related parties) are not to invest in or otherwise trade in the securities of:

- small and medium sized exploration and mining companies, (other than Lion);
- any company in which Lion, or any funds managed by the Manager, may have a material business transaction or association with or where such a transaction or association is being contemplated;
- any Investee Company of Lion, or any funds managed by the Manager.

For the purposes of this policy:

- a small and medium company is defined as one with a market capitalisation of less than A$250 million at the time of investment;
- material transaction or association means one which may be reasonably expected to have a material financial effect;
- Investee Company means any company in which Lion, or any funds managed by the Manager has, or is, contemplating an interest;
- additionally, all employees of Lion, prior to making a transaction in the resource sector, must make reasonable enquiries to ensure they are in compliance with this policy.

(b) Directors and employees of Lion must submit to the Lion Board a list of the names of resource companies with a market capitalisation below A$250 million (at time of purchase or have subsequently become) which were existing investments of that individual or a related party before the Compliance Procedures were enacted or in which the individual or related party held shares prior to becoming an employee of Lion.

(c) The sale of investments which apply to 4(b) above must be approved in advance by the other Lion Directors.

(d) In special circumstances:

(i) following approval by the other Lion Directors, directors or employees of Lion may acquire new shares in Investee Companies (e.g. floats, rights issues and placements) but not existing shares;

(ii) following approval by the other Lion Directors, directors or employees of Lion may acquire shares through rights issues or placements on a pro-rata basis, in small and medium sized exploration and mining companies (normally only if that individual has a pre existing interest);

and

(iii) in the case of 4(d) above, individuals can sell following approval of the other Lion Directors.

If there is a Lion employee or director on the Board of the Investee Company each sale must follow the approval of that Board member.

(e) (i) With respect to the purchase and sale of shares in Lion by Lion employees or directors, transactions must only be in windows (as defined below) following quarterly reports, half yearly and full yearly financial results announcements, and the Annual General Meeting provided always that the person is not in receipt of inside information. Approval for Lion employees or directors to buy or sell shares in Lion to be given by one of the Directors of Lion.

For this purpose, a window is defined as commencing the day after each relevant event or announcement, and ending 20 business days after that date.

(ii) With respect to the purchase and sale of shares in Lion by Lion directors or employees outside the windows defined in 4(e)(i), prior approval to be given by the Lion Board.

5. Notification Requirements

All details of transactions above must be immediately submitted to the Lion Board and recorded in the register. The register is to be updated by the Lion Company Secretary.

6. **Securities Trading Policy – Voluntary 3 Month Rule**

   The following proposal is an addition to the existing Policy but is a voluntary section not requiring notification or record keeping with the Lion Company Secretary.

   3 Month Rule
   - All listed investments must be held for a minimum of 3 months.

   Philosophy
   - Lion has an investment culture not a trading culture and should look to buy and hold for a medium to long term.
   - Individuals should not be active in non-Lion trading activities, during work time.

Ethical Policies

Lion's policies on indigenous communities, the environment and social governance are as follows:

Local Indigenous Communities
Lion's policy is that developments of investees are not exploitative of local and indigenous communities and must assist local communities such through symbiotic project development. Investees are to have a focus on health, education and employment of indigenous people near to investee companies' development projects.

Environment

Lion's policy is that the environmental impact of developments be in line with country/international standards and not adversely impact local communities' geology/economy.

Statement of Social Governance

It is the Company's objective to achieve sustainable economic and social benefits to the communities in which mineral activity takes place by:

- recognising local realities and concerns;
- promoting dialogue and participation;
- building social and economic capital; and
- integrating activities locally and regionally.

To achieve its social governance objectives, the Company considers the following areas of activity:

- Exploration/access to land and resources.
- Project development and governance of mining and processing activity.
- Rent (royalty, tax etc) capture and distribution.
- Stewardship of water, biodiversity and energy use.
- Waste management.
- Social and environmental aspects of mine closure.

Subsequent stages of metals trade, smelting and refining may often be beyond the influence of the Company.

PRINCIPLE 4: Safeguard integrity in corporate reporting

Recommendation 4.1

The board of a listed entity should:

(a) have an audit committee which:
   1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
   2. is chaired by an independent director, who is not the chair of the board,

   and disclose:

   3. the charter of the committee;
   4. the relevant qualifications and experience of the members of the committee; and
   5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company's audit committee charter is as follows:

Charter of the Lion Audit Committee

Scope and Authority

The primary function of the Lion Audit Committee is to assist the Board of directors in fulfilling their responsibilities by reviewing:

- the financial information that will be provided to shareholders and the public;
- the systems of internal controls that the Board and management have established; and
- the Company's auditing, accounting and financial reporting processes.

In carrying out its responsibilities the Committee has full authority to investigate all matters that fall within the terms of reference of this charter. Accordingly, the Committee may:

- obtain independent professional advice in the satisfaction of its duties at the cost of the Company; and
- have such direct access to the resources of the Company as it may reasonably require, including the external auditors.

Composition

- The Audit Committee shall comprise three non-executive directors. The Board will determine each director's independence having regard to any past and present relationships which, in the opinion of the Board, could influence the director's judgment.
- The chair of the Audit Committee will be an independent non-executive director who is not chair of the Board.
- All members of the Committee shall have a working knowledge of basic finance and accounting practices. At least one member of the Committee will have accounting or related financial management expertise, as determined by the Board.
- A quorum will comprise any two Committee members.
- The Committee may invite the external auditor and members of the management team and Board of directors to attend the meetings and to provide information as necessary.

Meetings

- The Committee shall meet not less than two times a year or more frequently as circumstances require. Audit Committee minutes will be approved by members of the Committee at the following meeting of the Committee and tabled as soon as practicable at a meeting of the Board.
- The Company's senior financial management and external auditors shall be available to attend all meetings.
- As part of its responsibility to foster open communication, the Committee should meet separately with management and the external auditors, at least annually, to discuss any matters that are best dealt with privately. The Committee should be available to meet with the external auditor if required.

Responsibilities

- The Board and the external auditors are accountable to shareholders. The Audit Committee is accountable to the Board.
- To fulfil its responsibilities the Committee shall:

Review of Charter

- Review and, if appropriate, recommend to the Board updates to this Charter at least annually.

Financial Reporting

- Review with management and the external auditors the financial statements and ASX releases in respect of each half year and full year financial result, and make recommendations to the Board in relation to such financial statements and ASX releases.
- Review with management and the external auditors the accounting policies and practices adopted by the Company and their compliance with accounting standards, ASX listing rules and relevant legislation, and recommend to the Board any appropriate changes to the accounting policies and practices.
- Discuss with management and the external auditors management's choice of accounting principles and material judgments, including whether they are aggressive or conservative and whether they are common or minority practices and make recommendations to the Board in relation to such accounting principles and judgments as appropriate.
- Recommend to the Board that the annual financial statements reviewed by the Committee be included in the Company's annual report.

Internal Financial Controls

- Review any reports prepared by the external auditor including the effectiveness of the Company's internal financial controls.
- Assess management's programs and policies which deal with the adequacy and effectiveness of internal controls over the Company's business processes.
- Approve changes to the Company's formal accounting policies and monitor their implementation.
- Review jointly with management, the external auditors and if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, which could have a material effect on the financial position or operating results of the Company.
- Review and assess compliance monitoring programs in place within the Company, in relation to financial controls.

External Audit

- Recommend to the Board the external auditor to be proposed to shareholders.
- Review with the external auditor the planned scope of their audit and subsequently their audit findings including any internal control recommendations.
- Periodically consult with the external auditor out of the presence of management about the quality of the Company's accounting principles, material judgments and any other matters that the Committee deems appropriate.
- Review the performance of the external auditor.
- Review and recommend the fees and other compensation to be paid to the external auditors.
- Ensure that the external auditor submits a written statement outlining all of its professional relationships with the Lion Group including the provision of services that may affect their objectivity or independence. Review and discuss with the external auditors all significant relationships they have with the Company to determine their independence and its investees.

Risk Management

- Assess the adequacy of the Company's insurance program.
- Review the Company's internal controls in relation to financial risk.

Other Matters

- The Committee shall also perform any other activities consistent with this Charter that the Committee or Board deems appropriate.

The current members of the Audit Committee are Peter Maloney, Chris Melloy and Barry Sullivan with Peter Maloney being the chair. Details of the number of meetings of the Audit Committee held during the year and the attendees at those meetings are included in each Annual Report.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Prior to approval of any financial statement for a financial period, the Chief Executive Officer of Lion (who is also responsible for the financial reports of the company) provides to the Lion Board a declaration in accordance with Section 286 of the Corporations Act which also accords with Recommendation 4.2

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The external auditor of Lion is duly represented at the company's Annual General Meeting and is available to answer questions from shareholders which are relevant to the audit.

PRINCIPLE 5: Make timely and balanced disclosure

Recommendation 5.1

A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
(b) disclose that policy or a summary of it.

Lion's continuous disclosure policy is as follows:

Continuous Disclosure Policy

Lion and the Manager are committed to continuous disclosure of material information as a means of promoting transparency and investor confidence. The practices of Lion are fully compliant with the ASX Listing Rules, including in particular those regarding continuous disclosure.

Lion will immediately notify the market of any information concerning itself which is not subject to the exceptions in Rule 3.1A of the ASX Listing Rules and which a reasonable person would expect to have a material effect on the price or value of Lion's securities.

The Chief Executive Officer and the Company Secretary of Lion (together, 'Management'), are responsible for the regular review of Lion's affairs to ensure that any relevant information is promptly announced to the ASX. Management is well aware of its legal responsibilities regarding continuous disclosure under the ASX Listing Rules. Management ensures that the processes governing the review and release of material information ensures compliance with these obligations, and that information is released in an efficient and consistent fashion. Where there is any disagreement or ambiguity as to the release of particular information, members of management will consult the full Board. Events such as trading halts, if they occur, will be arranged by the Management.

Release of material information to the ASX is conducted by Lion's Company Secretary. Where the ASX contacts Lion, for example in the event of unusual share price fluctuations, communications are managed by the Company Secretary.

The Company expects listed investee companies to adopt and adhere to the same standards of continuous disclosures.

PRINCIPLE 6: Respect the rights of security holders

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

In addition to the management and investment services the Manager provides to Lion, it also provides comprehensive investor relations services which are reviewed annually by the Lion board. Both the Lion board and the Manager are mindful of the importance of not only providing information, but also encouraging and enabling two-way communication between the Company and its shareholders.

The Company's shareholder communications strategy is as follows:

Shareholder Communications Strategy

Lion places great importance on the communication of accurate and timely information to its shareholders and market participants. Lion recognises that efficient and continuous contact between the Company and the interested public, and particularly with shareholders and their representatives, is an essential part of earning the trust and loyalty of shareholders, building shareholder value and allowing shareholders to make informed decisions regarding their investment in Lion. Lion encourages shareholder participation at general meetings and welcomes regular contact with its shareholders.

From time to time members of the Lion Board and Manager meet with shareholders and analysts. Presentations made to those persons are published in the Investor Relations section of the Company's website and released to the market via the ASX if they contain information that may be price sensitive and is not already publicly available.

www.lionselection.com.au

ASX announcements, quarterly reports, presentations, notices of meetings and explanatory material are posted to Lion's website regularly. Other information on the site includes details of Lion's investment portfolio, Lion's share price, information about the Company and its governance, information from the Annual General Meeting and regular updates to investors as well as links to the share registry and other sites of interest.

Share Registry

Lion's register of shareholders is maintained by Computershare Investor Services Pty Limited.

Lion shareholders with internet access can view and update their holding, change their address details or elect to receive company communications by logging on to the Computershare website and accessing the Investor Centre. Alternatively, the Registrar for Lion at Computershare can be contacted by mail, phone or fax.

PRINCIPLE 7: Recognise and manage risk

Recommendation 7.1

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:
1. has at least three members, a majority of whom are independent directors; and
2. is chaired by an independent director, and disclose:
3. the charter of the committee;
4. the members of the committee; and
5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Recommendation 7.2

The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

In view of the small size of Lion's Board, the Board in its entirety acts, effectively, as a committee to oversee risk and there is no need to further subdivide it.

Lion is a specialist investor in listed and unlisted mining and exploration companies and assets and its major business risk is the performance of these companies and assets. Risks associated with the exploration and mining industry include geological, technical, political, title and commodity pricing risks.

The main areas of business risk to the Company arise from:

- failure of an investee company due to one or a number of the above causes;
- downturn in the stock market; and
- changes to the law – corporations/taxation legislation.

Individual investments each have their own risks which relate to the mining industry generally. Under the guidance of the Lion board, Manager has established procedures relating to investment and divestment decisions, and management of investments with emphasis on risk assessment. The Manager reports through monthly reports and at Board meetings on Lion's investments and related risk.

The Board aims to reduce investment risk through diversifying investments geographically and avoid over dependence on a single commodity, investee company or country. In certain circumstances the Board may elect to have higher concentrations of the Company's portfolio in a particular commodity, investee company or country if the anticipated rewards merit this approach.

Recommendation 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Lion has no internal audit function. The Lion board and Audit Committee are responsible for establishing and maintaining an internal control structure. This structure is documented and periodically reviewed with the CEO.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The activities of Lion are subject to risks that can adversely impact its business and financial condition. Risks and uncertainties are described in the Company's Annual Report.

PRINCIPLE 8: Remunerate fairly and responsibly

Recommendation 8.1

The board of a listed entity should:

(a) have a remuneration committee which:
   1. has at least three members, a majority of whom are independent directors; and
   2. is chaired by an independent director,
   and disclose:
   3. the charter of the committee;
   4. the members of the committee; and
   5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Corporate Governance Statement

Compensation Arrangements and Remuneration Committee

Due to the small size of the Lion Board and the fact that remuneration matters are monitored by the Board in its entirety, the Board believes a separate Remuneration Committee is unnecessary and inappropriate.

Neither the Executive Director nor Chief Executive Officer receives any remuneration from the Company, but are paid by the Manager, which receives fees from the Company as per the Management Agreement. Additionally, remuneration matters for the Company predominantly relate to the remuneration paid to the Manager, something which is addressed by a set formula in the Management Agreement.

Lion's Constitution stipulates that the aggregate remuneration available for division amongst the non-executive directors is determined by the shareholders in general meeting. With shareholder approval, the aggregate was increased to $200,000 per annum commencing 1 August 2011. This amount, or some part of it, is divided among the non-executive directors as determined by the Board. At present the aggregate annual remuneration paid to non-executive directors is $132,000.

D&O Insurance and Indemnity

The Company maintains a Directors and Officers and Company Reimbursement Insurance Policy.

An indemnity agreement has been entered into between Lion and each of the directors of the Company and with the Chief Executive Officer and the Company Secretary. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

Performance Evaluation

The small scale of the Board and the nature of the Company's activities make the formal establishment of a performance evaluation strategy unnecessary. Performance evaluation is managed by the Chairman. The Chairman assesses each Board member's performance and the performance of management (including the Chief Executive Officer), the Board as a whole and its committees on an annual basis. This process includes one-on-one and collective meetings.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Lion does not have an equity based remuneration scheme.

Director's Report

The Directors of Lion Selection Group Limited ('Lion' or 'the Company') submit their report on the operations of the Company for the financial year ended 31 July 2018.

At the date of this report, Lion had 150,134,879 fully paid ordinary shares on issue and 15,720,958 options on issue with an exercise price of $0.50 per share and expiry of 12 April 2020.

Directors
The following persons were directors of Lion during the financial year and up to the date of this report:

- Barry Sullivan
  Non-Executive Chairman
- Peter Maloney
  Non-Executive Director
- Chris Melloy
  Non-Executive Director
- Robin Widdup
  Director

Principal Activities
During the financial year the principal continuing activities of the Company were investment in mining and exploration companies.

Operating and Financial Review
This financial report is prepared in accordance with Australian Accounting Standards and therefore includes the result of the 'mark-to-market' of the Company's investment portfolio in both the Statement of Comprehensive Income and the Statement of Financial Position.

The Company's loss before tax for the year was $11.8 million (2017 loss: $0.9 million). This includes a realised loss from the sale of investments and an unrealised loss from mark to market movements in its investment portfolio recognised in the Statement of Comprehensive Income as set out in the table below.

The result for the year reflects a mark to market loss of $10.4 million with respect to investments, with key movements in the portfolio value outlined below:

- A decrease in the value of Lion's holding in Nusantara Resources of $6.5 million reflecting a weak share price following the company's IPO as the market awaits the anticipated Awak Mas definitive feasibility study (DFS) and funding strategy.
- A decrease in the value of Lion's holding in Erdene Development Corporation of $3.9 million. Having benefited from an in-progress discovery at Bayan Khundii during late 2016 / early 2017, investor interest in the latter half of 2017 was impacted by political uncertainty in Mongolia, and a transition from discovery phase to assessment phase, which often results in share price softening.
- An increase in the value of Lion's holding in One Asia of $2.2 million following the resolution of the Pani IUP dispute in December 2017 allowing work to recommence on the Pani Gold Project, followed by Lion's acquisition of One Asia's 33.3% Pani Joint Venture interest in April 2018.

➔

	2018 $'000	2017 $'000
Gains/(Loss) attributable to movement in fair value of investments		
Mark to Market adjustment for period – investments realised during period	**(56)**	(34)
Mark to Market adjustment for period – investments held at end of period	**(10,326)**	210
Gains/(Loss) attributable to movement in fair value of investments	**(10,382)**	176
Results of Investments Realised During Period		
Sales Proceeds	**650**	133
Historical Cost of sales	**(5,906)**	(2,615)
Gross profit/(loss) measured at historical cost on investments realised	**(5,256)**	(2,482)
Represented by:		
Mark to Market recognised in prior periods	**(5,200)**	(2,448)
Mark to Market recognised in current period	**(56)**	(34)
	(5,256)	(2,482)

Gross profit/ (loss) on investments realised during the period includes mark to market adjustments realised in the current period as well as mark to market adjustments recognised in the Statement of Comprehensive Income in prior periods as set out in the table above.

Director's Report

Lion's directors believe it is important for shareholders that its financial statements and this report explain both the effect of realisation of its investments and mark to market of its investments on its results for the year. Based on historical cost, Lion made a loss of $3.6 million on its investment in Verdant Mining. This loss reflected the inability of Verdant to finance its phosphate project in Northern Territory due to challenges in the phosphate market. In addition, Lion made a loss of $1.7 million with respect to Manas Resources reflecting the inability to finance its Shambesai Gold Project in Kyrgyzstan, with Manas selling the project in 2017.

In April 2018 Lion acquired One Asia's 33.3% interest in the Pani Joint Venture in Sulawesi, Indonesia. The transaction involved Lion issuing 35,750,000 Shares and 23,833,333 Options to One Asia, with One Asia distributing 34,750,000 Shares and 23,166,666 Options by way of an in specie equal capital return to One Asia Shareholders in proportion to their respective interests in One Asia. Lion held approximately 35% of the issued share capital of One Asia, and accordingly received 12,168,562 Lion shares and 8,112,375 Lion options in One Asia's capital return that were cancelled upon receipt.

Lion has been involved with the Pani project since 2012 when Lion made its first investment into One Asia. One Asia published a Mineral Resource Estimate (MRE) of 90Mt at 0.82g/t for 2.4 million ounces of gold based on a 0.2g/t cut-off (3 December 2014)[1]. Technical work on the project is accelerating again following settlement of a long running dispute with respect to ownership of the Pani project dating back to December 2013. Lion would like to acknowledge the outstanding contribution of its 66.6% partner in the Pani Joint Venture, Provident Capital, in resolving the ownership dispute. In the opinion of the Lion team, Pani is shaping up as the best gold discovery that Lion has been involved with since its inception in 1997. The understanding of Pani will unfold as the project is put through the rigours of various studies, however at this early stage three key factors are apparent at Pani which point towards a large and low cost new gold mine:

- Exceptionally thick and continuous gold mineralisation;
- Minimal overburden;
- Early test work indicating very high heap leach recovery.

At 31 July 2018 the Company held investments valued at $46.7 million (31 July 2017: $39.9 million), and cash of $1.5 million (31 July 2017: $3.5 million).

In October 2017 Lion completed a capital raising, comprised of a placement and share purchase plan. Proceeds of the placement and SPP totalling $5.5 million strengthened Lion's cash position to enable opportunistic participation in deal flow in junior miners.

During the year the company made new or follow-on investments totalling $6.4 million as follows:

Purchases:	**million**
EganStreet Resources	$2.6
Pani JV	$1.6
Nusantara Resources	$1.5
African Lion 3	$0.4
Other Investments	$0.3
	$6.4

Sales:	
Manas Resources Limited	$0.2
Verdant Minerals Ltd	$0.5
	$0.7

Dividends

No dividend was declared or paid during the year (2017: Nil).

Compliance with Environmental Regulations

Lion has a policy that environmental impacts of developments of investees are in line with country/international standards and do not adversely impact local communities.

Lion has not been notified by any investee of any environmental breach by any government or other agency, and is not aware of any such breach.

Significant Changes in the State of Affairs

There were no significant changes in the State of Affairs of the Company.

1. Refer to One Asia Resources Limited news release dated 3 December 2014 (https://www.lionselection.com.au/wp-content/uploads/2018/08/PANI%20JORC%20RESOURCE.pdf).

Summary of the mineral resources at a cut-off grade of 0.2g/t is tabulated below:

Classification	Tonnes (Mt)	Au Grade (G/T)	Au (Million Oz)
Measured	10.8	1.13	0.39
Indicated	62.5	0.81	1.63
Inferred	16.2	0.67	0.35
Total	**89.5**	**0.82**	**2.37**

Director's Report

Significant Events after Balance Date
There has not arisen in the interval between the end of the year and the date of this report, any item, transaction or event of a material or unusual nature which has or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Proceedings on Behalf of the Company
No proceedings have been brought or intervened in or on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

Likely Developments and Future Results
The Company's future operating results will depend on the results of its investments. The Company's ability to sustain profits is dependent on future sales of investments which in turn are dependent on market opportunities and the performance of the Company's various investments, which are difficult to predict.

There are a wide variety of risks associated with the mining and exploration industry including market conditions, exploration, operational and political risk, tenure of tenements, liquidity and native title issues. Because of the vagaries of the mining and exploration industry and the long term nature of most of Lion's investments, the directors are unable to predict future results.

Corporate Governance Statement
In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Lion support the applicable principles of good corporate governance. The Company's corporate governance statement can be found in the Investor section of our website www.lionselection.com.au.

Employees
At 31 July 2018 there was 1 full time equivalent employee of the Company (2017: 1 FTE).

Remuneration Report
All disclosures in this remuneration report have been audited. This remuneration report outlines the director and executive remuneration arrangements of the Company as required by section 308 (3C) of the Corporations Act 2001. For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director, and includes the executive employed by the Company considered to meet the definition of key management personnel.

Key Management Personnel Remuneration Framework
Emoluments of individual Board members and other key management personnel are determined on the basis of market conditions and the level of responsibility associated with their position. The emoluments are not specifically related to company performance and there are no long-term or short-term performance-related incentives provided to key management personnel. Remuneration and other terms of employment for key management personnel are formalised in either service agreements or employment contracts.

The remuneration policy in relation to directors is determined by the full Board. Remuneration of other key management personnel is determined by the directors of the Company. Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. As approved by shareholders at the Annual General Meeting held on 1 December 2011, the maximum aggregate amount, including superannuation contribution, that may be paid to directors of the Company as remuneration for their services is $200,000 for any financial year.

Other key management personnel receive a base salary and superannuation contributions in accordance with Australian superannuation guarantee legislation.

Lion's only contracted executive, Ms Jane Rose, is employed under an employment contract with no fixed duration. The contractual notice period under this agreement is 3 months with no termination benefit specified in the agreement. The other Key Management Personnel are not subject to any notice period or termination benefit with respect to their positions with the Company.

The remuneration policy of the Company with respect to directors and other key management personnel provides for Director's & Officer's (D&O) Insurance cover, but does not provide options, shares, loans or any other non-monetary benefits.

Voting and Comments at the Company's 2017 Annual General Meeting
The Company received more than 99% of 'yes' votes on its Remuneration Report for the previous financial year. The Company did not receive any specific feedback at the Company's 2017 Annual General Meeting on its remuneration practices.

Details of Remuneration
Details of remuneration paid/payable to directors and the other key management personnel of the Company are detailed in the table on page 31. The benefits provided to Key Management Personnel are fixed with no at-risk components of remuneration.

KEY MANAGEMENT PERSONNEL OF THE COMPANY – REMUNERATION FOR YEAR TO 31 JULY 2018

2018		SHORT TERM BENEFITS		TERMINATION BENEFITS	POST-EMPLOYMENT SUPERANNUATION	TOTAL
		SALARIES/ FEES	CASH BONUS			
NAME	NOTES	$	$	$	$	$
Directors						
B J K Sullivan		47,440	-	-	4,525	**51,965**
P J Maloney		15,000	-	-	25,000	**40,000**
C Melloy		15,000	-	-	25,000	**40,000**
R A Widdup	(a)	-	-	-	-	**-**
Other Key Management Personnel						
C K Smyth	(a)	-	-	-	-	**-**
J M Rose		86,055	-	-	8,175	**94,230**
Total		**163,495**	**-**	**-**	**62,700**	**226,195**

2017		SHORT TERM BENEFITS		TERMINATION BENEFITS	POST-EMPLOYMENT SUPERANNUATION	TOTAL
		SALARIES/ FEES	CASH BONUS			
NAME	NOTES	$	$	$	$	$
Directors						
B J K Sullivan		44,255	-	-	7,706	**51,961**
P J Maloney		10,417	-	-	29,583	**40,000**
C Melloy		5,833	-	-	34,167	**40,000**
R A Widdup	(a)	-	-	-	-	**-**
Other Key Management Personnel						
C K Smyth	(a)	-	-	-	-	**-**
J M Rose		86,055	-	-	8,175	**94,230**
Total		**146,560**	**-**	**-**	**79,631**	**226,191**

(a) R A Widdup and C K Smyth are employed by Lion Manager Pty Ltd, and do not receive any remuneration from the Company

Both Mr R A Widdup and Mr C K Smyth are executive directors and beneficial owners of Lion Manager Pty Ltd and have the capacity to significantly influence decision making of that company. Lion Manager provides management and investment services to Lion. These arrangements were approved by shareholders at Lion's AGM on 5 December 2012, with ongoing management fees of 1.5% p.a. based on the direct investments under management, currently equating to $645,000 per annum plus GST. There is an incentive applicable which would apply where Lion's performance outperforms a benchmark. In addition, up to a 12 month termination fee may be applicable should Lion seek to terminate the management agreement. Further details of the Management Agreement are set out in the Notice of Meeting for the 2012 AGM, available on Lion's website. As at the date of this report no incentive fee had accrued with respect to the Lion Manager contract.

In addition, from 1 August 2013 Lion has requested Lion Manager provide comprehensive Investor Relations services associated with Lion's ASX listing for $12,500+ GST per month for twelve months. These arrangements are reviewed annually and may be terminated without fee.

KEY MANAGEMENT PERSONNEL SHAREHOLDINGS

At the date of this report the direct and indirect interests of the directors and other key management personnel in the ordinary shares and options of Lion are detailed below. No shares or options were issued as remuneration.

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL OF THE COMPANY

NAME	BALANCE 1 AUGUST 2017	SHARES ISSUED AS REMUNERATION	NET CHANGE OTHER	CLOSING BALANCE 31 JULY 2018
Directors				
P J Maloney	1,740,389	-	200,000	1,940,389
C Melloy	4,861,824		700,003	5,561,827
R A Widdup	15,520,428*	-	(795,696)*	14,724,732
B J Sullivan	727,358	-	85,716	813,074
Other Key Management Personnel				
C K Smyth	416,743	-	869,409	1,286,152
J M Rose	-	-	-	-
Total	**23,266,742**	**-**	**1,059,432**	**24,326,174**

* Mr Widdup's shareholding as at 1 August 2017 reflected his relevant interest in the Company including 3,822,351 Lion shares issued to Lion Manager on 27 July 2017 in exchange for US$1,298,644 (A$1,720,058) payable by Asian Lion Limited to Lion Manager. Lion Manager has distributed these shares to its ultimate owners with Mr Widdup's entitlement being determined as 1,256,742 shares. In addition, Mr Widdup purchased a further 1,418,052 shares via the Share Purchase Plan and Share Placement completed in October 2017 and received 351,861 shares by way of in-specie distribution from Lion Manager Pty Ltd conducted on 31 July 2018.

NAME	BALANCE 1 AUGUST 2016	SHARES ISSUED AS REMUNERATION	NET CHANGE OTHER	CLOSING BALANCE 31 JULY 2017
Directors				
P J Maloney	1,740,389	-	-	1,740,389
C P Melloy	4,861,824		-	4,861,824
R A Widdup	11,698,077	-	3,822,351*	15,520,428*
B J Sullivan	727,358	-	-	727,358
Other Key Management Personnel				
C K Smyth	416,743	-	-	416,743
J M Rose	-	-	-	-
Total	**19,444,391**	**-**	**3,822,351**	**23,266,742**

* Mr Widdup's shareholding reflects his relevant interest in the Company including 3,822,351 Lion shares issued to Lion Manager on 27 July 2017 in exchange for US$1,298,644 (A$1,720,058) payable by Asian Lion Limited to Lion Manager. Lion Manager has since resolved to distribute these shares to its ultimate owners with Mr Widdup's entitlement expected to be 1,194,658 shares.

OPTIONS ON ISSUE

NAME	BALANCE 1 AUGUST 2017	OPTIONS ISSUED AS REMUNERATION	EXPIRED	CLOSING BALANCE 31 JULY 2018
Director				
P J Maloney	-	-	-	-
C Melloy	-	-	-	-
R A Widdup	-	-	234,572#	234,572#
B J Sullivan	-	-	-	-
Other Key Management Personnel				
C K Smyth	-	-	117,251#	117,251#
J M Rose	-	-	-	-
Total	**-**	**-**	**351,823**	**351,823**

Mr Widdup and Mr Smyth received options by way of in-specie distribution from Lion Manager Pty Ltd.

Director's Report

Information on Directors

Barry Sullivan
BSc (Min), ARSM, FAusIMM, MAICD
Chairman
Barry Sullivan is an experienced and successful mining engineer with a career spanning 40 years in the mining industry. His initial mining experience was gained in the South African gold mining industry, followed by more than 20 years with Mount Isa Mines. In the final five years of his tenure with MIM, Barry was Executive General Manager responsible for the extensive Mount Isa and Hilton operations.

Barry was previously a non-executive Director and Chairman of Exco Resources and a non-executive Director of Catalpa Resources, Sedimentary Holdings, Bass Metals and Allegiance Mining. He was also a non-executive director of Lion's predecessor company, Lion Selection Limited.

Barry has been a non-executive director of Lion since December 2011, becoming Chairman from 25 February 2016. Barry is also Non-Executive Chairman for EganStreet Resources.

Peter Maloney
BComm, MBA (Roch)
Non-Executive Director
Peter Maloney has broad commercial, financial and management expertise and experience. He has been Chief Financial Officer of Lion and an executive director of Lion Manager. Prior to that he held senior executive positions with WMC Resources and a number of other companies.

Peter holds a Bachelor of Commerce from the University of Melbourne and an MBA from University of Rochester. He has also completed the Advanced Management Program at Harvard Business School.

Peter has been a non-executive director of Lion since December 2010, including serving as Chairman between 1 January 2012 and 24 February 2016.

Chris Melloy
BE (Mining) (Hons), MEngSc, MAusIMM, F Fin
Non-Executive Director
Chris Melloy is a mining engineer with some 40 years' experience in the mining industry in operations, securities analysis and investment. He held senior positions in MIM and JB Were & Son prior to joining Lion.

Chris was an Executive Director of Lion Manager from its inception in 1997 through to 2011, becoming a non-executive director of Lion on 1 November 2012.

Robin Widdup
BSc (Hons), MAusIMM
Director
Robin has over 39 years of industry experience. He graduated from Leeds University in 1975 with an Honours Degree in Geology. From 1986 to 1997 Robin worked as an Analyst and Manager for J B Were & Sons – Resource Research team. Robin founded Lion Selection Group and Lion Manager in 1997.

Robin is Managing Director of Lion Manager Pty Ltd and a non-executive director of Lion investees Nusantara Resources, One Asia and Asian Mineral Resources Ltd.

Other Key Management Personnel

Craig Smyth
BCA (Acctg), M App Fin, CA
Chief Executive Officer
Craig Smyth graduated from the Victoria University of Wellington with a Bachelor of Commerce and Administration, and has completed his Master of Applied Finance at the University of Melbourne. Craig's financial background includes Coopers & Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank. He is currently the CEO of Lion and Executive Director of Lion Manager Pty Limited. Craig is a member of the Institute of Chartered Accountants of Australia and New Zealand.

Craig is a director of PT Pani Bersama Jaya with respect to Lion's investment in the Pani Joint Venture.

Jane Rose
Investor Relations Manager & Company Secretary
Jane Rose commenced work in 1983 as a legal administrative assistant. During the following 12 years, Jane held senior administrative positions with Phillips Fox and Corrs Chambers Westgarth in Melbourne and Nabarro Nathanson in London.

On returning to Australia, Jane worked as Executive Assistant to the Managing Director of Acacia Resources Limited and AngloGold Ashanti Limited where she was also responsible for the management of various corporate initiatives, including marketing and co-ordination of investor relations activities. From 2002 to 2006, Jane worked for several Lion investees, including MPI Mines Ltd, Leviathan Resources and Indophil Resources. Jane worked with Lion in early 2007 to assist with the merger, and she subsequently joined the company in July 2007 as Corporate Relations Manager.

In November 2008 Jane was appointed Company Secretary.

Director's Report

Directors' Meetings
During the year and up until the date of this report, the Company held ten directors' meetings. The table below reflects attendances of the directors at meetings of Lion's Board.

BOARD OF DIRECTORS	ATTENDED	MAX. POSSIBLE ATTENDED
P J Maloney	9	10
R A Widdup	9	10
B J K Sullivan	10	10
C P Melloy	10	10

Audit Committee Meeting
During the year and up until the date of this report, the Company held two audit committee meetings.

The table below reflects attendances of the audit committee meeting.

AUDIT COMMITTEE	ATTENDED	MAX. POSSIBLE ATTENDED
P J Maloney	2	2
B J K Sullivan	2	2
C P Melloy	2	2

Directors' Benefits
Since the end of the preceding financial year, no director has received or become entitled to receive a benefit, other than benefits disclosed in this report as emoluments or the fixed salary of a full time employee of the Company or a related body corporate, by reason of a contract made by the Company or related body corporate with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Indemnification of Directors, Officers and Auditors
An indemnity agreement has been entered into between Lion and each of the Company's directors named earlier in this report and with the Company Secretary. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

Lion has paid an insurance premium of $48,299 in respect of a contract insuring each of the directors, previous directors of the Company, and other key management personnel, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

Auditor Independence
We have obtained an independence declaration from our auditors, PricewaterhouseCoopers, as required under section 307 of the *Corporations Act 2001*. A copy can be found on page 36.

Non-Audit Services
No fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2018. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

Rounding of Amounts
The Company is of a kind referred to in ASIC Instrument 2016/191 relating to the 'rounding off' of amounts in the financial report and Directors' report. Amounts in the financial report and Directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the directors.

B J K Sullivan
Chairman

R A Widdup
Director
Melbourne

Auditor's Independence Declaration

As lead auditor for the audit of Lion Selection Group Limited for the year ended 31 July 2018, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Anthony Hodge
Partner
PricewaterhouseCoopers

Melbourne
6 September 2018

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Lion Selection Group Limited
Directors' Declaration

In accordance with a resolution of the directors of Lion Selection Group Limited, we declare that:

1. In the opinion of the directors:
   (a) the financial statements, notes set out on pages 42 to 59 are in accordance with the *Corporations Act 2001* and other mandatory reporting requirements, including:
      (i) complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
      (ii) giving a true and fair view of the financial position of the Company's position as at 31 July 2018 and its performance for the year ended on that date; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
3. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 July 2018.
4. The directors have been given the declaration by the chief executive officer required by section 295A of the *Corporations Act 2001*.

On behalf of the Board

B J K Sullivan
Chairman

R A Widdup
Director

Melbourne
Date: 6 September 2018

Financial Statements

Statement of Comprehensive Income for the Year ended 31 July 2018

	NOTES	2018 $'000	2017 $'000
Gain/(loss) attributable to movement in fair value	4	**(10,382)**	176
Interest Income		**96**	267
Other Income		**90**	3
Management fees		**(804)**	(804)
Employee benefits		**(223)**	(234)
Other expenses	4	**(576)**	(300)
(Loss)/profit before income tax		**(11,799)**	(892)
Income tax (expense)/benefit	5	**-**	-
Net (loss)/profit after tax		**(11,799)**	(892)
Other Comprehensive Income		**-**	-
Total Comprehensive (Loss)/Income for the year		**(11,799)**	(892)
Attributable to:			
Non-controlling interest		**-**	-
Members		**(11,799)**	(892)
		Cents per share	**Cents per share**
Basic (loss)/earnings per share		**(9.0)**	(0.8)
Diluted (loss)/earnings per share		**(9.0)**	(0.8)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Financial Position as at 31 July 2018

	NOTES	2018 $'000	2017 $'000
Current Assets			
Cash and cash equivalents	13	**1,512**	3,523
Trade and other Receivables	6	**9**	21
Total Current Assets		**1,521**	3,544
Non-Current Assets			
Financial Assets	7	**46,672**	39,903
Other Fixed Assets	8	**27**	34
Total Non-Current Assets		**46,699**	39,937
Total Assets		**48,220**	43,481
Current Liabilities			
Trade and Other Payables	9	**1,905**	1,429
Total Current Liabilities		**1,905**	1,429
Non-Current Liabilities			
Total Non-Current Liabilities		**-**	-
Total Liabilities		**1,905**	1,429
Net Assets		**46,315**	42,052
Equity			
Contributed equity	11	**126,211**	111,490
Reserves	12	**1,341**	-
(Accumulated losses)	10	**(81,237)**	(69,438)
Total Equity		**46,315**	42,052

The above statement of financial position should be read in conjunction with the accompanying notes.

Financial Statements

Statement of Cash Flows for the Year ended 31 July 2018

	NOTES	2018 $'000	2017 $'000
Cash flows from operating activities			
Interest received		**97**	202
Other income received		**90**	-
Payments to suppliers and employees (including GST)		**(1,584)**	(1,330)
Net operating cash flows	13(b)	**(1,397)**	(1,128)
Cash flows from investing activities			
Payments for investments		**(6,771)**	(8,703)
Payments for property, plant and equipment		**(2)**	-
Proceeds from investments		**650**	133
Net investing cash flows		**(6,123)**	(8,570)
Cash flows from financing activities			
Proceeds from issue of shares		**5,529**	-
Payments for cost of share issue		**(21)**	-
Net financing cash flows		**5,508**	-
Net (decrease/increase) in cash and cash equivalents held		**(2,011)**	(9,698)
Cash and cash equivalents at beginning of financial period		**3,523**	13,221
Cash and cash equivalents at end of financial period		**1,512**	3,523

The above statement of cash flows should be read in conjunction with the accompanying notes

Statement of Changes in Equity for the Year ended 31 July 2018

	ISSUED CAPITAL $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL $'000
Balance at 31 July 2016	**109,770**	**-**	**(68,546)**	**41,224**
Total comprehensive income/(loss)	**-**	**-**	**(892)**	**(892)**
Transactions with owners in their capacity as owners				
Issue of new shares	1,720	-	-	**1,720**
	1,720	-	-	**1,720**
Balance at 31 July 2017	**111,490**	**-**	**(69,438)**	**42,052**
Balance at 31 July 2017	**111,490**	**-**	**(69,438)**	**42,052**
Total comprehensive income/(loss)	**-**	**-**	**(11,799)**	**(11,799)**
Transactions with owners in their capacity as owners				
Issue of new securities – Pani acquisition	13,228	1,787	-	**15,015**
Buyback and cancellation of securities – Pani acquisition	(4,015)	(446)	-	**(4,461)**
Issue of new shares – placement/SPP	5,529	-	-	**5,529**
Expenses of issue of new shares	(21)	-	-	**(21)**
	14,721	1,341	-	**16,062**
Balance at 31 July 2018	**126,211**	**1,341**	**(81,237)**	**46,315**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 1. CORPORATE INFORMATION

The financial report of Lion Selection Group Limited ('Lion' or 'the Company') for the year ended 31 July 2018 was authorised for issue in accordance with a resolution of the directors on 6 September 2018. The directors have the power to amend and reissue the financial report.

Lion is a company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Company are described in the Directors' Report. The registered address of Lion is Level 2, 175 Flinders Lane, Melbourne.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Comparative information is reclassified where appropriate to enhance comparability.

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Lion is a for-profit entity for the purpose of preparing the financial statements.

The financial report complies with Australian Accounting Standards.The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for financial assets that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to Lion under ASIC Instrument 2016/191. Lion is an entity to which the class order applies.

Lion meets the qualifying criteria under AASB 10 of an 'investment entity', and entities controlled by Lion (Asian Lion Limited and Lion Selection Asia Limited) do not provide investment related services to the Company. Accordingly, the Company has applied the exemption from consolidating these entities and continues to carry these investments at fair value.

(b) New accounting standards and interpretations

The Company has not changed any of its accounting policies with respect to new and revised accounting standards which became effective for the annual reporting period commencing on 1 August 2017.

New Standards

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2018).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard must be applied for financial years commencing on or after 1 January 2018 but is available for early adoption. The Company has assessed the effects of applying the new standard and has determined that assets currently held as fair value through profit and loss will continue to be carried at fair value with all fair value gains/losses being recognised in profit and loss. The Company will adopt AASB 9 from 1 August 2018.

AASB 16 Leases results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. The standard must be applied for financial years commencing on or after 1 January 2019 but is available for early adoption. As at the reporting date, the Company does not have any leases and does not expect the standard to have an impact. The Company will assess the impact of AASB 16 if it enters into any contracts during 2019. At this stage, the Company does not intend to adopt the standard before its effective date.

Notes to the Financial Statements for the Year ended 31 July 2018

(c) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have an impact on the carrying amounts of certain assets and liabilities are:

(i) Fair value of investments and other financial assets

The Company carries its investments at fair value with changes in the fair values recognised in profit or loss. The fair value of investments and other financial assets that are not traded in an active market is determined based on either the last sale price, or where not available, the market value of underlying investments. Determination of market value involves the Company's judgment to select a variety of methods and in making assumptions that are mainly based on market conditions existing at each balance sheet date. The key assumptions used in this determination are set out in note 2(j).

(ii) Income taxes

Lion is subject to income taxes in Australia. Judgment is required in determining the provision for income taxes and deferred taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Lion recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that sufficient future taxable amounts will be available to utilise those temporary differences and losses. This involves judgment regarding the future financial performance and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognised which can result in a charge or credit in the period in which the change occurs.

(d) Other Income

Other income is recognised to the extent that it is probable that the economic benefits will flow to Lion and the other income can be reliably measured. The following specific recognition criteria must also be met before other income is recognised:

(i) Interest

Income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the fair value of the financial asset.

(ii) Dividends

Dividend income is recognised when the shareholders' right to receive the payment is established.

(e) Cash and cash equivalents

For cash flow statement purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less or that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Notes to the Financial Statements for the Year ended 31 July 2018

(g) Foreign currency translation

Both the functional and presentation currency of Lion is Australian dollars (AUD).

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(h) Income tax (continued)

Income taxes relating to items recognised directly in equity are recognised in equity as part of Other Comprehensive Income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Investments, Other Financial Assets and Investments in Associates

Financial assets in the scope of *AASB 139 Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. Lion is a venture capital organisation, and designates its investments as being fair value through profit or loss. The scope of *AASB 128 Investments in Associates* allows this treatment for venture capital organisations even though the Company may have significant influence in an investee. After initial recognition, investments are measured at fair value, with gains or losses on fair value of investments being recognised in the Statement of Comprehensive Income. The fair value of assets is re-measured at each reporting date. This recognition is more relevant to shareholders and consistent with internal investment evaluation.

The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial assets that are not traded in an active market are determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Investments in controlled entities

During the period the Company held a 100% ownership interest in Asian Lion Limited and Lion Selection Asia Limited and controls these companies. Lion is an investment entity for the purposes of AASB 10 Consolidated Financial Statements, AASB 127 Separate Financial Statements, and AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities.

Notes to the Financial Statements for the Year ended 31 July 2018

(j) Investments, Other Financial Assets and Investments in Associates (continued)

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities is effective for annual periods beginning on or after 1 August 2014, exempting 'Investment entities" from consolidating controlled investees. Investment entities are entities that:

(a) obtain funds from one or more investors for the purpose of providing those investors with investment management services;

(b) commit to their investor(s) that their business purpose is to invest funds solely for returns from capital appreciation, investment income or both, and

(c) measure and evaluate the performance of substantially all of their investments on a fair value basis.

(k) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(l) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless Lion has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) Payables

Payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are recognised when Lion has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(o) Provisions (continued)

When Lion expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(p) Employee leave benefits – Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave that are expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave for which Lion has an unconditional right to defer settlement for at least 12 months after the balance sheet date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example, as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(r) Earnings per share

Basic earnings per share is calculated as net profit, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the segments, has been identified as the Board.

Investments have similar characteristics and so segments are determined on a geographical basis. The company invests only in small and medium mining and exploration companies with gold and base metal activities in Australia, Africa, Asia and the Americas.

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 3. FINANCIAL RISK MANAGEMENT

Lion's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. Lion's overall risk management program is carried out under policies approved by the Board of Directors, and focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Board provides written principles for overall risk management, as well as policies covering specific areas. The Board reviews and agrees policies for managing each of these risks and they are summarised below. Lion also monitors the market price risk arising from all financial instruments.

Lion holds the following financial instruments:

	2018 $'000	2017 $'000
Financial assets		
Cash	**1,512**	3,523
Investments in securities	**46,672**	39,903
Trade and other receivables	**9**	21
	46,376	42,108
Financial liabilities		
Trade and other creditors	**1,905**	1,429
	1,905	1,429

(a) Market risk

(i) Foreign Currency Risk

Lion operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar (USD), including with respect to commitments.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. To mitigate the Company's exposure to foreign exchange risk, non-AUD cash flows are closely monitored.

The Company's post-tax profit is not sensitive to movements in the AUD/USD exchange rate due to limited USD denominated asset holdings.

(ii) Price risk

Lion is exposed to equity securities price risk, with many of the Company's equity investments being publicly traded. This arises from investments held by Lion and classified on the balance sheet as fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company, however from time to time the Company may seek to increase exposure to particular investments. Lion does not hedge its equities securities price risk.

Based on the financial instruments held at the end of the period, if the value of equity securities had increased by 10%/decreased by 10% with all other variables held constant, the Company's post-tax profit for the year would have been $4,485,500 higher/lower (2017: $3,858,600 higher/lower) as a result of gains/losses on equity securities classified as fair value through profit or loss.

(iii) Interest Rate Risk Exposures

Lion is exposed to interest rate risk through its primary financial assets. The interest rate risk exposures together with the effective interest rate for each class of financial assets and financial liabilities at balance date are summarised below. Most assets and liabilities are current, maturing within one year, with the exception of investments in securities, the value of which will be realised at the discretion of the Company. No decision has been made regarding the timing of this realisation.

Notes to the Financial Statements for the Year ended 31 July 2018

2018	FLOATING INTEREST RATE $'000	FIXED INTEREST RATE $'000	NON INTEREST BEARING $'000	TOTAL $'000	AVERAGE INTEREST RATE FLOATING %	AVERAGE INTEREST RATE FIXED %
Financial assets						
Cash – AUD	1,512	-	-	1,512	2.0	-
Bank bills and deposits receivable	-	-	9	9	-	-
Investment in securities	-		46,672	46,672		-
Financial Liabilities:						-
Trade and other creditors	-	-	1,905	1,905	-	-
2017						
Financial assets						
Cash – AUD	3,523	-	-	3,523	2.0	-
Bank bills and deposits receivable	-	-	21	21	-	-
Investment in securities			39,903	39,903		
Financial Liabilities:						
Trade and other creditors	-	-	1,429	1,429	-	-

(b) Credit risk

Lion is exposed to credit risk. Credit risk arises from cash and cash equivalents and deposits with banks as well as credit exposures to counter parties, including outstanding receivables and committed transactions. Lion has a policy of maintaining its cash and cash equivalents with the 'top 4' Australian Banks. For other counter parties, if there is no independent rating, management assesses the credit quality of the party, taking into account its financial position, past experience and other factors. The maximum exposure to credit risk approximates the carrying values as disclosed above.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. Lion manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

(d) Fair value measurements

The Company carries its investments at fair value with changes in value recognised in profit or loss.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted priced (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the reporting date.

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

Recognised fair value measurements

The following tables present the Company's assets and liabilities measured and recognised at fair value for the periods ended 31 July 2018 and 31 July 2017.

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
At 31 July 2018				
Assets				
Financial assets at fair value through profit or loss				
Investments	18,623	11,185	16,864	**46,672**
Total Assets	**18,623**	**11,185**	**16,864**	**46,672**
At 31 July 2017				
Assets				
Financial assets at fair value through profit or loss				
Investments	26,896	10,511	2,496	**39,903**
Total Assets	**26,896**	**10,511**	**2,496**	**39,903**

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on unobservable inputs. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are applied in accordance with the International Private Equity and Venture Capital Valuation Guidelines, including:

- Price of recent investment.
- Net assets, looking through to the underlying assets held through interposed investment vehicles.
- The fair value of unlisted option contracts is determined using a Black Scholes valuation at the reporting date.
- The use of quoted market prices or dealer quotes for similar instruments where available.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Valuation Processes

The Lion Manager includes a team that performs monthly valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. This team reports directly to the Lion Board. Discussions of valuation processes and results are held between the Lion Manager and the Lion Board at least once every six months in line with Lion's half-yearly reporting dates, including changes in level 2 and 3 fair values.

Notes to the Financial Statements for the Year ended 31 July 2018

The following table presents the changes in level 3 instruments for the years ended 31 July 2017 and 31 July 2018.

Investments – Level 3	2018 $'000	2017 $'000
Opening Balance	**2,496**	8,559
Transfers into Level 3 (from level 2)	**-**	(12,236)
Transfers out of Level 3 (to level 2)	**-**	-
Other increases (purchases)	**16,838**	5,095
(Losses)/Gains recognised in profit or loss	**(2,470)**	1,078
Closing balance	**16,864**	**2,496**

The Level 3 balance relates to Lion's investment in One Asia and the Pani Joint Venture. During the period Lion acquired One Asia's 33.3% Pani Joint Venture interest and invested further funds in the company.

Pani Joint Venture

In April 2018 Lion acquired One Asia's 33.3% interest in the Pani Joint Venture in Sulawesi, Indonesia. The transaction involved Lion issuing 35,750,000 Shares and 23,833,333 Options to One Asia, with One Asia distributing 34,750,000 Shares and 23,166,666 Options by way of an in specie equal capital return to One Asia Shareholders in proportion to their respective interests in One Asia. Lion held approximately 35% of the issued share capital of One Asia, and accordingly received 12,168,562 Lion shares and 8,112,375 Lion options in One Asia's capital return that were cancelled upon receipt.

The valuation of Lion's interest in the Pani JV at 31 July 2018 reflects the acquisition value of the interest in the Pani Joint Venture based on the One Asia transaction consideration. In addition, Lion has advanced the Pani Joint Venture US$1,212,000 in further funding.

As at 31 July 2018 Lion's 33.3% interest in the Pani Gold Project was an economic interest with regulatory approval being sought by the Pani Joint Venture to allow for foreign investors to hold equity directly. Subsequent to year end, this regulatory approval was received, and Lion's 33.3% economic interest in the Pani Joint Venture is now being converted into a direct equity ownership interest. In addition, Lion has now appointed representation to the board of the Pani Joint Venture.

One Asia

The valuation of One Asia has been reduced to $0.004/share consistent with One Asia's underlying cash and listed investments. The Lion Board has opted to maintain its investment in One Asia within the level 3 investment category due to the uncertainty in the value of the investment.

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 4. INCOME AND EXPENSES

	2018 $'000	2017 $'000
Gain/(loss) attributable to movement in fair value of investments		
Mark to Market adjustment for year – investments realised during year	**(56)**	(34)
Mark to Market adjustment for year – investments held at end of year	**(10,326)**	210
Gain/(loss) attributable to movement in fair value of investments as recorded in the Statement of Comprehensive Income	**(10,382)**	176

Lion is a long term investor and investment performance generally spans a number of financial periods. Measured on historic cost, gross profit/(loss) on investments realised during the year includes mark to market adjustments realised in the current year as well as mark to market adjustments recognised in the Statement of Comprehensive Income in prior years as set out in the table below.

	2018 $'000	2017 $'000
Results of investments realised during year		
Proceeds from sale of shares	**650**	133
Historical Cost of investment sales	**(5,906)**	(2,615)
Gross profit/ (loss) measured at historical cost on investments realised	**(5,256)**	(2,482)
Represented by:		
Mark to Market recognised in prior periods (including on acquisition)	**(5,200)**	(2,448)
Mark to Market recognised in current year	**(56)**	(34)
	(5,256)	(2,482)

	2018 $'000	2017 $'000
The total comprehensive (loss)/profit is after charging the following other expenses		
Investor Relations	**177**	84
D & O Insurance	**48**	46
Legal Expenses	**151**	17
Depreciation	**9**	9
Corporate overheads	**190**	144
Total other expenses	**576**	300

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 5. INCOME TAX EXPENSE

(a) Statement of Comprehensive Income

	2018 $'000	2017 $'000
Current income tax	-	-
Deferred income tax	-	-
Income tax expense/(benefit) reported in the Statement of Comprehensive Income	-	-
Reconciliation of income tax expense		
Profit/(loss) from ordinary activities before income tax	(11,799)	(892)
Prima facie tax thereon at 30%	(3,540)	(268)
Tax effect of permanent and other differences:		
Non-deductible expenses	-	17
Accounting mark to market movement in the fair value of investments	3,115	(53)
Realised gain/(loss) on sale of investments	(1,577)	(745)
Deductible business related capital expenditure under Section 40-880	-	(33)
Tax benefit not recognised for accounting purposes	2,002	1,082
Total current income tax (benefit)/expense	-	-

(b) Unrecognised temporary differences

A deferred tax asset has not been recognised in the Statement of Financial Position as the benefits will only be realised if the conditions for deductibility and/or recognition set out in Note 2(h) occur.

		2018	2017
Unrecognised temporary differences at 31 July relate to the following:			
Tax losses available – revenue account		11,299	9,864
Tax losses available – capital account		70,052	64,797
Temporary Difference – unrealised investments	Note (i)	43,468	41,671
Accrued Expenses/Other temporary differences		63	68
Unrecognised tax losses and temporary differences at 31 July		124,882	116,400
Potential Tax Benefit @ 30%		37,465	34,920

Note (i) – Temporary difference – unrealised investments
Temporary difference – unrealised investments arises from the difference between the fair value and taxable value of the investment

NOTE 6. RECEIVABLES (CURRENT)

	2018	2017
Sundry Debtors	9	21
Total current receivables, net	9	21

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 7. FINANCIAL ASSETS

	2018 $'000	2017 $'000
Listed investments (at fair value)	**18,623**	35,096
Unlisted investments (at fair value)	**28,049**	4,807
Total non-current financial assets	**46,672**	39,903

Listed shares are readily saleable with no fixed terms, with the exception of 20,802,944 shares acquired in the IPO of Nusantara Resources Limited that are escrowed until 2 August 2019 ($4,368,618).

NOTE 8. OTHER ASSETS (FIXED)

	2018 $'000	2017 $'000
Plant, Property and Equipment – Cost	**79**	77
Accumulated Depreciation	**(52)**	(43)
Total other assets	**27**	**34**

NOTE 9. PAYABLES (CURRENT)

	2018 $'000	2017 $'000
Sundry creditors and accruals	**88**	90
Amounts payable to related body corporate	**1,817**	1,339
Total current payables	**1,905**	**1,429**

Trade and other payables included a net amount payable to Asian Lion. During the year, the Company concluded that disclosing this amount on a gross basis is more meaningful for its users. The prior year balances for trade and other payables and financial assets have therefore been restated to ensure the financial information presented is complete and comparable. There was no impact to the prior year's statement of comprehensive income or net assets arising from this restatement. The loan payable to Asian Lion of $1.8 million (2016 - $1.3 million) is interest free and payable at call.

NOTE 10. RETAINED PROFITS

	2018 $'000	2017 $'000
Movements in retained earnings were as follows:		
(Accumulated losses) at the beginning of the financial year	**(69,438)**	(68,546)
Net profit/(loss) for period	**(11,799)**	(892)
(Accumulated losses) at the end of the financial year	**(81,237)**	(69,438)

NOTE 11. CONTRIBUTED EQUITY

	2018 $'000	2017 $'000
Issued and paid up capital (fully paid)		
Opening Balance	**111,490**	109,770
Shares Issued – Placement/ SPP	**5,529**	1,720
Shares Issued – Pani acquisition	**13,228**	-
Buyback and cancellation of securities – Pani acquisition	**(4,015)**	-
Expenses of Issue of new shares	**(21)**	-
Issued and paid up capital (fully paid)	**126,211**	111,490

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 11. CONTRIBUTED EQUITY (continued)

Share Capital	**2018 SHARES**	**2017 SHARES**
Issued and paid up capital (fully paid)		
Opening Balance	**110,733,981**	106,911,630
Shares Issued	**51,569,460**	3,822,351
Buyback and cancellation of treasury shares	**(12,168,562)**	-
Issued and paid up capital (fully paid)	**150,134,879**	110,733,981

In April 2018 Lion acquired One Asia's 33.3% interest in the Pani Joint Venture in Sulawesi, Indonesia. The transaction involved Lion issuing 35,750,000 Shares and 23,833,333 Options to One Asia, with One Asia distributing 34,750,000 Shares and 23,166,666 Options by way of an in specie equal capital return to One Asia Shareholders in proportion to their respective interests in One Asia. Lion held approximately 35% of the issued share capital of One Asia, and accordingly received 12,168,562 Lion shares and 8,112,375 Lion options in One Asia's capital return that were cancelled upon receipt.

Capital Risk Management

Lion's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. In order to maintain or adjust the capital structure, Lion may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

NOTE 12. OPTION RESERVE

	2018 $'000	**2017 $'000**
Opening Balance	**-**	-
Options Issued – Pani acquisition	**1,787**	-
Buyback and cancellation of securities – Pani acquisition	**(446)**	-
Option Reserve	**1,341**	-

Options	**2018 OPTIONS**	**2017 OPTIONS**
Opening Balance	**-**	-
Options Issued – Pani acquisition	**23,833,333**	-
Buyback and cancellation of treasury shares	**(8,112,375)**	-
Options on Issue	**15,720,958**	-

Under the terms of Lion's purchase of One Asia Resources Limited's 33.3% Joint Venture interest in the Pani Gold Project, Lion issued to One Asia 35,750,000 Lion shares at a deemed price of $0.37 per share and 23,833,333 Lion options at a deemed price of $0.075 per option exercisable to acquire ordinary shares at $0.50 per share, expiring on 12 April 2020.

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purpose of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, term deposits, cash managed by third parties and other bank securities which can be liquidated at short notice, net of outstanding bank overdrafts if applicable.

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

	2018 $'000	2017 $'000
Cash on hand and at bank	**1,512**	3,523

(b) Reconciliation of Net Profit/(Loss) after Income Tax to Net Cash Provided by Operating Activities		
Net (loss)/profit after income tax	**(11,799)**	(892)
Adjustments for non cash income and expense items:		
Movement in fair value of investments (increase)/decrease in assets	**10,382**	(176)
Other non-cash (income)/expense	**11**	(59)
(Increase)/decrease in assets:		
Other receivables	**12**	(10)
(Decrease)/increase in liabilities:		
Payables	**(3)**	9
Net cash flow from operating activities	**(1,397)**	(1,128)

(c) Non-cash investing and financing activities

During 2018 Lion acquired One Asia's 33.3% interest in the Pani Joint Venture in Sulawesi, Indonesia. The transaction involved Lion issuing 35,750,000 Shares and 23,833,333 Options to One Asia, with One Asia distributing 34,750,000 Shares and 23,166,666 Options by way of an in specie equal capital return to One Asia Shareholders in proportion to their respective interests in One Asia. Lion held approximately 35% of the issued share capital of One Asia, and accordingly received 12,168,562 Lion shares and 8,112,375 Lion options in One Asia's capital return that were cancelled upon receipt. In addition, during 2018 Asian Lion Limited transferred investments to Lion at market value of $512,078 (2017: $3,125,772) with an inter-group loan recognised between the parties.

NOTE 14. EARNINGS PER SHARE

	2018 $'000	2017 $'000
(a) (Loss)/earnings used in calculating earnings per share – basic and diluted	**(11,799)**	(892)
	2018 NUMBER	**2017 NUMBER**
(b) Weighted average number of ordinary shares for basic earnings per share	**130,377,770**	106,953,519

The calculation of weighted average number for the diluted earnings per share does not include any potential ordinary shares with respect to options as the options on issue are not considered to be dilutive for the current period (2017: nil).

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 15. COMMITMENTS

Superannuation Commitments

Lion does not have its own superannuation plan. The only commitment to superannuation is with respect to statutory commitments. At balance date, the Company was contributing to various approved superannuation funds at the choice of employees at a minimum rate of 9.5% of salaries paid. Employees are able to make additional contributions to their chosen superannuation funds by way of salary sacrifice up to the age based deductible limits for taxation purposes.

NOTE 16. REMUNERATION OF AUDITORS

	2018 $'000	2017 $'000
(a) Audit Services		
Audit and review of financial reports	**99,079**	84,275
Total remuneration for audit services	**99,079**	84,275

(b) Non-audit Services

No fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2018 (2017: Nil).

NOTE 17. RELATED PARTY DISCLOSURES

(a) Directors and Key Management Personnel

The directors and key management personnel in office during the financial year and up until the date of this report are as follows:

Barry Sullivan	(Non-Executive Chairman)
Peter Maloney	(Non-Executive Director)
Chris Melloy	(Non-Executive Director)
Robin Widdup	(Director)
Craig Smyth	(Chief Executive Officer)
Jane Rose	(Company Secretary)

(b) Lion Manager Pty Ltd Contract

Lion entered into a Management Agreement with Lion Manager Pty Ltd (Lion Manager), under which Lion Manager provides the company with management and investment services. The arrangements were approved by shareholders at Lion's AGM on 5 December 2012, with ongoing management fees of 1.5% p.a. based on the direct investments under management, currently equating to $645,000 per annum plus GST. There is an incentive applicable which would apply where Lion's performance outperforms a benchmark. In addition, up to a 12 month termination fee may be applicable should Lion seek to terminate the management agreement. Further details of the Management Agreement are set out in the Notice of Meeting for the 2012 AGM, available on Lion's website. As at the date of this report no incentive fee had accrued with respect to the Lion Manager contract.

In addition, from 1 August 2013 Lion has requested Lion Manager provide comprehensive Investor Relations services associated with Lion's ASX listing for $12,500 + GST per month for twelve months. These arrangements are reviewed annually and may be terminated without fee.

(c) Key Management Personnel Remuneration	2018 $'000	2017 $'000
Short term employee benefits	**163,495**	146,560
Post-employment benefits	**62,700**	79,631
	226,195	226,191

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 18. MATERIAL INVESTMENTS

	CARRYING AMOUNT		ENTITY OWNERSHIP	
	2018 $'000	2017 $'000	2018 %	2017 %
The Company had direct ownership of the following material investments at year end:				
African Lion 3	**9,006**	9,154	**24**	24
Asian Lion	**1,774**	4,895	**100**	100
Egan Street Resources	**4,862**	2,934	**16**	17
Erdene Resource Development	**2,338**	5,216	**8**	4
Lion Selection Asia	**341**	-	**100**	-
Nusantara Resources	**8,132**	13,179	**32**	32
One Asia	**225**	2,496	**35**	35
Pani Joint Venture	**16,628**	-	**33***	-

Each of the above companies is involved in the mining and exploration industry.

* As at 31 July 2018 Lion's 33.3% interest in the Pani Gold Project was an economic interest with regulatory approval being sought by the Pani Joint Venture to allow for foreign investors to hold equity directly. Subsequent to year end, this regulatory approval was received, and Lion's 33.3% economic interest in the Pani Joint Venture is now being converted into a direct equity ownership interest.

NOTE 19. SEGMENT INFORMATION

Management has determined the Company's segments based on the internal reporting reviewed by the Board to make strategic decisions. The Company provides patient equity capital to carefully selected small and medium mining enterprises. Investments have similar characteristics and so segments are determined on a geographical basis.Lion invests only in mining and exploration companies and projects with gold and base metal activities in Australia, Africa, Asia and the Americas. Information with respect to Geographical Segments is set out below.

2018	AUSTRALIA $'000	AFRICA $'000	ASIA $'000	AMERICAS $'000	UNALLOCATED $'000	TOTAL $'000
Mark to Market adjustment	(754)	(518)	(9,087)	-	-	(10,359)
Segment Income	**(754)**	**(518)**	**(9,087)**	**-**	**186**	**(10,173)**
Segment Expense	-	-	-	-	(1,603)	(1,603)
Segment Result Before Tax	**(754)**	**(518)**	**(9,087)**	**-**	**(1,417)**	**(11,776)**
Segment Assets	4,862	9,648	32,162	-	1,548	48,220
Segment Liabilities	-	-	1,817	-	88	1,905
Other Segment Information						
Assets Acquired during the period	2,606	818	18,362	-	-	21,786
Cash Flow Information						
Net Cash flow from operating activities	-	-	-	-	(1,397)	(1,397)
Net Cash flow from investing activities	(2,172)	(477)	(3,472)	-	(2)	(6,123)
Net Cash flow from financing activities	-	-	-	-	5,508	5,508

Notes to the Financial Statements for the Year ended 31 July 2018

NOTE 19. SEGMENT INFORMATION (continued)

2017	AUSTRALIA $'000	AFRICA $'000	ASIA $'000	AMERICAS $'000	UNALLOCATED $'000	TOTAL $'000
Mark to Market adjustment	936	(5,084)	4,341	(17)	-	176
Segment Income	**936**	**(5,084)**	**4,341**	**(17)**	**270**	**446**
Segment Expense	-	-	-	-	(1,338)	(1,338)
Segment Result Before Tax	**936**	**(5,084)**	**4,341**	**(17)**	**(1,068)**	**(892)**
Segment Assets	3,468	9,348	27,087	-	3,578	43,481
Segment Liabilities	-	-	1,339	-	90	1,429
Other Segment Information						
Assets Acquired during the period	1,032	569	21,636	-	-	23,237
Cash Flow Information						
Net Cash inflow from operating activities	-	-	-	-	(1,128)	(1,128)
Net Cash inflow from investing activities	(953)	(514)	(7,103)	-	-	(8,570)
Net Cash inflow from financing activities	-	-	-	-	-	-

NOTE 20. EVENTS OCCURING AFTER THE REPORTING PERIOD

There has not arisen in the interval between the end of the year and the date of this report, any item, transaction or event of a material or unusual nature which has or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

Independent auditor's report

To the shareholders of Lion Selection Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Lion Selection Group Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 31 July 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 July 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

The principal activities of the Company involve investing in mining and exploration companies through a number of listed and unlisted investments.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the accounting processes and controls and the industry in which it operates.

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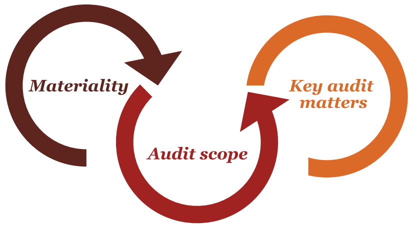

Materiality

- For the purpose of our audit we used overall materiality of $463,000, which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets, because, in our view the performance of the Company is measured against the net value of investments held and it is a commonly accepted benchmark within the investment industry.
- We used a 1% threshold based on our professional judgement, noting it is within the range of commonly accepted net asset related benchmarks.

Audit scope

- Our audit focused on where the Company made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Company's finance function and corporate office is based in Melbourne, where we predominantly performed our audit procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of investments *Refer to note 3(d)* The total carrying value of investments comprises 3 levels in line with AASB 13: • Level 1 - $18.6 million • Level 2 - $11.2 million • Level 3 - $16.9 million Total - $46.7 million We focused on the fair value applied by the Company to listed and unlisted investments due to the significant impact any movement in the fair value as at 31 July 2018 could have on the net assets. We also had particular regard to the valuation technique applied by the Company to its unlisted equity investments and the Pani project. There is particular judgement involved in estimating the fair value of these investments given they are classified as Level 3 with unobservable inputs.	We obtained the Company's investment schedule as at 31 July 2018 which includes a listing of each investment held and details the number of shares held and value per share. We reconciled this to the amounts recorded by the Company as at 31 July 2018, identifying no significant reconciling differences. We assessed whether the listed and unlisted investment valuation techniques used by the Company are in accordance with AASB 13 *Fair Value Measurement* and other relevant accounting standards. We tested the fair values applied to investments as follows: • We obtained confirmations of the number of shares held for all material listed and unlisted investments. • For all material listed investments (Level 1: $18.6 million) we compared their fair value to market quoted prices. • For a sample of unlisted investments (Level 2: $11.2m) we obtained and assessed observable market data, if available, such as the most recent transacted price made on arm's length basis. Where not available, we reviewed other available financial information such as the most recent annual reports, financial statements and shareholder presentations in respect of the unlisted investments held by the Company. • For the investment in the Pani project (Level 3: $16.6 million) our procedures are outlined below.

Key audit matter	*How our audit addressed the key audit matter*
Classification and measurement of the acquired interest in the Pani project *Refer to note 3(d)* During the year, the Company acquired a 33.3% interest in the Pani project. Upon initial recognition, this investment was classified as a financial asset measured at fair value, with subsequent fair value gains or losses being recognised in the statement of comprehensive income. At 31 July 2018, this investment was valued at $16.6 million. This was considered to be a key audit matter given: • The significance of the acquisition during the year. • The complexity in the determination of the appropriate classification of the investment, given the nature of the investment and expected conversion to shares held subsequent to year end. • The judgement involved in estimating the fair value of the investment given it is classified as Level 3 with unobservable inputs.	We considered the Company's classification of the acquired interest in the Pani project by performing the following procedures: • Obtained the Asset Purchase Deed and other contractual agreements to obtain an understanding of the financial assets acquired. • Evaluating whether the classification of the economic interest as a financial asset is in accordance with the requirements of Australian Accounting Standards. To test the cost of the initial investment, amongst other procedures we performed the following: • Obtained the contractual arrangements in respect of the acquired interest including the executed Asset Purchase Deed. • Assessed the components of the cost of the acquired interest, including agreeing the consideration payable by way of Lion shares and options to the share price on the acquisition date, settlement statements and the executed Asset Purchase Deed. To test the subsequent measurement of the Company's interest in the Pani project as at 31 July 2018, amongst other procedures, we: • Tested the mathematical accuracy of the investment schedule prepared by the Company. • Agreed the components included in the Company's calculation of fair value in the investment to supporting documents, including agreeing funding obligations paid to cash payments in bank statements. • Assessed the treatment of capitalising the funding obligations paid under the agreement as part of the investment value. • Inquired of the Company's management and directors as to whether there were events following the initial investment that would materially alter the fair value of the investment. • Evaluated whether, in view of the requirements of Australian Accounting Standards, the financial report provided adequate disclosure about the acquired interest.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 July 2018, including the Director's Report (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. We also expect other information to be made available to us after the date of this auditor's report, including the Chairman's Letter to Shareholders, Lion Selection Group Investment Summary, Lion Manager's Report, Lion Performance, Principal Risks and Uncertainties, Corporate Governance Statement, Shareholder Information, Lion Selection Group Limited Registry, Corporate Directory and an overview of investments including Nusantara Resources, One Asia Resources, Roxgold, Erdene Resources Development Corp and EganStreet Resources.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received as identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 37 to 38 of the directors' report for the year ended 31 July 2018.

In our opinion, the remuneration report of Lion Selection Group Limited for the year ended 31 July 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Anthony Hodge
Partner

Melbourne
6 September 2018

Shareholder Information

Top 20 holders of ordinary fully paid shares – 30 September 2018

RANK	NAME	NO. OF SHARES	% OF UNITS
1	National Nominees Limited	11,313,982	7.54
2	BNP Paribas Noms Pty Ltd ‹ DRP ›	10,751,024	7.16
3	Mr Robin Anthony Widdup + Mrs Janet Widdup ‹ Widdup Super Fund A/C ›	6,281,869	4.18
4	Rojana Hero Pty Ltd	6,262,831	4.17
5	J P Morgan Nominees Australia Limited	4,550,139	3.03
6	Inconsultare Pty Ltd ‹ Morrison Family S/F A/C ›	4,500,000	3.00
7	Mr Mark Gareth Creasy	4,448,976	2.96
8	Mirrabooka Investments Limited	4,360,378	2.90
9	Mr Michael David Brook + Mrs Jenny Lee Brook ‹ MD & JL Brook Super Fund A/C ›	3,791,841	2.53
10	HSBC Custody Nominees (Australia) Limited	3,546,665	2.36
11	BNP Paribas Nominees Pty Ltd ‹ Jarvis A/C Non Treaty DRP ›	3,159,057	2.10
12	CPAC Melloy Super Pty Ltd ‹ Melloy Super Fund A/C ›	3,082,259	2.05
13	Macquarie Bank Limited	2,919,489	1.94
14	Mrs Pamela Julian Sargood	2,000,000	1.33
15	Mr Dominic Paul McCormick	1,762,576	1.17
16	WWW Management Pty Ltd ‹ Widdup Family A/C ›	1,608,603	1.07
17	Melcor Investments Pty Ltd	1,411,020	0.94
18	Retzos Executive Pty Ltd ‹ Retzos Executive S/Fund A/C ›	1,400,000	0.93
19	Pejali Pty Ltd	1,393,073	0.93
20	WAL Assets Pty Ltd ‹ The L A Wilson Property A/C ›	1,207,802	0.80
Total Top 20 holders of ORDINARY FULLY PAID SHARES		**79,751,584**	**53.12**
Total Remaining Holders Balance		**70,383,295**	**46.88**

Distribution of Shareholdings as at 30 September 2018

SIZE OF HOLDING (ORDINARY FULLY PAID SHARES)	NO. OF SHAREHOLDERS
1 – 1,000	365
1,001 – 5,000	917
5,001 –10,000	301
10,001 – 100,000	533
100,001 Over	173
Total Shareholders	**2,289**
Number of ordinary shareholders with less than a marketable parcel	607

Shareholder Information

Voting Rights

All ordinary shares issued by Lion Selection Group Limited carry one vote per share without restriction.

Substantial Shareholders as at 30 September 2018

The following information is extracted from notices received by the company.

NAME	NO. OF ORDINARY SHARES
Robin Anthony Widdup	14,724,732
OneVue RE Services Limited (formerly Select Asset Management Limited)	11,771,689
Cooper Investors Pty Ltd	11,462,262

Lion Directors and Lion Manager Holdings

As at 30 September 2018, the members of the Lion Board and Lion Manager held shares directly and/or indirectly in Lion Selection Group Limited as follows:

NAME	NO. OF ORDINARY SHARES
Peter Maloney	1,940,389
Chris Melloy	5,561,827
Barry Sullivan	813,074
Robin Widdup	14,724,732
Craig Smyth	1,286,152
Tim Markwell	823,717
Hedley Widdup	977,368
Total	**26,127,259**

Lion Selection Group Limited Registry

You can gain access to your security holding information in a number of ways. The details are managed via our registrar, Computershare Investor Services, and can be accessed as outlined below.

Computershare Investor Services Pty Limited

Enquiries within Australia	1300 850 505
Enquiries outside Australia	+61 3 9415 4000
Investor Enquiries Facsimile	+61 3 9473 2500
Investor Enquiries Online	www.investorcentre.com/contact

INVESTORPHONE

InvestorPhone provides telephone access 24 hours a day 7 days a week.

STEP 1 Call **1300 850 505** (within Australia) or **61 3 9415 4000** (outside Australia)

STEP 2 Say **'Lion Selection Group Limited'**

STEP 3 Follow the prompts to gain secure, immediate access to your holding details, registration details and payment information.

INTERNET ACCOUNT ACCESS VIA INVESTOR CENTRE

Securityholders can view their details online via Investor Centre:

STEP 1 Go to **www.investorcentre.com**

STEP 2 Select 'Access a Single Holding'

STEP 3 Enter your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), postcode or country if outside Australia

STEP 4 Enter **LSX** or **Lion Selection Group Limited**

STEP 5 Agree to the Terms and Conditions and type in the characters shown and click 'Login'.

Alternatively, update your details or manage your portfolio by registering as a member of Investor Centre:

STEP 1 Go to **www.investorcentre.com**

STEP 2 Click on 'Login' and enter your **User ID** and **follow the prompts** to login, or for new users click on the 'Create Login' link and follow the prompts to register.

Corporate Directory

Registered and Principal Office

Level 2
175 Flinders Lane
Melbourne Vic 3000

Tel: +61 3 9614 8008
Fax: +61 3 9614 8009
Email: info@lsg.com.au
Website: www.lionselection.com.au

Directors

- Barry Sullivan
  Non-Executive Chairman
- Peter Maloney
  Non-Executive Director
- Chris Melloy
  Non-Executive Director
- Robin Widdup
  Director

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford Vic 3067
Postal Address – GPO Box 2975 Melbourne Vic 3001

Enquiries within Australia	1300 850 505
Enquiries outside Australia	+61 3 9415 4000
Investor Enquiries Facsimile	+61 3 9473 2500
Investor Enquiries Online	www.investorcentre.com/contact
Website:	www.computershare.com

Chief Executive Officer
Craig Smyth

Company Secretary
Jane Rose

Auditors
PricewaterhouseCoopers

Lion Selection Group

Lion Selection Group Limited
ABN 26 077 729 572
Level 2, 175 Flinders Street
Melbourne Vic 3000
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www.lionselection.com.au