

7 December 2022

## **Chairman's Address to 2022 Annual General Meeting**

Lion Selection Group Limited (ASX: LSX) ('**Lion**' or '**the Company**') is pleased to release the Chairman's Address to be made at the Annual General Meeting (AGM) to be held at 10.00am (AEDT) today, 7 December 2022.

### **Chairman's Address**

Since formation in 1997 Lion has ridden three mining cycles.

#### **1997 – 2008**

The 1997 crash was triggered by Bre-X, an Indonesian mining scandal. The sector saw capitulation and massive weakness which favoured Lion's investment.

Starting with \$100M, or \$97M after IPO costs, the company grew to over \$400M, paid dividends continuously for 6 years until a takeover threat led to hedge fund pressure which forced unwelcome changes, reducing Lion's cash position and ability to invest.

**2008 – 2013** cycle started with Lion's \$150M buyback plus distribution of Evolution shares shrinking Lion to only \$74M, with investments in African and Asian Lion accounting for the majority of this value. Both 1997 and 2008 downturns coincided with what were termed Financial Crises. But unlike 1997, the 2008 crash was gentle and recovery speedy. Lion was dominantly an African and Asian mining investor with too little cash to swing our focus into Australia.

The 2013 downturn saw Lion with only \$10M cash and high dependence on a single Indonesian gold company which held two attractive gold projects. Various challenges hit these Indonesian assets requiring Lion to roll up its sleeves and Lion's cash shrunk to only \$1M by 2018 defending them. Both Nusantara and Pani were sold in 2021/22 for a combined total of over \$90M which allowed renewed payment of dividends and around \$80M available for new investment. I pay tribute to the teamwork from management delivering these sales which allow rebirth; a new start for Lion.

We take forward with us many learnings from these previous cycles and the focus of investment is dominantly on Australia with maintenance of a couple of legacy international investments, one in Tunisia and one in Mongolia, both of which have high promise. Lion's commodity focus is gold, metals, fertilizer



and strategic minerals. We believe that Australian mining will benefit from safe haven status in an increasingly unstable world and that a bright future awaits the metals and minerals required in the global push towards renewable power.

There are many new opportunities in Australia that are being offered to Lion. What we don't know yet is whether the new mining cycle underway will continue to trend down, possibly even sharply or if this will be a slow gentle recovery. So, a cautious approach is warranted early 2023. Lion is actively assessing many new opportunities with its long-proven investment process. Lion will be doing some things differently, possibly holding more substantive interests in some assets and we expect to say more about this as the new year evolves.

In closing, I would like to thank shareholders for their ongoing support and often sage advice. Season's greetings to all of you and very best wishes to you and your families for 2023.