

6 October 2021

Nusantara Takeover Completed

Lion Tops Up Cash Reserves to \$23.6M

Net Tangible Asset Backing

Lion is pleased to announce the completion of the sale of its investee Nusantara Resources Limited (NUS) to joint venture partner PT Indika Energy TBK (Indika) by way of Scheme of Arrangement for \$0.35 per share cash.

Payment of the Scheme Consideration to NUS shareholders was made on 6 October 2021 with Lion receiving \$17.5M for its 21.77% interest in NUS.

The effect on Lion's Net Tangible Assets:

- As stated below, Lion's 30 September 2021 NTA contains \$17.3M for Lion's holding in NUS reflecting the market price at that date.
- Following the receipt by Lion of the cash consideration under the NUS Scheme, Lion's pro rata cash position is \$23.6M.

This significant increase in Lion's cash position sees the Company well placed to meet its commitments to the Pani Joint Venture as it seeks to reconcile the issues preventing the completion of the deal with J Resources.

The proforma NTA at 30 September 2021, reflecting the conversion of the Nusantara holding to cash as a result of the acquisition by Indika is pre tax NTA \$97.3m and 64.8¢ps.



Net Tangible Asset Backing

Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 30 September 2021 is 64.7 cents per share (before tax) and 62.6 cents per share (after tax). This excludes any contingent liability relating to Lion's acquisition of African Lion 3 (see note below).

	Commodity	August 2021 A\$M	September 2021 A\$M	¢ps
Pani Joint Venture	Gold	62.5	63.3	42.2
The fair value of Lion's interest in the Pani Joint Venture increased to A\$60.7M at 31 July 2020. This increase reflects the sustained escalation in gold prices from the time of the most recent arm's length transaction in November 2018 ¹ . An additional \$2.6M has been invested subsequently.				
Portfolio				
Nusantara Resources (see note below)	Gold	17.0	17.3²	11.6
Erdene Resources	Gold	4.8	4.9	3.2
Kasbah Resources	Tin	2.0	2.0	1.3
Celamin Holdings	Phosphate	1.9	2.4	1.5
Other		1.3	1.2	0.8
Net Cash		7.0	6.1	4.1
Net Tangible Assets – Pre-Tax		A\$96.5m	A\$97.2m	64.7¢ps
Deferred tax liability on theoretical disposal of Lion's portfolio		(A\$3.1m)	(A\$3.2m)	(2.1¢ps)
Net Tangible Assets – Post-Tax		A\$93.4m	A\$94.0m	62.6¢ps

Capital Structure

Shares on Issue:	150,141,271
Share Price:	44¢ps 30 September 2021

¹ Lion Selection Group ASX Announcement 4 August 2020, Pani Update and Valuation Revision

² \$17.5M cash payment has been received

Contingent Consideration

Lion's NTA excludes potential contingent consideration that may be payable if Lion sells its investment in either Celamin or Kasbah. Based on a theoretical sale of both investments at the date of the NTA, contingent consideration of \$2.0m would arise (June 2021, \$2.0m).

This obligation arises following Lion agreeing to purchase the shares it did not own in African Lion 3 Ltd (AFL3) to consolidate ownership (with the exception of Lion Manager Pty Ltd who opted to hold its investment). The transaction involved part cash consideration and Lion agreeing to pay contingent consideration to be paid in certain circumstances for up to 5 years. The value of the contingent consideration depends on the ultimate exit price for Celamin and/or Kasbah, how long Lion holds the investments, and how much additional investment is required.