

10 November 2021

Net Tangible Asset Backing

Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 31 October 2021 is 64.6 cents per share (before tax) and 62.6 cents per share (after tax). This excludes \$2.2m in contingent liabilities relating to Lion's acquisition of African Lion 3 (see note below).

	Commodity	September 2021 A\$M	October 2021 A\$M	¢ps
Pani Joint Venture	Gold	63.3	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				
Erdene Resources	Gold	4.9	4.9	3.3
Kasbah Resources	Tin	2.0	2.0	1.3
Celamin Holdings	Phosphate	2.4	2.4	1.6
Other		1.2	1.1	0.7
Net Cash		6.1	23.3	15.5
Net Tangible Assets – Pre-Tax		A\$97.2m	A\$97.0m	64.6¢ps
Deferred tax liability on theoretical disposal of Lion's portfolio		(A\$3.2m)	(A\$3.0m)	(2.0¢ps)
Net Tangible Assets – Post-Tax		A\$94.0m	A\$94.0m	62.6¢ps

Capital Structure

Shares on Issue:	150,141,271	
Share Price:	48.5¢ps	31 October 2021

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



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 \$2.2m 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.