

9 February 2022

## Net Tangible Asset Backing

Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 31 January 2022 is 71.7 cents per share (before tax) and 68.9 cents per share (after tax). This excludes \$2.4m in contingent liabilities relating to Lion's acquisition of investments from African Lion 3 (see note below).

	Commodity	December 2021 A\$M	January 2022 A\$M	¢ps
<b>Pani Joint Venture</b>	Gold	63.3	<b>73.6</b>	<b>49.0</b>
Based on the price of US\$52M agreed for Lion's interest in the Pani Joint Venture. Lion's Pani interest is being acquired by Merdeka (Lion's Pani joint venture partner) and Andalan International Pte Ltd (an entity controlled by Provident Capital) <sup>1</sup> , with the transaction due to close on 28 February 2022. Consideration is cash (US\$22M upfront, US\$10M deferred for 12 months) and Merdeka shares (US\$20M upfront, with 12 months downside protection).				
<b>Portfolio</b>				
Erdene Resources	Gold	5.4	<b>5.0</b>	<b>3.3</b>
Kasbah Resources	Tin	2.0	<b>2.0</b>	<b>1.3</b>
PhosCo Ltd	Phosphate	2.7	<b>3.6</b>	<b>2.4</b>
Other		1.1	<b>1.0</b>	<b>0.7</b>
<b>Net Cash</b>		23.1	<b>22.4</b>	<b>15.0</b>
<b>Net Tangible Assets – Pre-Tax</b>		A\$97.6m	<b>A\$107.6m</b>	<b>71.7¢ps</b>
Deferred tax liability on theoretical disposal of Lion's portfolio		(A\$3.2m)	(A\$4.2m)	(2.8¢ps)
<b>Net Tangible Assets – Post-Tax</b>		A\$94.4m	<b>A\$103.4m</b>	<b>68.9¢ps</b>

### Capital Structure

<b>Shares on Issue:</b>	150,141,271	
<b>Share Price:</b>	52¢ps	31 January 2022

<sup>1</sup> Lion Selection Group ASX Announcement 31 January 2022, Sale of Pani JV Interest for A\$74M plus upside



## **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 \$2.4m would arise (December 2021, \$2.3m).

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 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.