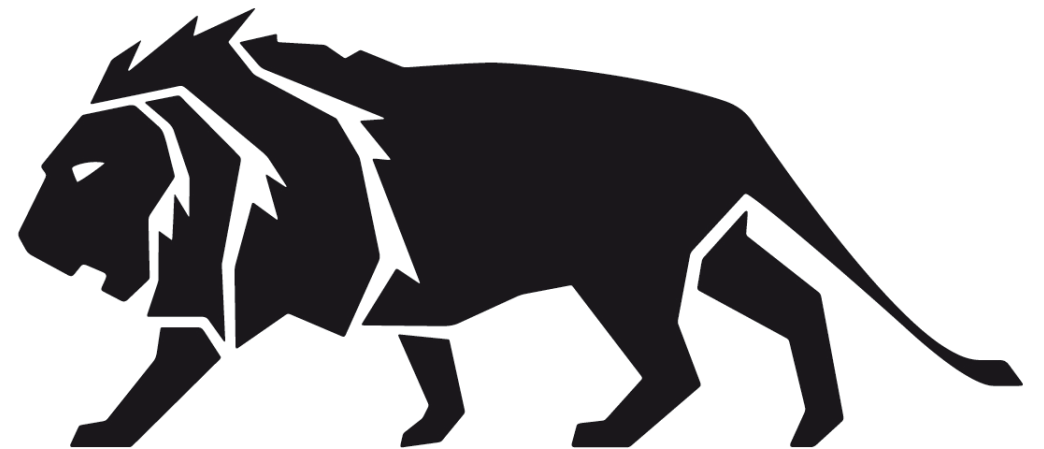


# LION SELECTION GROUP

## Annual General Meeting Review



December 2020

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# Lion Selection Group



## Listed Mining Investment Company

Established in 1997

Key investments: 2x Multi-Million Ounce Gold Projects in Indonesia

Leverage to Gold – Perfect Storm of Fundamentals

Key Value Unlocking Stages

- ASX : LSX
  - 23 years track record
  - Total Shareholder Returns: 32.9% 1 year / 11.4% 3 year / 20.7% 5 year (9.0%pa over 23 years)
  - Pani JV – 4.6Moz between two Resource blocks, being combined into a single joint venture
  - Nusantara – Awak Mas Gold Project 2.35Moz Resource / 1.53Moz Reserve
  - Unprecedented global monetary policy backdrop
  - All-time low interest rates & pandemic recovery
  - Bull market commenced 2019
- Pani
- JV deal completion, project economic studies
- Nusantara
- Funding, development, re-rating to producer valuation



## Portfolio

- Pani – Drilling & concept study complete
- Nusantara – Appointment of banking-oriented CFO, FEED nearing completion
- Erdene – debt mandate letter working toward up to US\$55m senior debt funding

## Mining Sector

- Gold reacting to mild strengthening in US bond rates, equities performance, vaccine news
- Totally unprecedented monetary policy backdrop – pandemic recovery, all-time low interest rates & QE
- Fresh equity issuance records through 2020 by explorers, producing deal fatigue



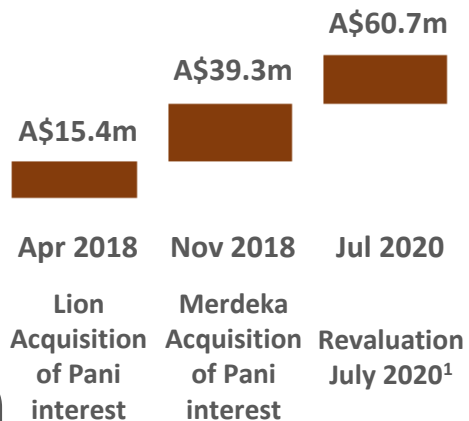
# Portfolio Highlights

# Pani – NTA / Catalysts / Metrics

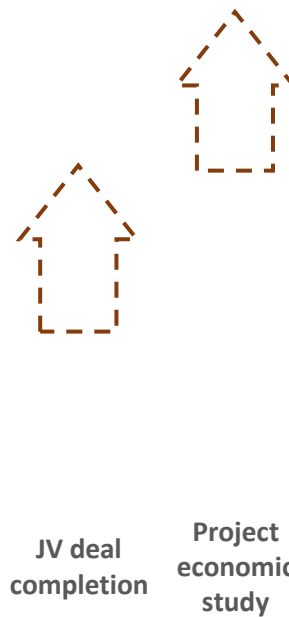


A\$m  
value of  
Pani to  
Lion

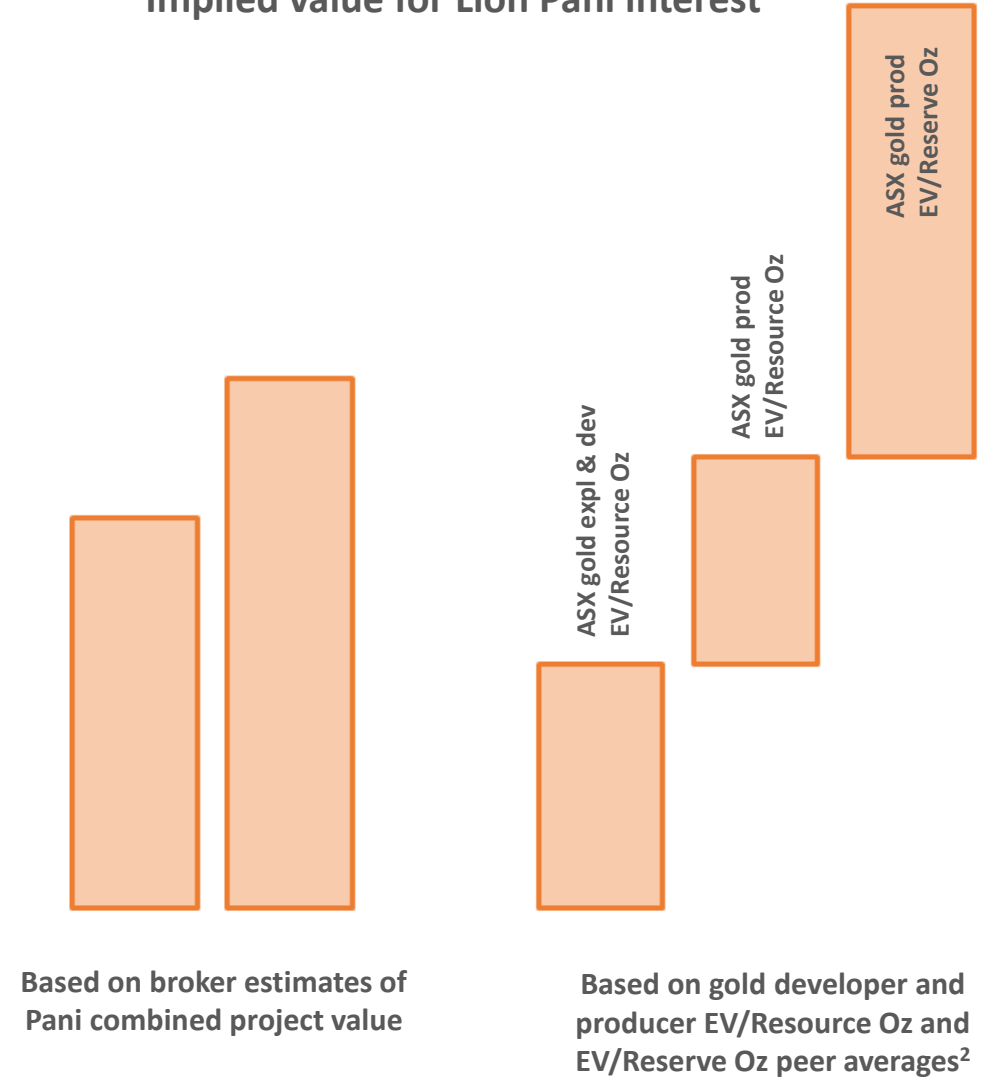
Lion holding history of Pani



Potential evolution of Pani holding value



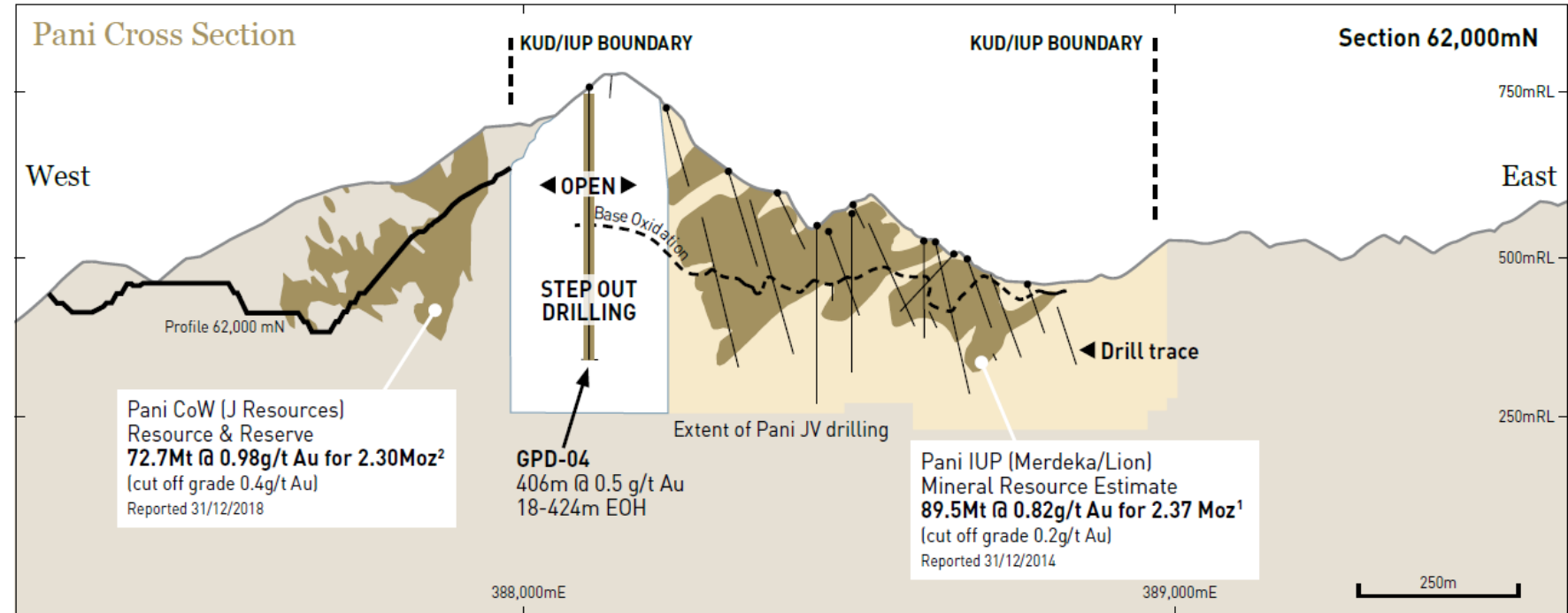
Implied value for Lion Pani interest



# Pani Drilling



- Drilling targeting “link” zone – preliminary program completed
- Concept study completed



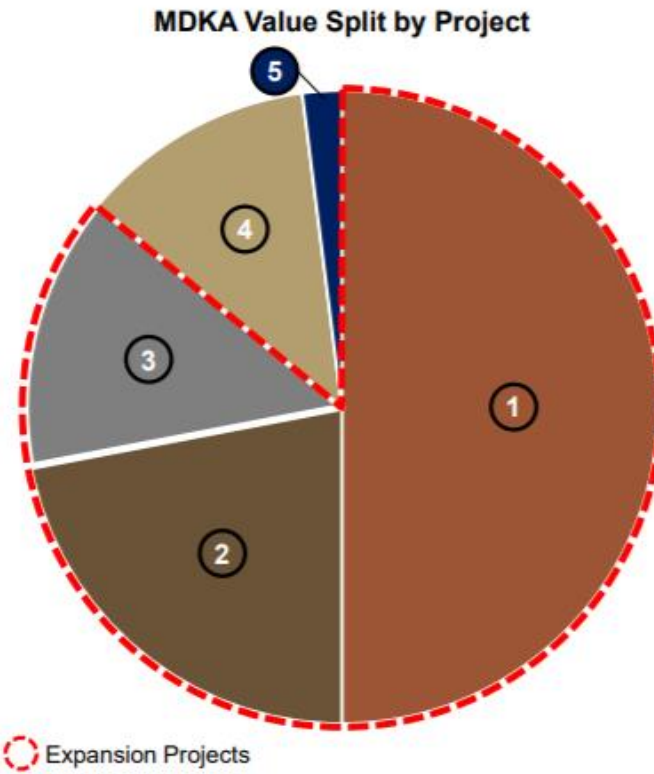
# Partner at Pani: Merdeka (US\$3B Market Cap)



## MDKA Value Split by Project (For Illustrative Purposes Only)

Substantial value upside from 3 transformational development projects

Slide extracted from Merdeka Copper Gold Investor Presentation, September 2020:  
<https://www.merdekacoppergold.com/en/investor-relations/presentation/>



Project	Key Metrics
1 TB Copper Project	8.8 million tonnes copper and 28 million ounces gold <sup>1</sup>
2 Pani JV Project	4.6 million oz of gold <sup>2,3</sup>
3 AIM Project	US\$250m capex for initial plant generating US\$200m of annual revenue for >20 years. Scalable to multiple plants
4 TB Gold Mine	>200k oz of gold produced in 2019 with EBITDA of US\$201m
5 Wetar Copper Mine	25k tpa (~US\$165m revenue) nameplate copper capacity

Note:  
 1. TB Copper Resource – 1.9Bt @ 0.45% copper and 0.45g/t gold, using cut off grade of 0.2% copper [Merdeka Resources and Reserves Statement \(2019\)](#)  
 2. Pani IUP Resource – 89Mt @ 0.82g/t gold, using cut off grade of 0.2g/t gold [Merdeka Resources and Reserves Statement \(2019\)](#)  
 3. J Resources TBK Annual Report - <http://www.jresources.com/investors/article/annual-report-2019>



# Nusantara Resources (ASX:NUS)



## Multi-Million Ounce Gold Project

- 2.35Moz Resource <sup>3</sup> / 1.53Moz Reserve <sup>4</sup>
- Reserve grade >2x gold industry pipeline

## Low Cost / High Margin: AISC US\$875/oz <sup>5</sup>

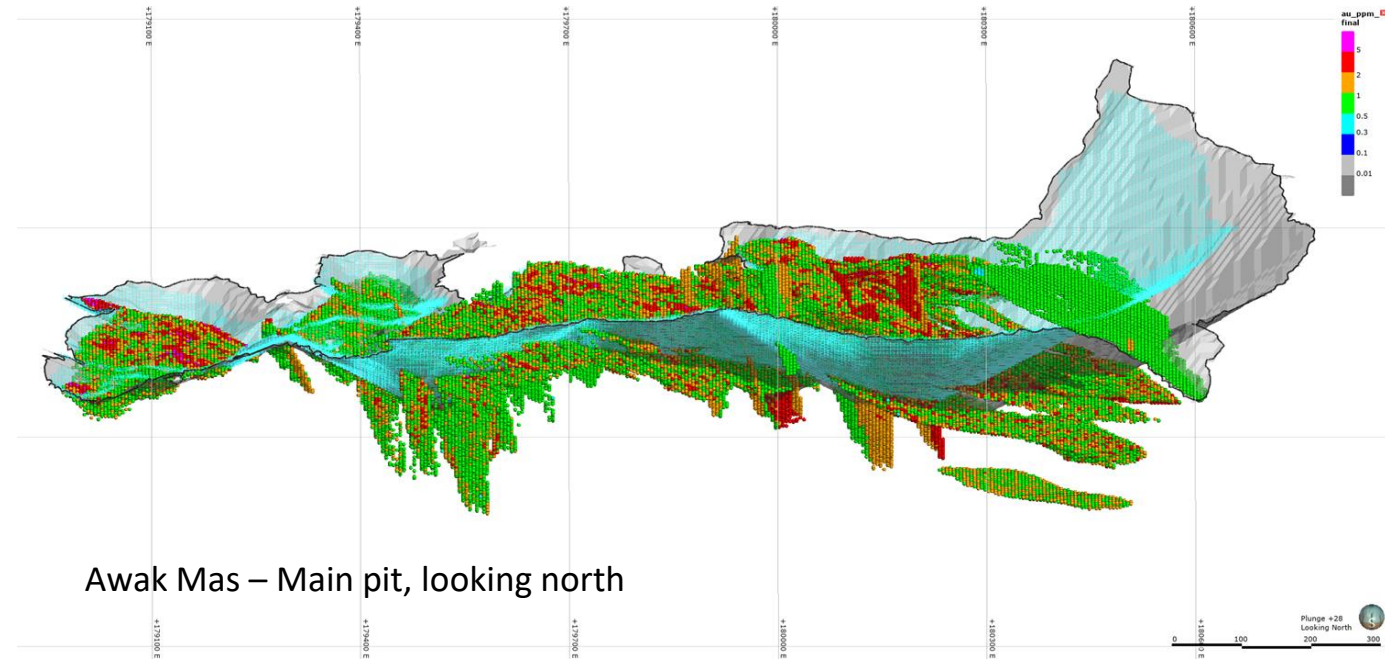
- Lowest half of the gold industry cost curve
- Extremely robust margin at spot

## Long Life: 16 year LOM on current Reserves

- >60% longer life than global average

## Conventional Gold Mining and Processing

- Open pit mining: 4.7:1 LOM strip ratio (waste : ore)
- Gravity & CIL processing: 2.5MTpa, 93% Recovery



# Nusantara Key Shareholder: Indika

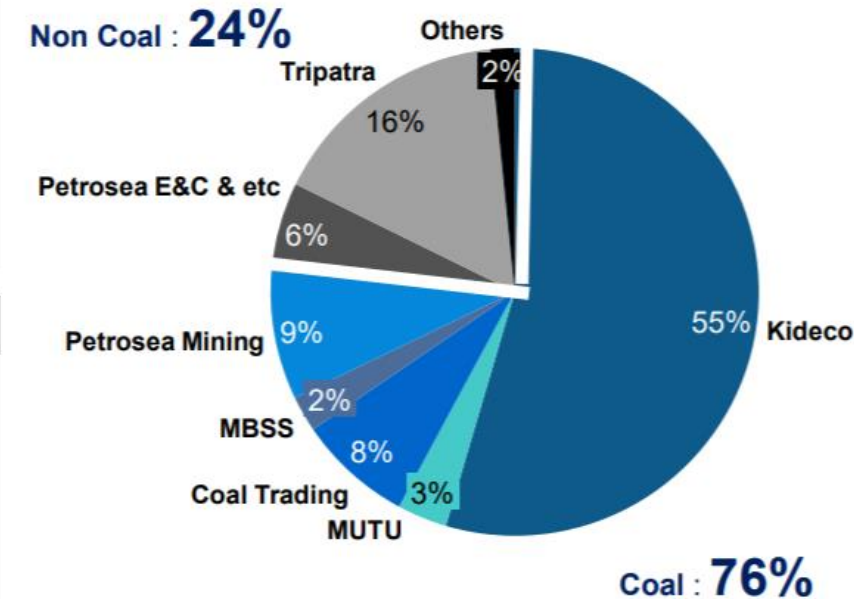


## Indika Energy – Diversifying Beyond Coal

- Transforming into an investment company with more diversified holdings.
- Less reliance on coal business, developing recurring business and *defensive* commodity.
- To explore any potential in renewable energy
- Aims to generate 25% of earnings from non-coal business within 5 years period.
- Portfolio reallocation, eyeing on higher return investment

Investment	Divestment
<p><b>Investment</b></p> <ul style="list-style-type: none"> <li>✓ Strategic Investment: Increase stake in Kideco (2017)</li> <li>✓ Developing recurring business: Fuel storage (first project in Kalimantan)</li> <li>✓ Defensive commodity: gold mine</li> </ul>	<p>X Santan Baturabara (2018)</p>

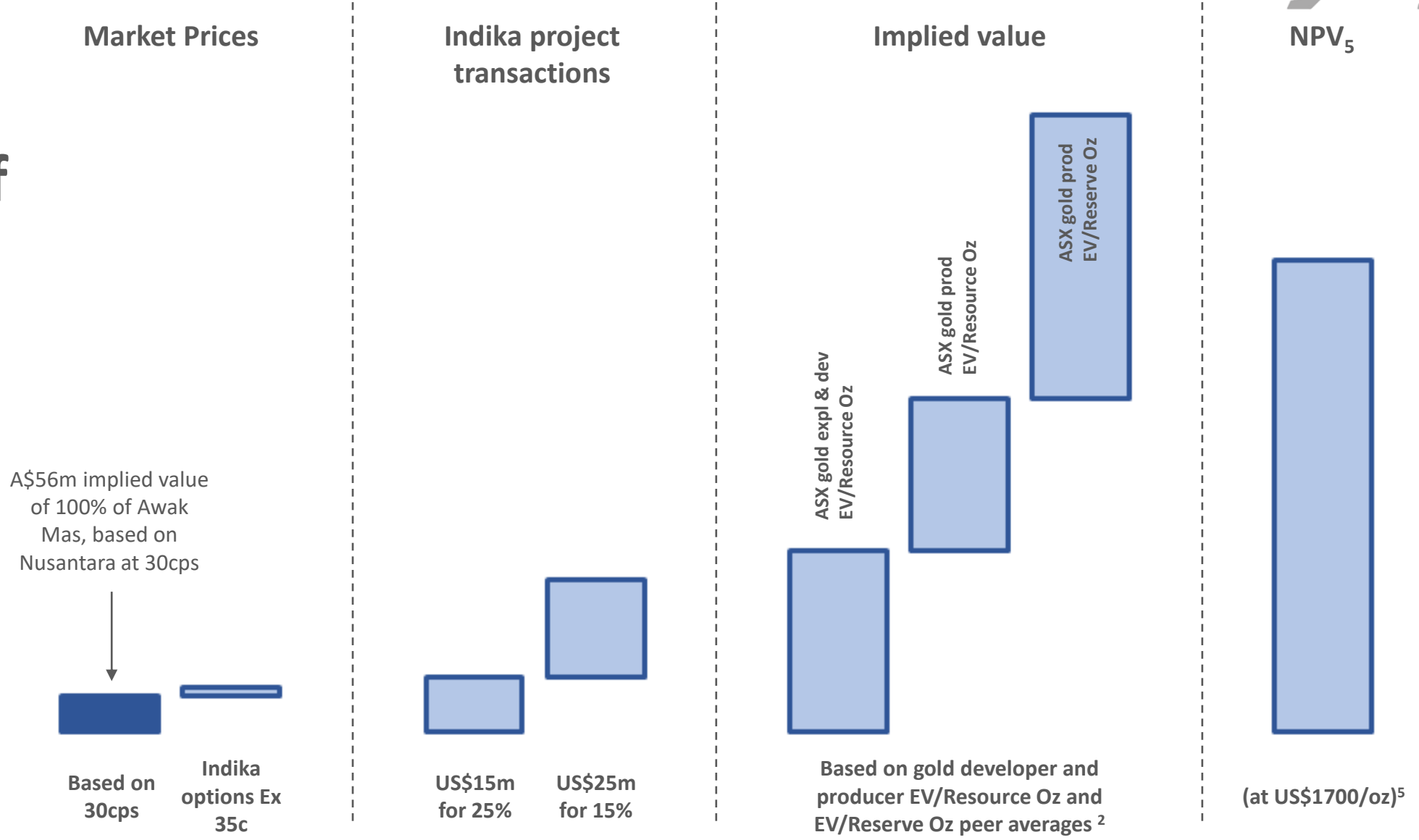
### Indika Energy Revenue Breakdown 6M20



# Nusantara – Valuation Metrics



## A\$m value of Awak Mas (100% basis)





## Indonesia: Absolute Essentials

- ✓ Partner
- ✓ In country management



- Multi-asset mid-tier Indonesian gold miner
- Backed by Provident, Thohir Group, Saratoga



- Multi-asset Indonesian energy, mining and services conglomerate

## Globally significant gold nation

- Equal 11<sup>th</sup> largest producer
- 4<sup>th</sup> largest gold Reserves

## Internationally competitive

- Fraser Institute: 27<sup>th</sup> of 76
- Marsh: 62.7

## Access & Infrastructure

- Ports and Roads
- Grid power: <US 10c/kwhr

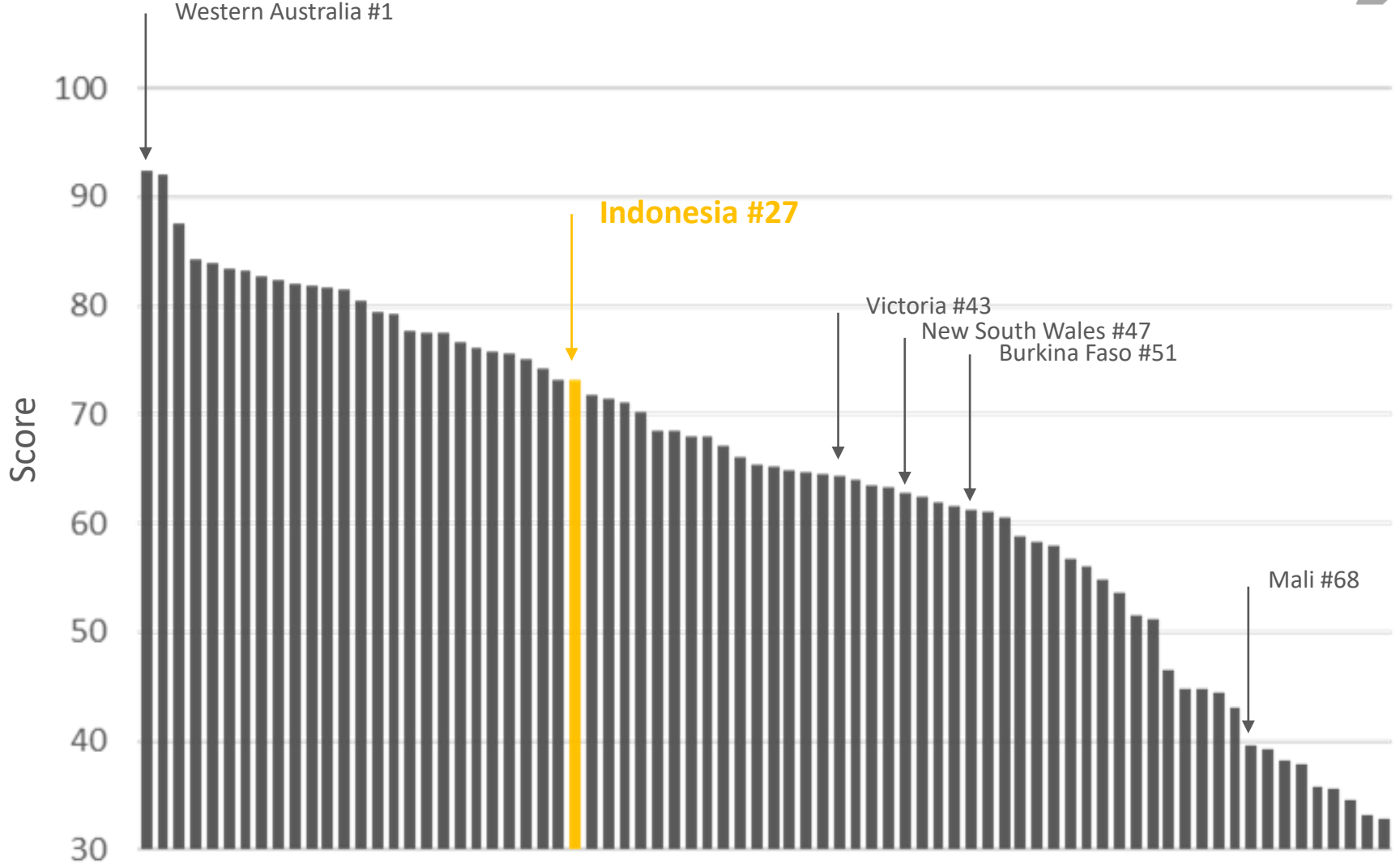
## *Bankable*

- Deep / Liquid local banking industry

# Indonesia – Gold Mining Jurisdiction



**Fraser Institute**  
Investment Attractiveness  
Index 2019



# Lion NTA – 31 October 2020



	July 2020	October 2020	
	A\$M	A\$M	¢ps
<b>Pani Joint Venture</b>	60.7	<b>61.2</b>	<b>40.7</b>
Nusantara Resources	16.8	<b>14.2</b>	<b>9.5</b>
Erdene Resources	7.8	<b>5.2</b>	<b>3.4</b>
Sihayo Gold	2.1	<b>1.6</b>	<b>1.1</b>
Celamin Holdings	1.1	<b>1.4</b>	<b>0.9</b>
Other	0.5	<b>0.7</b>	<b>0.5</b>
<b>Net Cash</b>	10.8	<b>10.0</b>	<b>6.7</b>
<b>Net Tangible Assets</b>	<b>A\$77.2m</b>	<b>A\$94.3m</b>	<b>62.8¢ps</b>

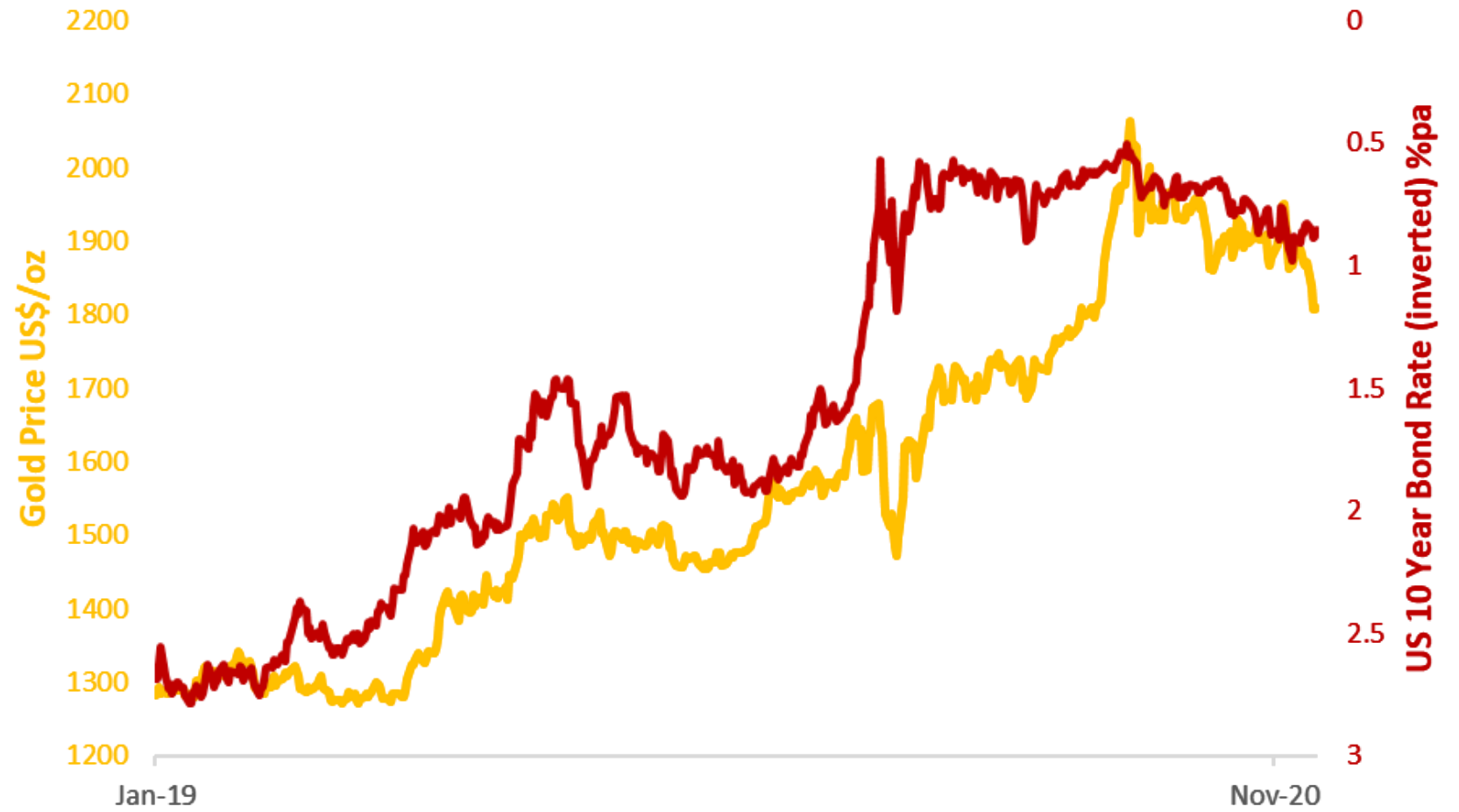


# Mining Market Developments

# Gold VS 10 Year Bond Rates



- Bull market commenced prior to COVID-19, when long term QE / rates assumptions reversed
- Effect of Pandemic – expansion of QE and stimulus, weakened economies
- Recent gold weakness – mild strengthening of rates, vaccine news

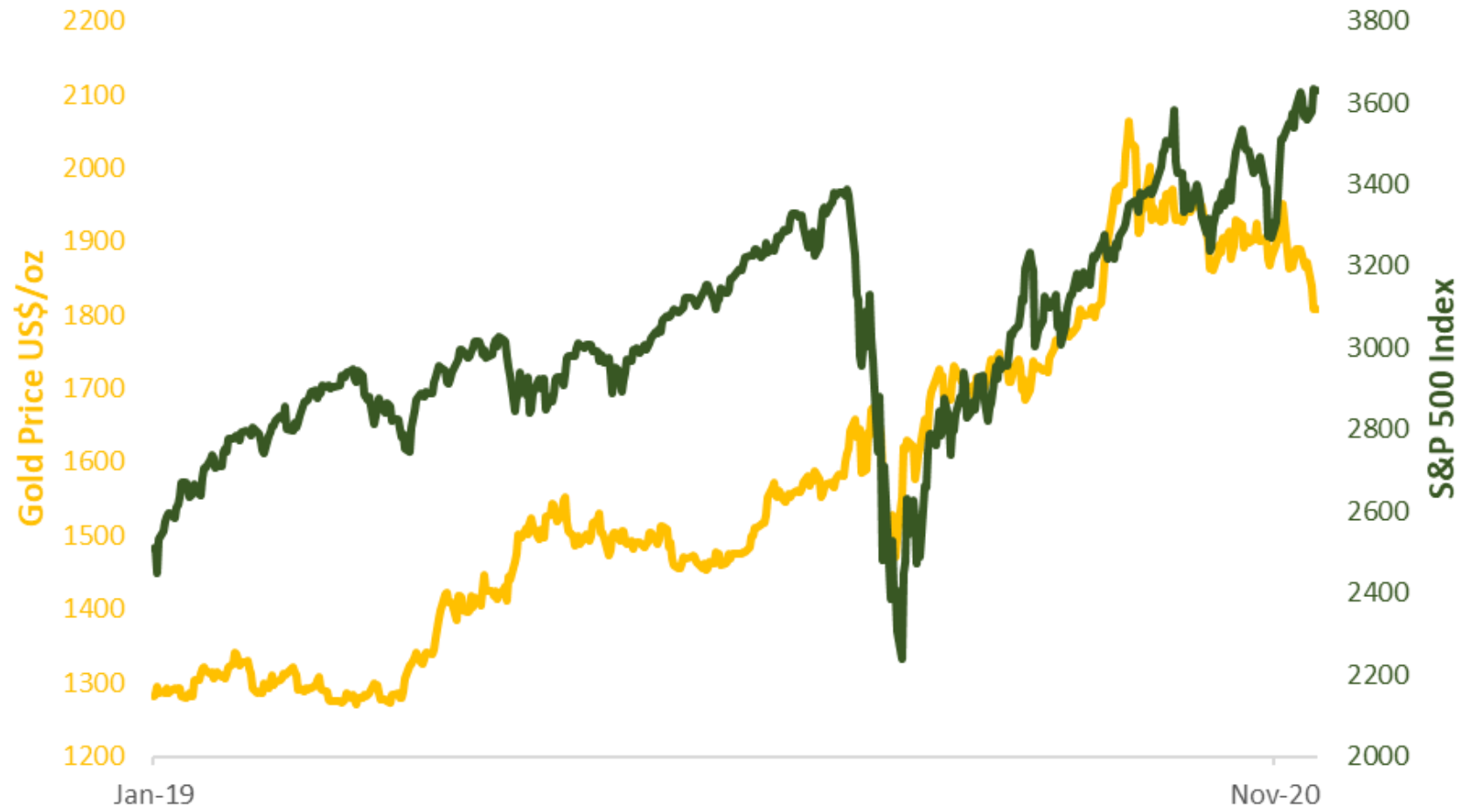




# Gold VS Equities (S&P 500)



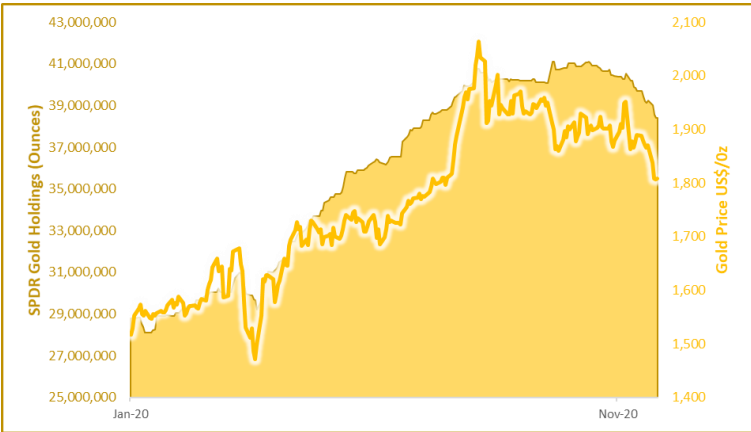
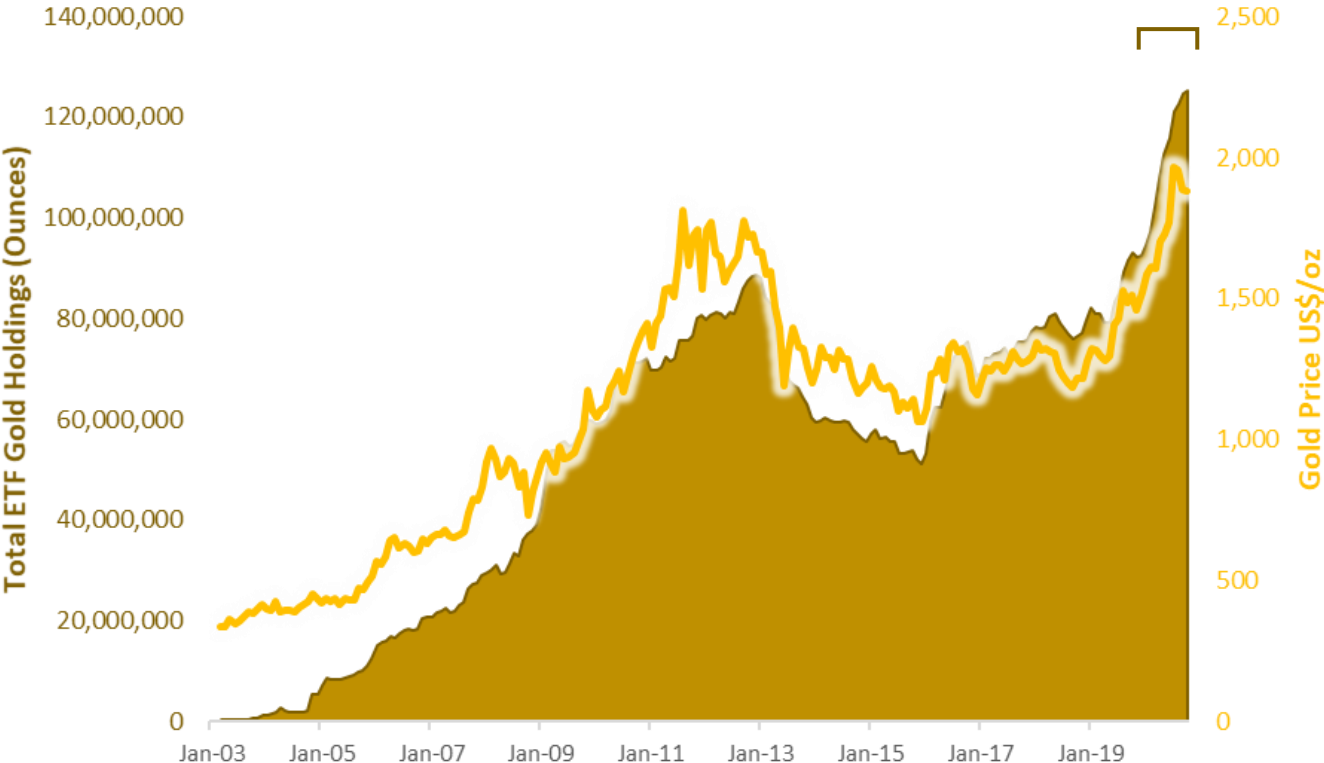
- Effect of stimulus and QE: equities trade at super premium
- High risk market no one can afford to be out of



# Gold ETF holdings



### 2003-2020 Total Gold ETF Holdings (All Data, Monthly)



### 2020 SPDR Gold Holdings (2020 only, daily)

# Junior Mining Equity Issuance



## ASX

(Source: Austex)

5B reporting companies tally

- 2019: A\$3,481m
- 2020: A\$3,465m (3 Q only)

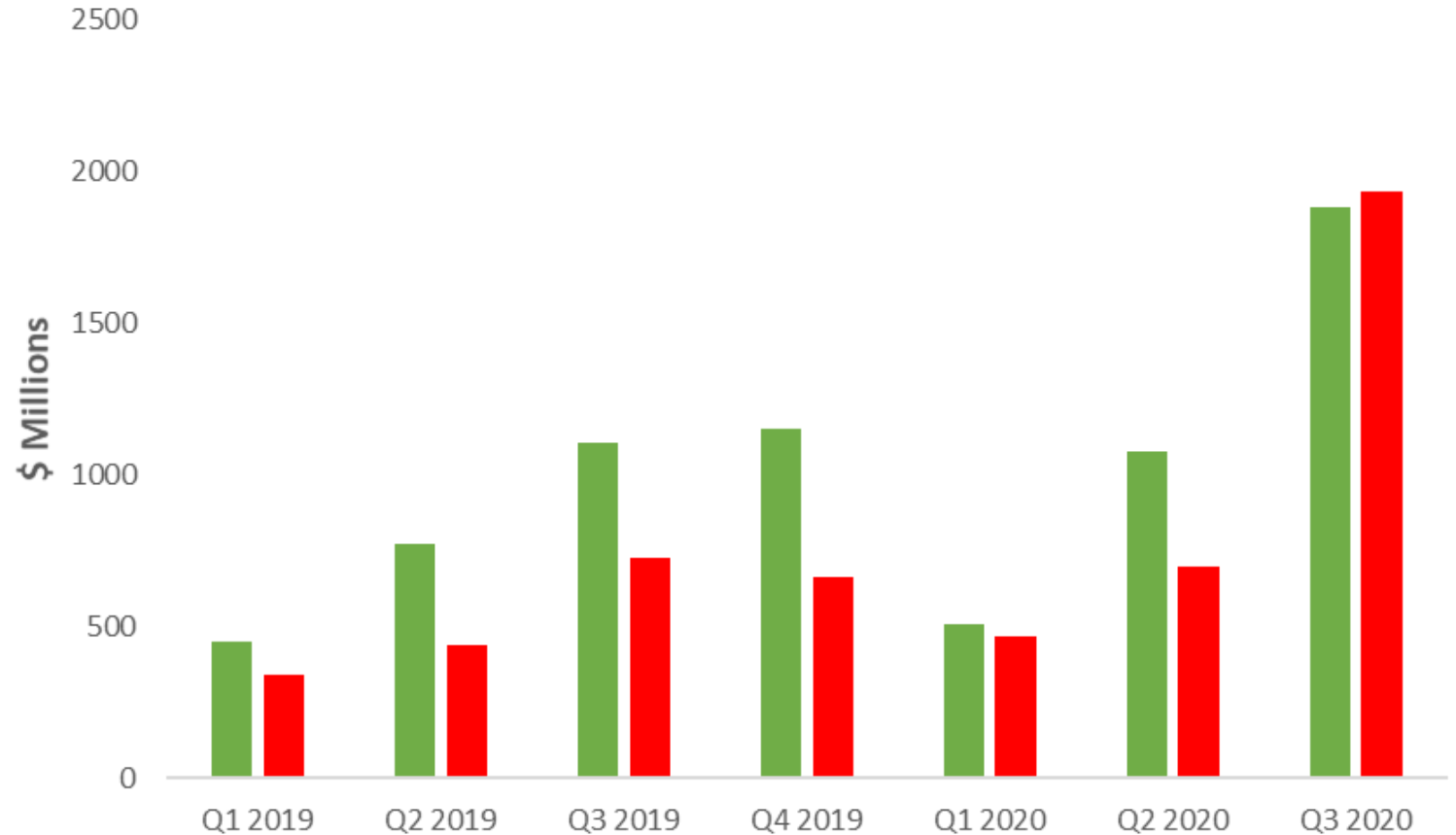
## TSXV

(Source: TMX Market Intelligence)

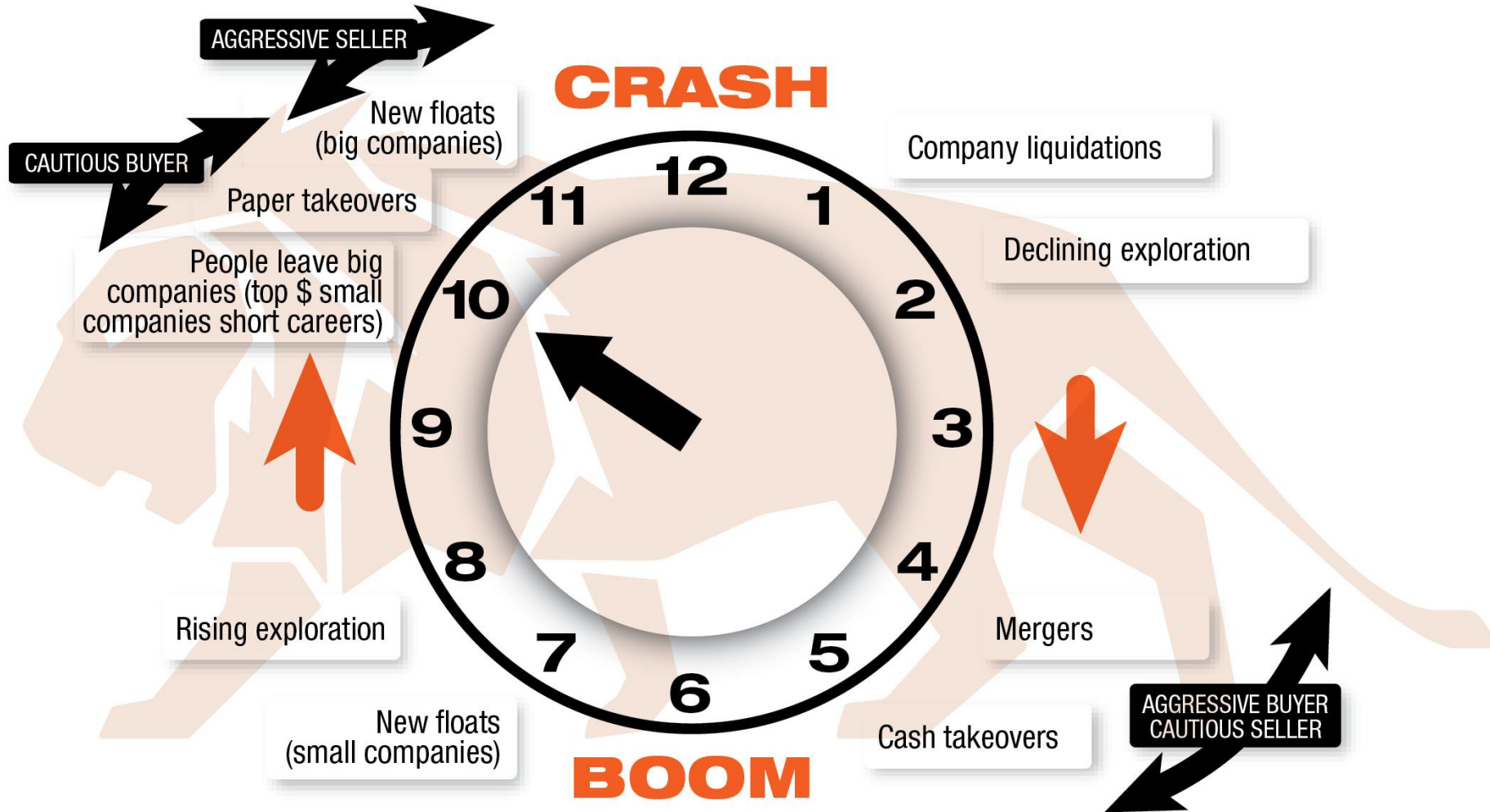
- 2019: C\$2,166m
- 2020: C\$3,100m (3 Q only)

Q3 2020 – Doubled quarterly equity issuance by juniors, led by gold companies

Dec 2020 – Deal fatigue



# Lion Clock: 10 O'Clock





1. Refer to ASX announcement by Lion Selection Group, 4 August 2020 “Pani Update and Valuation Revision”
2. Gold company EV/Resource Oz and EV/Reserve Oz averages based on research by PCF Capital: PCF Resources Thermometer, November 2020. [https://cdn-au.mailssnd.com/27632/LIdKpID6i8CP4dqrIAM\\_rm7PHOG9UcpafnE4LuXtBRo/2508776.pdf](https://cdn-au.mailssnd.com/27632/LIdKpID6i8CP4dqrIAM_rm7PHOG9UcpafnE4LuXtBRo/2508776.pdf)
3. Refer to ASX announcement by Nusantara Resources, 28 April 2020 “Mineral Resource increases 18% to 2.35M ounces”
4. Refer to ASX announcement by Nusantara Resources, 16 June 2020 “Awak Mas Ore Reserves Increase by 34% to 1.53m ounces”
5. Refer to ASX announcement by Nusantara Resources, 29 June 2020 “Awak Mas NPV Increases by 240% to USD517m”
6. 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>).
7. Refer to J Resources 31 December 2018 Annual Report (<http://www.jresources.com/investors/article/final-resources-reserves-compilation-2017-to-2018>)

# Pani: Mineral Resources



Category	Pani IUP (Lion 33% / Merdeka 66.7%) 0.2g/t cut off <sup>6</sup>			Contract of Work (J Resources 100%) 0.4g/t cut off <sup>7</sup>		
	Tonnage (MT)	Grade (g/t Au)	Contained Gold (Moz)	Tonnage (MT)	Grade (g/t Au)	Contained Gold (Moz)
	Measured	10.8	1.13	0.39	15.5	1.03
Indicated	62.4	0.81	1.63	41.3	0.98	1.31
Inferred	16.2	0.67	0.35	15.9	0.93	0.48
<b>Total</b>	<b>89.5</b>	<b>0.82</b>	<b>2.37</b>	<b>72.7</b>	<b>0.98</b>	<b>2.30</b>

# Awak Mas: Mineral Resource and Ore Reserves



## Mineral Resource Estimate – April 2020 <sup>3</sup> 0.5g/t cut off

Deposit	Category	Tonnes (Mt)	Au (g/t)	Au (Moz)
Awak Mas	Measured	-	-	-
	Indicated	41.2	1.37	1.81
	Inferred	6.1	1.11	0.22
	Sub-total	47.3	1.34	2.03
Salu Bulo	Measured	-	-	-
	Indicated	3.0	1.68	0.16
	Inferred	0.7	1.07	0.02
	Sub-total	3.7	1.56	0.19
Tarra	Measured	-	-	-
	Indicated	-	-	-
	Inferred	3.0	1.29	0.13
	Sub-total	3.0	1.29	0.13
<b>TOTAL</b>	<b>Measured</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Indicated</b>	<b>44.2</b>	<b>1.39</b>	<b>1.97</b>
	<b>Inferred</b>	<b>9.8</b>	<b>1.16</b>	<b>0.37</b>
	<b>TOTAL</b>	<b>54.0</b>	<b>1.35</b>	<b>2.35</b>

## Ore Reserve Estimate – June 2020 <sup>4</sup> 0.5g/t cut off

Deposit	Classification	Tonnes (Mt)	Au (g/t)	Au (Moz)
Awak Mas	Proved	-	-	-
	Probable	32.7	1.30	1.37
Salu Bulo	Proved	-	-	-
	Probable	2.9	1.66	0.16
<b>Total</b>	<b>Proved</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Probable</b>	<b>35.6</b>	<b>1.33</b>	<b>1.53</b>
	<b>Total</b>	<b>35.6</b>	<b>1.33</b>	<b>1.53</b>