

LION SELECTION GROUP

2x Multi-Million Ounce Gold Projects



April 2020

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Lion Selection Group (ASX : LSX)

Lion

- Listed investment company
- \$15M cash
- Portfolio leveraged to project delivery and buoyant gold market
- Pani: Unification unlocks world class gold project
- Nusantara: On clear pathway to debt finance & development

Mining Equity Markets

- Perfect storm of uncertainty, fiscal stimulus and negative real interest rates: Strong fundamentals for gold
- Equity capital markets and M&A: Active for gold, other commodities largely on hold
- Debt capital markets: Open for gold projects



Lion History

- Lion listed on ASX in 1997: 22 years investment track record
- Major successes: Indophil, Platmin, Gallery Gold, MPI, East African Gold Mines, Consolidated Minerals, Catalpa
- Returns over 22 years / 4 mining cycles:
 - Dividends and Cash Return: 96.7cps (2002 – 2009)
 - \$150m off-market buyback (2008)
 - Catalpa distribution (2009: now EVN)
- Total Shareholder Return Since Inception: 22 years, 7.5%pa



2x multi-million ounce gold projects



Pani: Lion 20% JV Interest

- Unification: **2.30Moz + 2.37Moz Gold Resources now combined**
- Drilling underway
- Development planning

Nusantara: Lion 23% Equity

- US\$80m project funding arranged via partner
- Bank debt now sought US\$110-120m
- 100koz x 10year gold project



Pani

History:

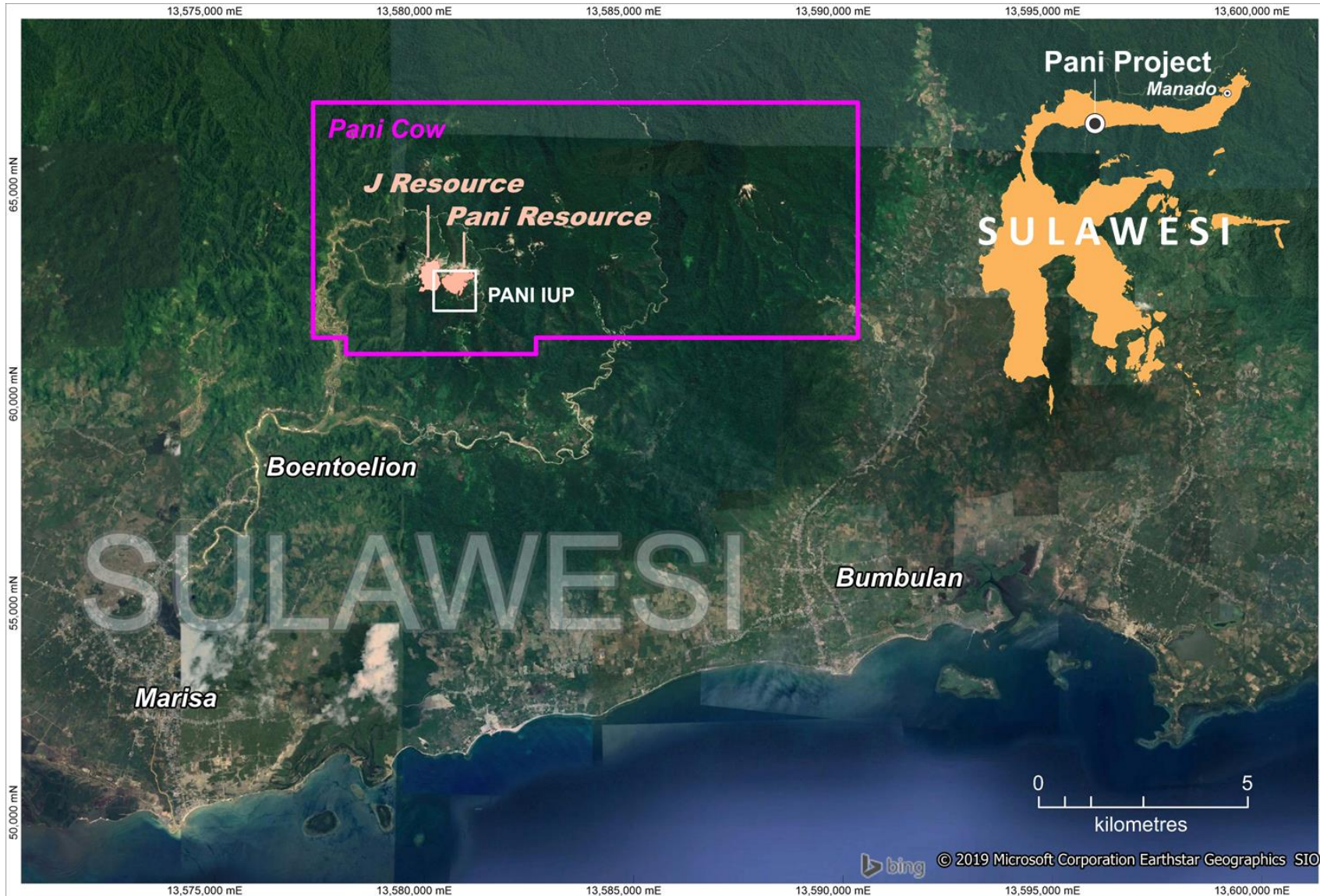


Ownership structure:

- Incorporated Joint Venture – to be completed 1H 2020
- Lion 20% | Merdeka 40% | J Resources 40%



Pani Map



Pani IUP

(1km x 1km)
66% Merdeka / 33% Lion



Contract of Work

(surrounds IUP)
100% J Resources

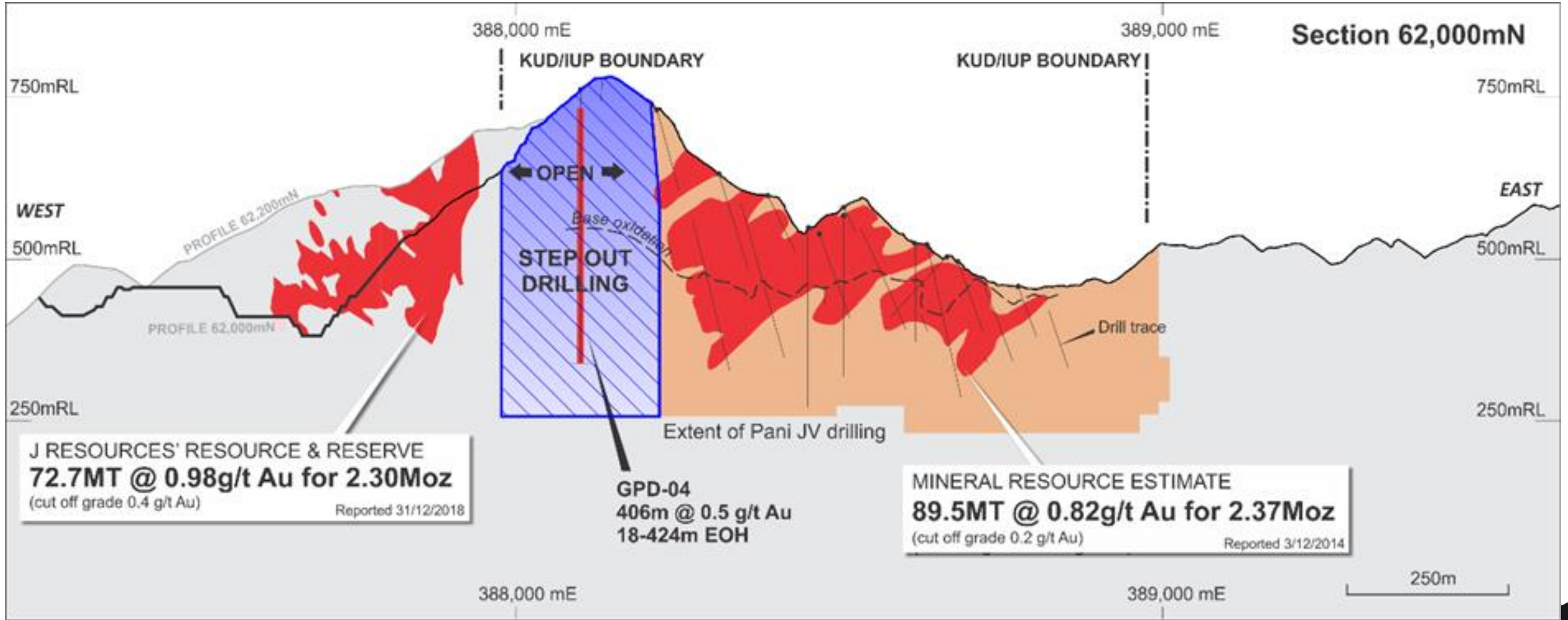


Unified Pani

40% Merdeka / 40% J Res / 20% Lion



Pani Looking North

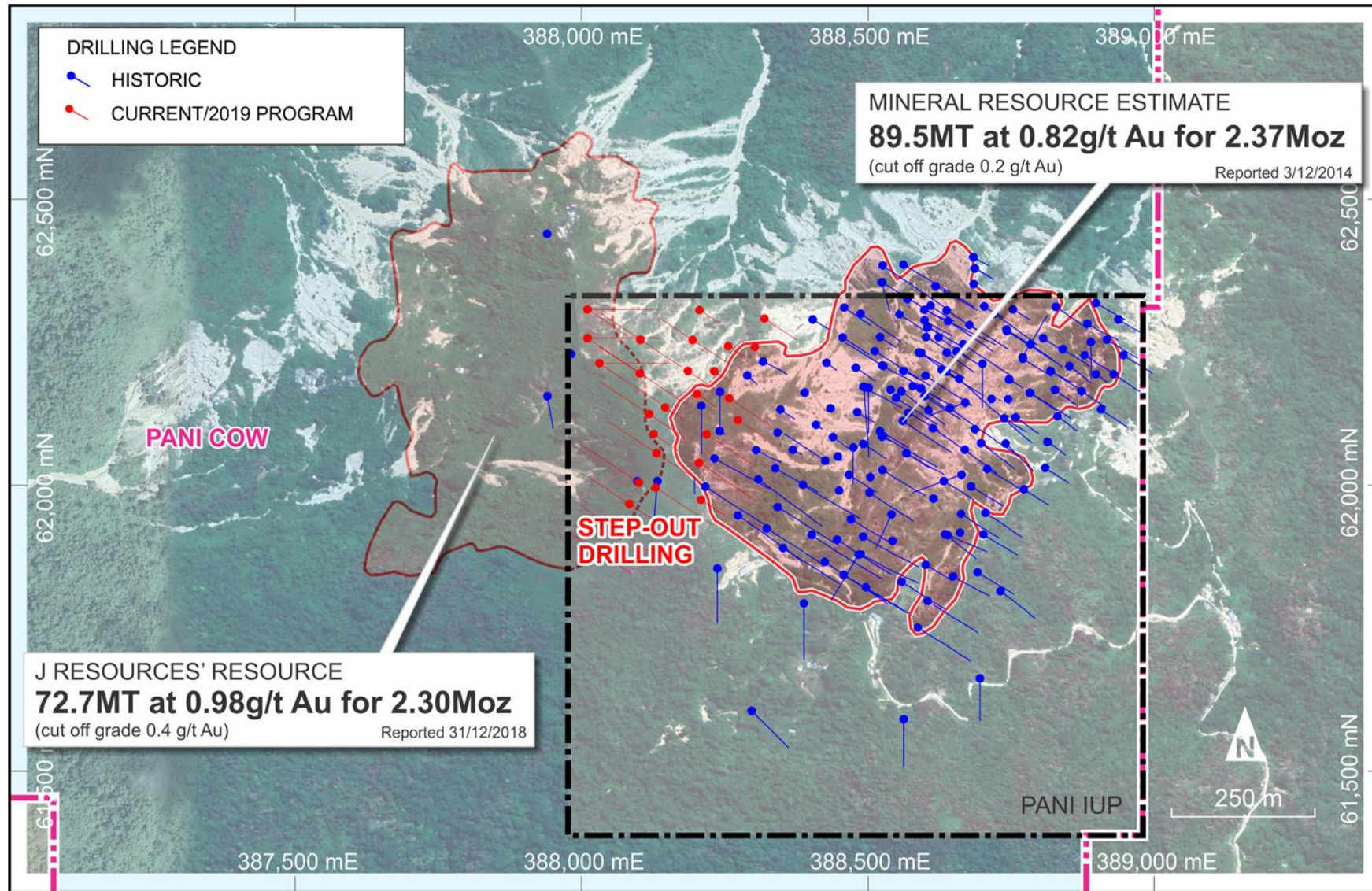


Notes:

- Pani Resource 89.5MT at 0.82g/t Au for 2.37Moz Au¹
- Resource estimate by J Resources on CoW 72.7MT at 0.98g/t Au for 2.30Moz Au²

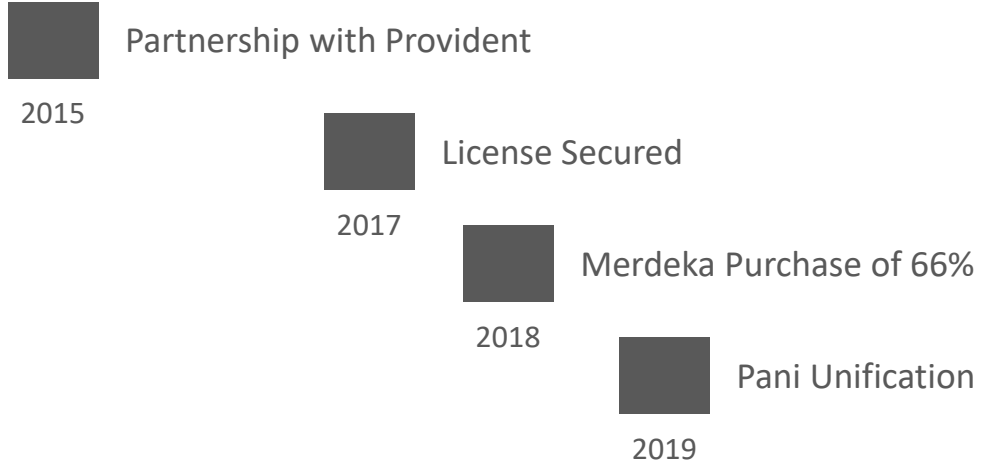


Pani Plan View

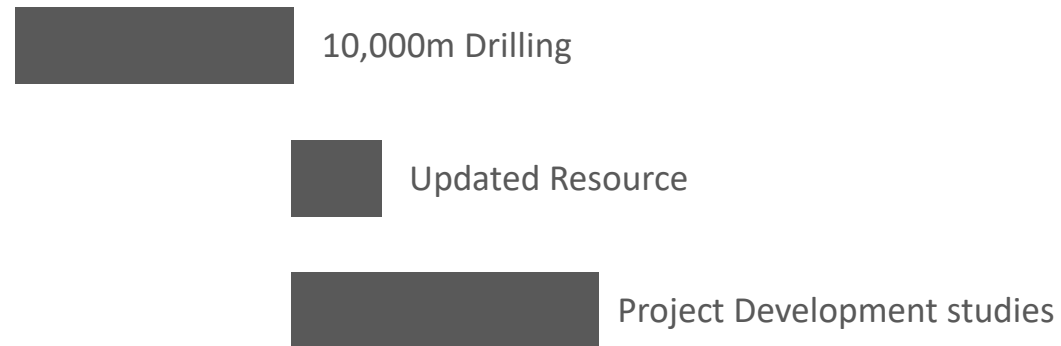


Pani Milestones

Milestones:



Next Steps:



Nusantara

- Extensive drilling 1990's
- IPO 2017
- DFS 2018
- Partner: Indika 2018
- Indika project funding 2019
- 2020:
 - Finalise debt
 - Project development

DFS October 2018 ³:

- Assumed US\$1250/oz gold price
- Test gold sensitivity: +/-10%
(Actual gold variance: + 25%)

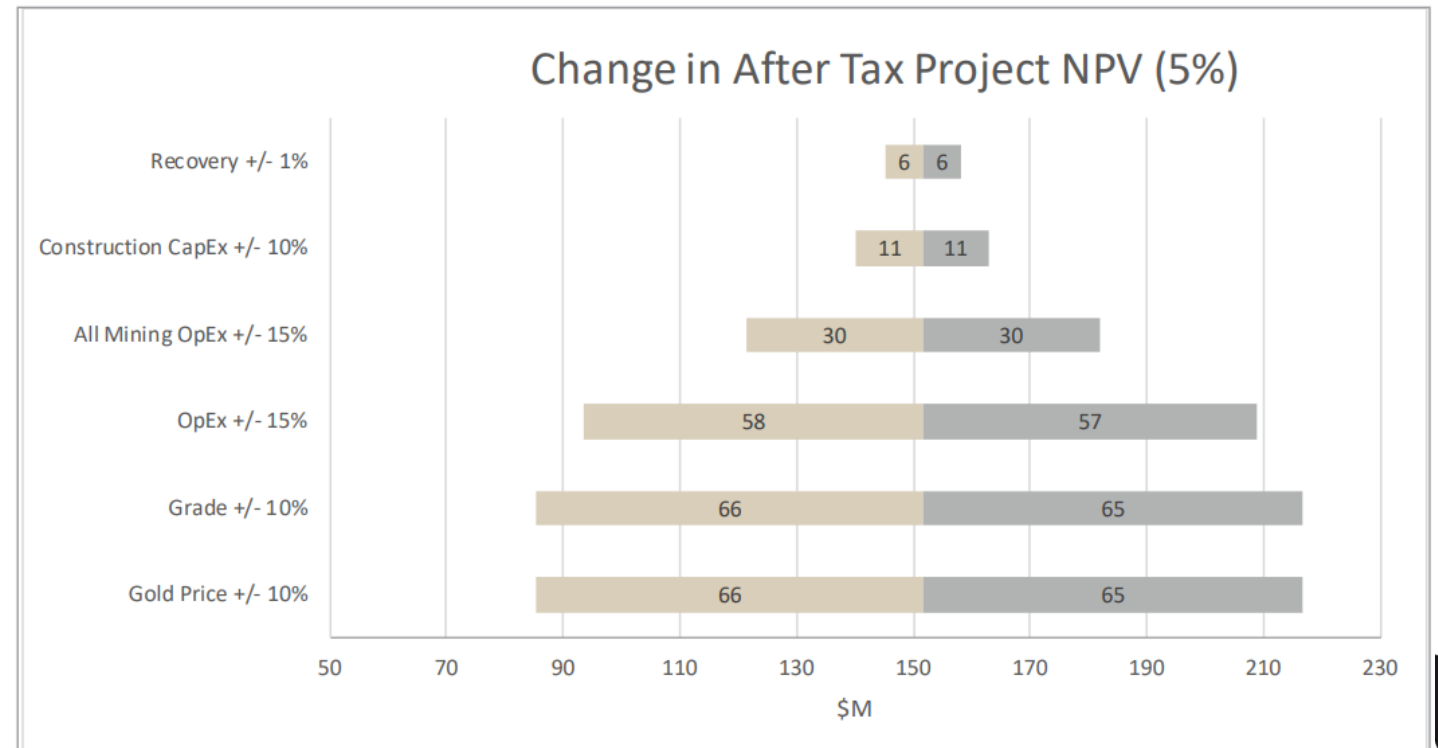
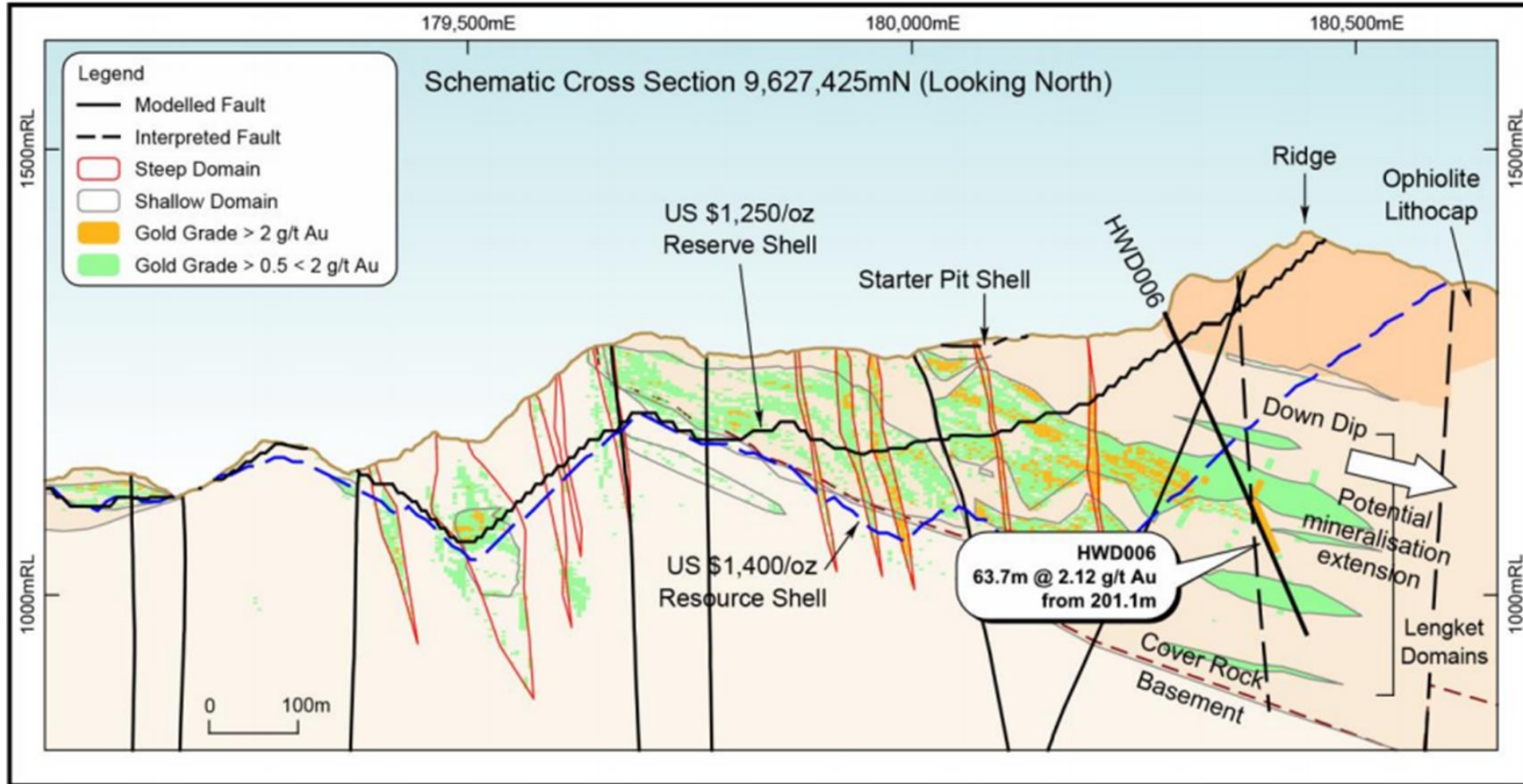


Figure 17: Project NPV sensitivity, US\$ post-tax

Nusantara – leverage to gold price

- Awak Mas: 1.1Moz Ore Reserve⁴ / 2.0Moz Mineral Resource⁵



Lion Net Tangible Assets

	% held	A\$ million	¢ps	
Feb 2020				
Pani JV	33.3	39.7	26.4	Gold
<ul style="list-style-type: none"> Fair value for Pani based on Merdeka's acquisition of 66.7% interest in the Pani JV from Lion's former JV partner in November 2018 Conditional agreement reached with J Resources to combine Pani projects with adjacent tenement subject to approval by J Resources secured lenders and regulatory approval ⁵. Valuation is under positive review once deal is completed. 				
Nusantara Resources	23.3	12.3	8.2	Gold
Erdene Resources	5.7	2.4	1.6	Gold
Other		4.3	2.9	
<ul style="list-style-type: none"> Portfolio holdings measured at fair value Includes investments held directly by Lion and the value to Lion of investments held by African Lion 				
Net cash		14.8	9.9	
Total NTA		A\$73.5m	49¢ps	

2019 Highlights

- Roxgold – sold
- Toro – taken over Circa A\$18m cash realised
- EganStreet – taken over
- Pani unification Valuation under positive review
- Nusantara project funding Indika project funding US\$80m

Capital Structure

Shares on issue:	150,134,879
Share price:	40¢ps 29 February 2020
Options on issue:	15,720,958 \$0.50 expiry 12 April 2020

Substantial Shareholders

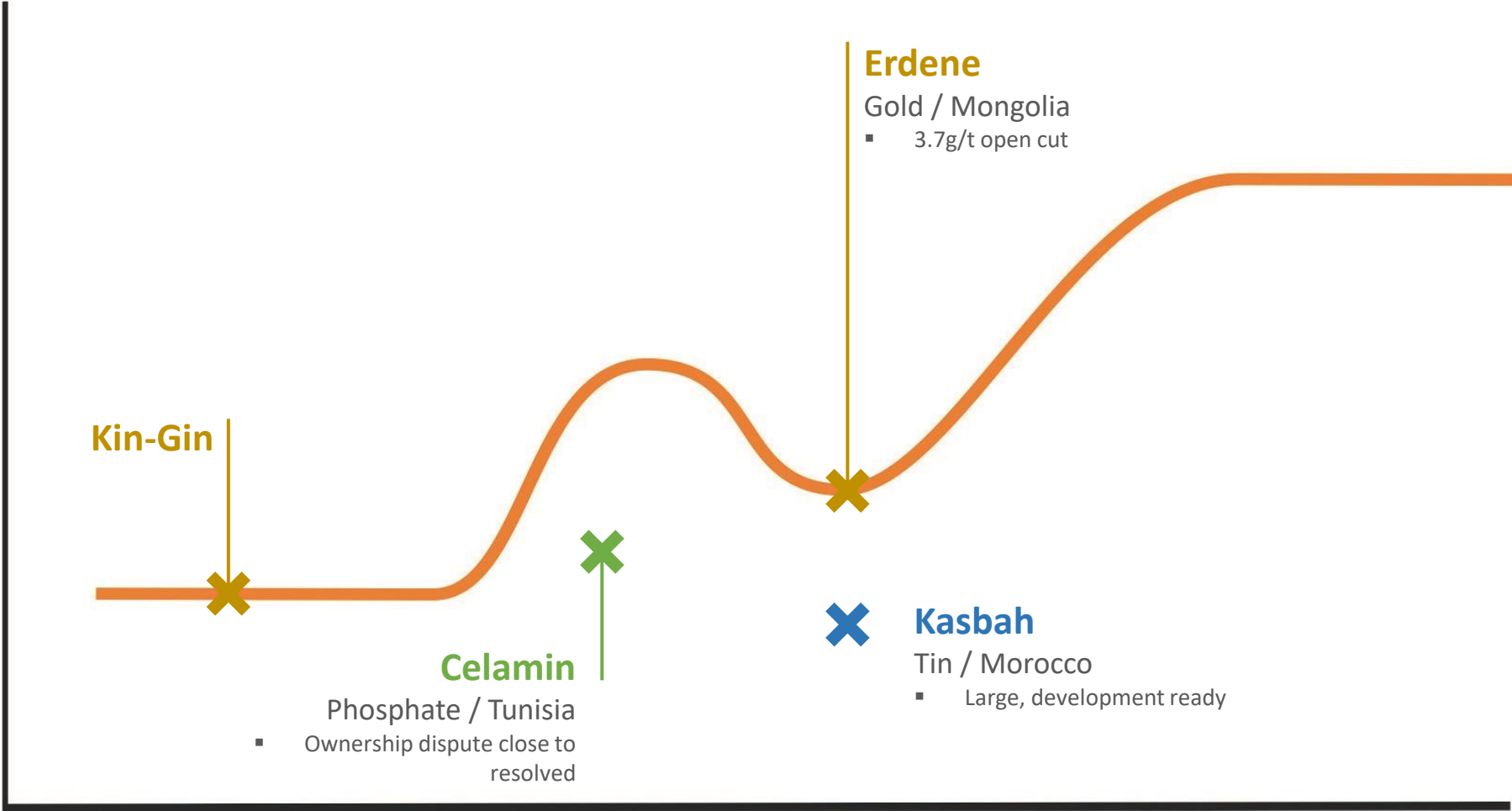
R. Widdup	16.16	10.8
Cooper Investors	11.46	7.6
Other: Lion Directors/Management	12.81	8.1

M Shares %

16.16	10.8
11.46	7.6
12.81	8.1



Selected other investments



2020 Outlook

Lion

- Pani drilling: 10,000m program in progress infilling between 2.3Moz and 2.4Moz positions
- Pani unification transaction closure: Pani value review
- Nusantara: debt funding and FID
- Lion: leveraged to project delivery and buoyant gold market

Mining Equity Market

- Mining market recovery was immature when global equity market collapse occurred
- Uncertainty, stimulus and outlook for low to negative real interest rates produce a strong fundamental for gold
- Major gold miners – what are they thinking ?
- M&A: Growth oriented thinking was in full flight (2019), targets have all become cheaper



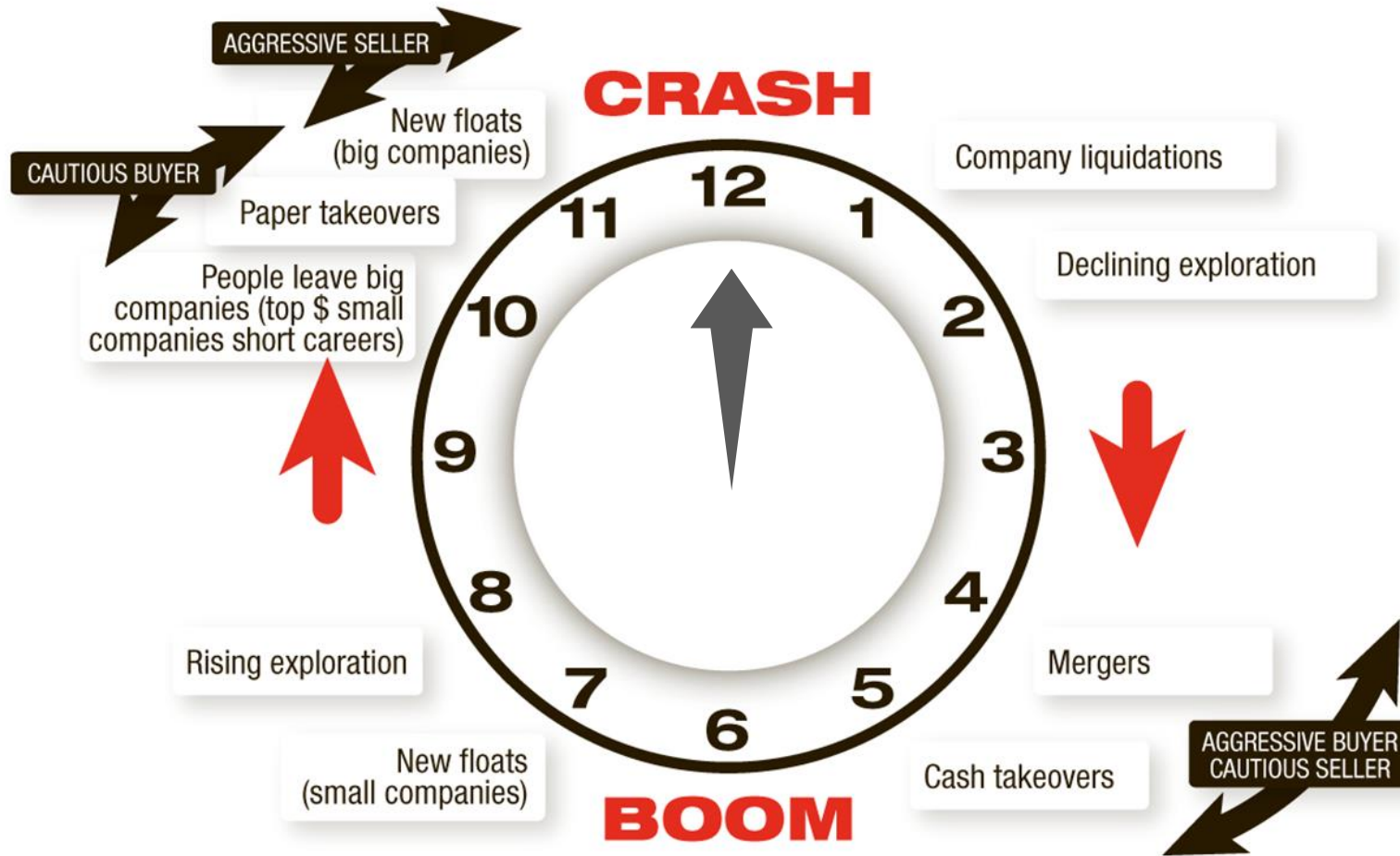
Beyond 2020

Lion – Long Term Strategy

- Target value uplift as project is de-risked
- Portfolio approach: 15-20 investments at pre-development stage
- Long term active manager
- Ambition to provide a steady dividend stream
- Invest / divest according to time in market cycle (Lion Clock)



Lion Mining Clock



- January 2020:
9 o'clock
- March 2020:
12 o'clock



Lion Team



Barry Sullivan

Non-Executive Chairman
Mining Engineer



Peter Maloney

Non-Executive Director
Commercial



Chris Melloy

Non-Executive Director
Mining Engineer

Lion Manager



Robin Widdup

Non-Executive Director
Geologist



Hedley Widdup

Geologist



Craig Smyth

Chief Executive Officer
Commercial



Tim Markwell

Geologist



Notes

- 1. Refer to One Asia Resources Limited news release 3 December 2014, (<https://www.lionselection.com.au/wp-content/uploads/2018/08/PANI%20JORC%20RESOURCE.pdf>).
- 2. Refer to J Resources 31 December 2018 Annual Report, (<http://www.jresources.com/investors/article/final-resources-reserves-compilation-2017-to-2018>)
- 3. Nusantara ASX Announcement, 4 October 2018, Definitive Feasibility Study Confirms Robust, Long-Life, Low Cost Project
- 4. Nusantara ASX Announcement, 13 September 2018, Ore Reserve increases by 11% to 1.1. Moz
- 5. Nusantara ASX Announcement, 8 May 2018, Mineral Resource Estimate Update
- 6. Lion ASX Announcement, 9 December 2019, Pani Gold Projects Combined

Pani IUP (Lion 33.3%/ Merdeka 66.7%) 0.2g/t cut off ¹			
Category	Ore (Mt)	Grade (g/t Au)	Au (million oz)
Measured	10.8	1.13	0.39
Indicated	62.4	0.81	1.63
Inferred	16.2	0.67	0.35
Total	89.5	0.82	2.37

Contract of Work Resource (above a 0.4g/t cut off) ²			
Category	Tonnage (Mt)	Grade (g/t Au)	Contained Gold (Moz)
Measured	15.5	1.03	0.51
Indicated	41.3	0.98	1.31
Inferred	15.9	0.93	0.48
Total	72.7	0.98	2.30

