

15 March 2022

Lion to pay 5cps dividends in CY2022

- **3.5cps special dividend immediately**
- **1.5cps annual dividend following final accounts**
- **On-market buy-back to commence**
- **Lion renews focus on new investment opportunities**

Lion Selection Group Ltd (**Lion or the Company**) is pleased to announce the establishment of dividend payments to shareholders, commencement of an on-market buy-back, and re-invigorated assessment of new investment opportunities following the closure of the sale of Lion's Pani interest.

Dividends

The Lion board has determined to pay a 3.5cps special dividend for payment to shareholders on the register as at the Record Date of 12 April 2022. This dividend will be un-franked.

The board has also determined to pay a dividend of 1.5cps, to be paid as an annual dividend following final accounts, in approximately November 2022. The finalisation of accounts and tax payable by Lion will determine the extent to which this dividend can be franked.

The Lion board notes that the Pani sale consideration includes US\$20M of shares of Merdeka Copper Gold (IDX:MDKA), which are value protected until 28 January 2023, and there is a further deferred cash payment of up to US\$10M due at the same date. Following receipt of the deferred cash payment and determination of the value of the Merdeka shareholding at that time, the Lion board intends to consider a special dividend in the first half of calendar year 2023.

Dividend Policy

Lion aims to pay sustainable dividends, from surplus investment proceeds, whilst balancing the investment requirements of the Company with market conditions and capital growth.

Lion will consider supplementary special dividends, if a windfall that provides a cash surplus over and above supporting a sustainable dividend occurs.

On-Market Buyback

Lion will shortly commence an on-market buy-back. Under the program, up to 10% of Lion's shares can be bought back over the next 12 months.

Lion plans to make purchases under the buy-back when the discount to NTA is approximately greater than 10%.



Mining Investment Plans

The exit from Pani not only provides for distributions for shareholders, it positions Lion as a well-funded investor. Lion has reviewed its investment strategy and will focus new investment efforts as follows:

- Focus:
 - Australia
 - Gold, battery metals/materials
 - Other countries and commodities considered by exception

- Companies and projects
 - Investment through the cycle

Lion takes a venture capital style approach to investing and is not limited to new or existing company equity. Lion closely monitors risks and volatility and the mining cycle and will favour investing structures that are most suitable to its assessment of market conditions.

Lion has arranged a presentation to shareholders to be held in the Lion office today (15 March) at 10am. Shareholders or investors who are unable to attend but would like to arrange a separate meeting or submit specific questions are invited to enquire via info@lsg.com.au.

Robin Widdup, Lion Founder and Director said: *“The establishment of a dividend is the first time since 2009 that Lion has been able to make distributions to shareholders. Lion is also very pleased to be considering new investments; clearly the mining market is extremely liquid at present and opportunities abound and Lion is in the strongest position it has ever been in to consider new opportunities.”*