

Interim Report for the half year ended 31 January 2023

Appendix 4D
Half year report

Rule 4.2A.3

KEY POINTS

- **Pani Exit Complete**
- **Lion Net Cash and term deposits A\$80M (as at 28 February 2023)**
- **Further 2cps special dividend payable in April 2023**
- On 20 February 2023 Lion announced it has completed the sale of its 72.8M Merdeka shares received as part of the consideration for the sale of Lion's Pani Joint Venture interest. The shares have been progressively sold since late January 2023 on the Indonesian Stock Exchange for a total of A\$32.5M, compared with A\$26.5M (US\$20M) at the time they were received.
- As announced on 1 February 2023 Lion also received the deferred consideration (US\$10M cash) due under the sale of its interest in the Pani Joint Venture.
- The completion of the sale of the Merdeka shareholding and receipt of the deferred consideration concludes Lion's exit from Pani and Indonesia. The overall value of the Pani exit is A\$77.9M, a 23% premium to the holding value for Pani at the time the deal was announced.
- Lion has exited two major investments in the last 18 months – shareholding in Nusantara Resources, and the Pani joint venture which were both Indonesian gold exposures. Prior to the first of these sales Lion's NTA was approximately 85% pre-development Indonesian gold. Following its exit from Pani with the last of the Merdeka shares sold, Lion's NTA is now over 86% cash.
- With significant funds on deposit and escalating interest rates Lion is now benefiting from materially increased interest income.
- During this period Lion has focused on its Pani exit, maintaining a disciplined approach whilst liquidity for junior resources companies deteriorated. Following the exit from Pani, over \$11.7M has been distributed by way of dividends and an on-market buyback as at 28 February 2023.

Half Year ended 31 January	2023 \$000's	2022 \$000's
Investments		
Gain/(loss) attributable to movement in fair value	1,313	11,207
<i>Cash Inflows/Outflows</i>		
Proceeds from investment sales	17,930	17,732
Payments for investments	(1,008)	(1,389)

Appendix 4D Interim Report

1. Company Details

LION SELECTION GROUP LIMITED		
ABN or equivalent company reference	Half Year ended (‘current period’)	Half Year ended (‘previous period’)
26 077 729 572	31 January 2023	31 January 2022

2. Results for announcement to the market

A\$'000

2.1	Revenue (and other income)	Up 1311%	to	635
2.2	Profit (loss) for the half year	Down 93%	to	637
2.3	Profit (loss) for the half year attributable to members of the parent	Down 93%	to	637

	Dividends	Amount per share cents	Franked amount per share cents
2.4	Dividend fully paid on 31 October 2022	1.5	-
	Interim dividend for the year ended 31 July 2023		
	Dividend to be fully paid on 3 April 2023.	2.0	-

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood:

Refer to the attached Interim Financial Report for Half Year ended 31 January 2023.

3. Net tangible assets per ordinary security

Based on the attached Balance Sheet, the net tangible assets (NTA) per security based on the Net Assets of the Company at 31 January 2023 was \$0.650. This NTA is based on the valuation of investments at fair value after tax, as disclosed in the attached accounts. The NTA per security for the comparative period (31 July 2022) was \$0.653.

4. Controlled Entities

During the period the Company held a 100% ownership interest in Lion Selection Asia Limited and a 99% ownership interest in African Lion 3 Limited, and controls these companies.

Lion meets the qualifying criteria under AASB 10 of an “investment entity”, and neither Lion Selection Asia Limited or African Lion 3 Limited provides investment related services to the Company. Accordingly, the Company has applied the exemption from consolidating Lion Selection Asia Limited and African Lion 3 Limited and continues to carry these investments at fair value.

5. Dividends

A special dividend of 1.5¢ps was declared and paid during the period (31 July 2022: 3.5¢).

After the end of the period on 20 February 2023 the Company announced that the board has determined to pay a 2¢ps special dividend for payment to shareholders on the register as at the Record Date of 10 March 2023. This dividend will be unfranked.

6. Dividend/distribution reinvestment plan

Lion does not currently operate a dividend/distribution reinvestment plan.

7. Associates

	Current Period % Held	Previous Corresponding Period % Held
Company		
One Asia Resources Ltd	-	35.0
Pani Joint Venture	-	33.3
Plutonic Limited	31.7	-

Lion holds more than 20% of the above entities, hence each is considered as an investment in associates. The equity accounting method is not applicable for the above investments as Lion is a venture capital organisation that accounts for investments at fair value through profit or loss in accordance with AASB128 and AASB9.

8. Foreign Accounting Standards

Not applicable.

9. Audit

This report is based on financial statements which have been reviewed by the auditor, PricewaterhouseCoopers, which continues as an auditor of the Company.

For more information please refer to the attached Interim Report.



Lion Selection Group

Lion Selection Group Limited

ABN: 26 077 729 572

Interim Report for the Half Year Ended 31 January 2023

LION SELECTION GROUP LIMITED

**Interim Report for the
Half Year Ended 31 January 2023**

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration.....	3
Statement of Comprehensive Income for the Half Year ended 31 January 2023.....	4
Statement of Financial Position as at 31 January 2023.....	5
Statement of Cash Flows for the Half Year ended 31 January 2023	6
Statement of Changes in Equity for the Half Year ended 31 January 2023	7
Notes to the Financial Statements for the Half Year ended 31 January 2023	8
Directors' Declaration.....	14
Auditor's Review Report.....	15

LION SELECTION GROUP LIMITED

Directors' Report

The Directors of Lion Selection Group Limited ("Lion" or "the Company") submit their report on the operations of the Company for the half year ended 31 January 2023.

At the date of this report, Lion had 141,894,130 fully paid ordinary shares on issue.

Directors

The names of the Company's directors in office during the half year and until the date of this report are as below:

- Barry Sullivan (Non-Executive Chairman)
- Peter Maloney (Non-Executive Director)
- Robin Widdup (Director)
- Chris Melloy (Non-Executive Director)

Principal Activities

During the half year the principal continuing activities of the Company were investment in mining and exploration companies.

Results and Review of Operations

The Company's profit before tax for the half year was \$0.8 million (2022: profit \$10.4 million).

The result for the half year reflects a mark to market gain of \$1.3 million with respect to investments.

Key movements in the portfolio include increases of \$2.7 million in the value of deferred elements of consideration from selling the Pani Joint Venture (including its shares in PT Merdeka Copper Gold), partially offset by a decrease in the value of Lion's holding in PhosCo Ltd (\$1.6 million) with the investee's application for a mining concession over the Chaketma phosphate project not receiving approval.

On 1 February 2023 Lion announced that it had received US\$10 million deferred consideration for the sale of its interest in the Pani Joint Venture, with US\$7.15 million received on 31 January 2023 and US\$2.85 million received on 1 February 2023. In addition, the Company commenced the process of selling its Merdeka shares, with sales of \$9.5 million to 31 January 2023 and a residual holding worth \$23.2 million at the close of trade on 31 January 2023.

At 31 January 2023 the Company held investments valued at \$41.0 million (31 July 2022: \$56.6 million), and cash and term deposits of \$51.1 million (31 July 2022: \$40.6 million).

During the period the Company conducted an on-market buyback, purchasing and cancelling 6.5 million of its own shares at a cost of \$3.1 million.

As announced on 12 December 2022, Lion has agreed to acquire 14.0 million PhosCo shares from Lion Manager Pty Ltd (the Manager) by issuing 2.8 million Lion shares subject to approval by Lion shareholders. On 3 January 2023, PhosCo provided an update to the ASX on its Chaketma mining concession application, with the application not being approved by the Tunisian authorities. Lion announced on 5 January 2023 that the parties had agreed to put the transaction on review including the pricing, timing and other terms, noting that the transaction remains subject to Lion shareholder approval. Lion will monitor PhosCo developments including the status of the Chaketma tenement and update the market in due course.



Dividends

On 27 September 2022 Lion Selection Group Limited declared a 1.5¢ps annual unfranked dividend to shareholders (totalling \$2.2 million) which was paid on 31 October 2022. On 20 February 2023 the Company announced the Lion board had determined to pay a 2¢ps special dividend for payment to shareholders on the register as at the Record Date of 10 March 2023, payable on 3 April 2023. This dividend will be unfranked.

Likely Developments and Future Results

The Company's future operating results will depend on the results of its investments. The Company's ability to sustain profits is dependent on future sales of investments which in turn are dependent on market opportunities and the performance of the Company's various investments, which are difficult to predict.

There are a wide variety of risks associated with the mining and exploration industry including market conditions, exploration, operational and political risk, tenure of tenements, liquidity and native title issues. Because of the vagaries of the mining and exploration industry and the long-term nature of most of Lion's investments, the directors are unable to predict future results.

Auditor Independence

We have obtained an independence declaration from our auditors, PricewaterhouseCoopers, as required under section 307 of the Corporations Act 2001. A copy can be found on page 3 of this financial report.

Rounding of Amounts

The Company is of a kind referred to ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the financial report and Directors' report. Amounts in the financial report and Directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the directors.

P Maloney
Director

R Widdup
Director

Melbourne
23 March 2023



Auditor's Independence Declaration

As lead auditor for the review of Lion Selection Group Limited for the half-year ended 31 January 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'Graeme McKenna'.

Graeme McKenna
Partner
PricewaterhouseCoopers

Melbourne
23 March 2023

**LION SELECTION GROUP LIMITED****Statement of Comprehensive Income for the Half Year ended 31 January 2023**

	NOTES	January 2023 \$'000	January 2022 \$'000
Gain/(loss) attributable to movement in fair value	2	1,313	11,207
Interest income		601	23
Other income		34	22
Foreign exchange gain/(loss)		(1)	136
Management fees		(758)	(548)
Employee benefits		(128)	(110)
Other expenses		(300)	(349)
Profit before income tax		761	10,381
Income tax expense		(124)	(1,033)
Net profit after tax		637	9,348
Other comprehensive income		-	-
Total comprehensive income for the half year		637	9,348
Attributable to:			
<i>Members</i>		637	9,348
		Cents per share	Cents per share
Basic earnings/(loss) per share		0.4	6.2
Diluted earnings/(loss) per share		0.4	6.2

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**LION SELECTION GROUP LIMITED****Statement of Financial Position as at 31 January 2023**

	NOTES	January 2023 \$'000	July 2022 \$'000
Current Assets			
Cash and cash equivalents		20,860	20,619
Term deposits		30,251	20,000
Trade receivables and other assets		439	102
Financial assets	2	28,872	44,106
<i>Total current assets</i>		80,422	84,827
Non-Current Assets			
Financial assets	2	12,161	12,534
Property, plant and equipment		344	392
<i>Total non-current assets</i>		12,505	12,926
Total Assets		92,927	97,753
Current Liabilities			
Trade and other payables		176	150
Tax payable		14	237
Lease liabilities		85	81
<i>Total current liabilities</i>		275	468
Non-Current Liabilities			
Lease liabilities		265	308
Deferred tax liabilities		152	43
<i>Total non-current liabilities</i>		417	351
Total Liabilities		692	819
Net Assets		92,235	96,934
Equity			
Contributed equity	4	122,281	125,404
Reserves	4	1,341	1,341
Accumulated losses		(31,387)	(29,811)
Total Equity		92,235	96,934

The above statement of financial position should be read in conjunction with the accompanying notes.

**LION SELECTION GROUP LIMITED****Statement of Cash Flows for the Half Year ended 31 January 2023**

	January 2023 \$'000	January 2022 \$'000
Cash flows from operating activities		
Interest received	338	23
Other income received	34	22
Payments to suppliers and employees (including GST)	(1,237)	(1,061)
Interest paid	(9)	-
Income tax paid	(238)	-
<i>Net cash inflow/(outflow) from operating activities</i>	<i>(1,112)</i>	<i>(1,016)</i>
Cash flows from investing activities		
Payments for investments	(1,008)	(1,389)
Funds placed on term deposit	(10,251)	-
Proceeds from investment sales	17,930	17,732
<i>Net cash inflow/(outflow) from investing activities</i>	<i>6,671</i>	<i>16,343</i>
Cash flows from financing activities		
Dividends paid	(2,213)	-
On-market share buy-back	(3,064)	-
Payments for lease liability	(40)	-
<i>Net cash inflow/(outflow) from financing activities</i>	<i>(5,317)</i>	<i>-</i>
Net increase/(decrease) in cash and cash equivalents	242	15,327
Cash and cash equivalents at beginning of financial period	20,619	6,938
Effects of exchange rate changes on foreign currency denominated cash and cash equivalents	(1)	136
Cash and cash equivalents at end of financial period	20,860	22,401

The above statement of cash flows should be read in conjunction with the accompanying notes.

**LION SELECTION GROUP LIMITED****Statement of Changes in Equity for the Half Year ended 31 January 2023**

	CONTRIBUTED EQUITY \$'000	ACCUMULATED LOSSES \$'000	RESERVES \$'000	TOTAL \$'000
At 1 August 2022	125,404	(29,811)	1,341	96,934
Total comprehensive income	-	637	-	637
Transactions with owners in their capacity as owners				
Dividends paid	-	(2,213)	-	(2,213)
Share buy-back	(3,123)	-	-	(3,123)
At 31 January 2023	122,281	(31,387)	1,341	92,235

	CONTRIBUTED EQUITY \$'000	ACCUMULATED LOSSES \$'000	OPTION RESERVE \$'000	TOTAL \$'000
At 1 August 2021	126,214	(33,587)	1,341	93,968
Total comprehensive income	-	9,348	-	9,348
At 31 January 2022	126,214	(24,239)	1,341	103,316

The above statement of changes in equity should be read in conjunction with the accompanying notes.

LION SELECTION GROUP LIMITED

Notes to the Financial Statements for the Half Year ended 31 January 2023

NOTE 1. BASIS OF PREPARATION

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half year financial report should be read in conjunction with the annual financial report of Lion Selection Group Limited as at 31 July 2022, which was prepared based on Australian Accounting Standards. The half year financial report has been prepared with the same accounting policies and methods of computation as used in the most recent annual financial report.

It is also recommended that the half year financial report be considered together with any public announcements made by the Company during the half year ended 31 January 2023 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and ASX Listing Rules.

(a) Basis of accounting

The half year financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis, except for financial assets measured at fair value through profit or loss.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Lion meets the qualifying criteria under AASB 10 of an "investment entity", and neither African Lion 3 Limited nor Lion Selection Asia Limited provides investment related services to the Company. Accordingly, the Company has applied the exemption from consolidating African Lion 3 Limited and Lion Selection Asia Limited and continues to carry these investments at fair value.

(b) New or Revised Australian Accounting Standards and Interpretations that are first effective in the current reporting period

New Standards

There are no new standards that apply from 1 August 2022 that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Accounting Standards Issued But Not Yet Effective

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Summary of significant revised accounting policies

The Company's accounting policies are consistent with those of the comparative periods. The full disclosure of accounting policies is available in the annual financial report of Lion Selection Group Limited for the year ended 31 July 2022.

NOTE 2. FAIR VALUE MEASUREMENTS

The Company carries its investments at fair value with changes in value recognised in profit or loss.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and



NOTE 2. FAIR VALUE MEASUREMENTS - CONTINUED

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

Recognised fair value measurements

The following tables present the Company's assets measured and recognised at fair value for the periods ended 31 January 2023 and 31 July 2022.

At 31 January 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Investments	8,758	32,275	-	41,033
Total	8,758	32,275	-	41,033
At 31 July 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Investments	10,133	46,507	-	56,460
Total	10,133	46,507	-	56,460

During the year ended 31 July 2022 the Level 3 balance relating to Lion's investment in the Pani Joint Venture was transferred to Level 2 due to Lion agreeing to sell its interest in the project.

Fair value measurements using significant unobservable inputs (level 3).

The following table presents the changes in level 3 items for the periods ended 31 January 2023 and 31 July 2022.

At 31 January 2023	Unlisted Investments \$'000	Total \$'000
Opening balance 1 August 2022	-	-
Closing balance 31 January 2023	-	-
At 31 July 2022	Unlisted Investments \$'000	Total \$'000
Opening balance 1 August 2021	62,602	62,602
Transfers to Level 2	(62,513)	(62,513)
Other increases (purchases)	-	-
Gain /(loss) recognised in profit or loss	(89)	(89)
Closing balance 31 July 2022	-	-

NOTE 2. FAIR VALUE MEASUREMENTS - CONTINUED

Valuation techniques used to derive level 2 and level 3 fair values.

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on unobservable inputs. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are applied in accordance with the International Private Equity and Venture Capital Valuation Guidelines including:

- Net assets, looking through to the underlying assets held through interposed investment vehicles.
- The fair value of unlisted option contracts is determined using a Black Scholes valuation at the reporting date.
- The use of quoted market prices or dealer quotes for similar instruments where available.
- Other techniques, such as Monte Carlo option-pricing models and discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The price of a recent investment conducted in an orderly transaction between market participants generally represents fair value as of the transaction date. At subsequent measurement dates, the price of a recent investment may be an appropriate reference point for estimating fair value subject to the current facts and circumstances including changes in market conditions or changes in the performance of the investee company that would impact a market participant's perspective of fair value.

Valuation Processes

The Lion Manager includes a team that performs monthly valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. This team reports directly to the Lion Board. Discussions of valuation processes and results are held between the Lion Manager and the Lion Board at least once every six months in line with Lion's half yearly reporting dates, including changes in level 2 and 3 fair values.

Pani Joint Venture

On 1 March 2022 Lion sold its Pani interest to PT Merdeka Copper Gold TBK (Merdeka, Lion's Pani joint venture partner) and Andalan International Pte Ltd (Andalan, an entity controlled by Provident Capital) (the Buyers) for US\$52 million comprising:

- US\$22 million cash (less Indonesian withholding tax of US\$2.6 million),
- US\$20 million (72.8 million) Merdeka shares (IDX:MDKA);
- Deferred consideration of US\$10 million (subject to adjustment) due on 31 January 2023.

On 1 February 2023 Lion announced that it had received US\$10 million deferred consideration for the sale of its interest in the Pani Joint Venture, with US\$7.15 million received on 31 January 2023 and US\$2.85 million received on 1 February 2023. In addition, the Company commenced the process of selling its Merdeka shares, with sales of \$9.5 million to 31 January 2023 and a residual holding worth \$23.2 million at the close of trade on 31 January 2023.

As at 31 July 2022, Lion valued its interest in the Merdeka shares and the deferred consideration for the Pani Joint Venture at \$44.1 million, comprising \$28.5 million with respect to the Merdeka shares held and \$15.6 million with respect to the deferred consideration.

Lion's accounting policy for determining the fair value of unlisted investments aims to maximise the use of observable market data where it is available and rely as little as possible on unobservable inputs. For the comparative period Lion estimated the fair value of the Pani deferred consideration using a Monte Carlo option-pricing model calculating numerous scenarios of the performance of the underlying Merdeka shares over time, and what deferred consideration and top up consideration would be payable under each scenario. The Monte Carlo option-pricing model at each reporting date used the following inputs:

- the risk-free interest rate;
- the remaining expected life of the deferred consideration arrangements; and
- the expected volatility of the price of the underlying Merdeka shares.

The Merdeka shares and deferred consideration are treated as a Level 2 investment for Lion as the valuation is based on inputs other than quoted prices for identical assets that are observable for the asset. The Merdeka shares and rights to the deferred consideration are held by Lion's 100% owned holding company, Lion Selection Asia Limited.



Lion Selection Group

NOTE 3. DIVIDENDS PAID OR PROVIDED ON ORDINARY SHARES

	January 2023 \$'000	January 2022 \$'000
Dividends declared and paid during the half year	2,213	-
<i>Total dividends paid or provided</i>	<i>2,213</i>	<i>-</i>

NOTE 4. CONTRIBUTED EQUITY

	January 2023 \$'000	July 2022 \$'000
Issued and paid up capital (fully paid)		
Opening balance	125,404	126,214
Share buy-back	(3,123)	(810)
Issued and paid up capital (fully paid)	122,281	125,404
Share Capital	January 2023 Shares	July 2022 Shares
Issued and paid up capital (fully paid)		
Opening balance	148,406,526	150,141,271
Share buy-back	(6,512,396)	(1,734,745)
Issued and paid up capital (fully paid)	141,894,130	148,406,526

Capital Risk Management

Lion's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders. In order to maintain or adjust the capital structure, Lion may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

	January 2023 \$'000	July 2022 \$'000
Options		
Opening balance	1,341	1,341
Option reserve	1,341	1,341

The option reserve relates to historical options that were issued under the terms of Lion's acquisition of One Asia Resources Limited's interest in the Pani gold project. These options expired on 12 April 2020.

NOTE 5. SEGMENT INFORMATION

Management has determined the Company's segments based on the internal reporting reviewed by the Board to make strategic decisions. The Company provides patient equity capital to carefully selected small and medium mining enterprises. Investments have similar characteristics and so segments are determined on a geographical basis. Lion invests only in mining and exploration companies and projects with gold and base metal activities in Australia, Africa, Asia and the Americas. Information with respect to geographical segments is set out below.



NOTE 5. SEGMENT INFORMATION - CONTINUED

Half Year Ended 31 January 2023	AUSTRALIA \$'000	AFRICA \$'000	ASIA \$'000	AMERICAS \$'000	CORPORATE \$'000	TOTAL \$'000
Segment income	-	-	-	-	635	635
Mark to market adjustment	(7)	(1,624)	2,944	-	-	1,313
Segment income	(7)	(1,624)	2,944	-	635	1,948
Segment expense	-	-	-	-	(1,187)	(1,187)
Segment result before tax	(7)	(1,624)	2,944	-	(552)	761
Segment assets	1,198	6,074	33,761	-	51,894	92,927
Segment liabilities	-	-	-	-	692	692
Other segment information						
Assets acquired during the period	1,000	-	8	-	-	1,008
Cash flow information						
Net cash flow from operating activities	-	-	-	-	(1,112)	(1,112)
Net cash flow from investing activities	(1,000)	-	17,922	-	(10,251)	6,671
Net cash inflow from financing activities	-	-	-	-	(5,317)	(5,317)

Half Year Ended 31 January 2022	AUSTRALIA \$'000	AFRICA \$'000	ASIA \$'000	AMERICAS \$'000	CORPORATE \$'000	TOTAL \$'000
Segment income	-	-	-	-	181	181
Mark to market adjustment	-	1,143	10,064	-	-	11,207
Segment income	-	1,143	10,064	-	181	11,388
Segment expense	-	-	-	-	(1,007)	(1,007)
Segment result before tax	-	1,143	10,064	-	(826)	10,381
Segment assets	-	5,562	79,536	-	22,983	108,081
Segment liabilities	-	-	-	-	4,765	4,765
Other segment information						
Assets acquired during the period	-	450	939	-	8	1,397
Cash flow information						
Net cash flow from operating activities	-	-	-	-	(1,016)	(1,016)
Net cash flow from investing activities	-	(415)	16,528	230	-	16,343
Net cash inflow from financing activities	-	-	-	-	-	-

NOTE 6. CONTINGENT LIABILITIES

Lion has a potential liability for contingent consideration that may be payable if Lion sells its investment in either PhosCo or Kasbah. 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 ending 3 March 2026. The value of the contingent consideration depends on the ultimate exit price for PhosCo and/or Kasbah, how long Lion holds the investments, and how much additional investment is required. The decision to sell the investments in PhosCo and Kasbah is entirely at Lion's discretion.

Based on a theoretical sale at the carrying value for both investments at 31 January 2023, contingent consideration of \$2.2 million would arise.

NOTE 7. COMMITMENTS

Lion does not have any material commitments.

NOTE 8. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 1 February 2023 Lion announced that it had completed the receipt of US\$10 million deferred consideration for the sale of its interest in the Pani Joint Venture, with US\$7.15 million received on 31 January 2023 and the remaining US\$2.85 million received on 1 February 2023.

On 20 February 2023 the Company announced it had completed the sale of its 72.8m Merdeka shares received as part of the consideration for the sale of Lion's Pani Joint Venture interest. The shares have been progressively sold through late January and February 2023 on the Indonesian Stock Exchange for a total of A\$32.5m, compared with A\$26.5m (US\$20m) at the time they were received.

On 20 February 2023 the Company announced the Lion board had determined to pay a 2cps special dividend for payment to shareholders on the register as at the Record Date of 10 March 2023, payable on 3 April 2023. This dividend will be unfranked.

Other than the items above, there has not arisen in the interval between the end of the period and the date of this report, any item, transaction or event of a material or unusual nature which has or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.



LION SELECTION GROUP LIMITED

Directors' Declaration

In accordance with a resolution of the directors of Lion Selection Group Limited, we declare that:

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 4 to 13 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 January 2023 and its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

P Maloney
Director

R Widdup
Director

Melbourne
Date: 23 March 2023



Independent auditor's review report to the members of Lion Selection Group Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Lion Selection Group Limited (the Company) which comprises the statement of financial position as at 31 January 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Lion Selection Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Company's financial position as at 31 January 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 January 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Graeme McKenna

Graeme McKenna
Partner

Melbourne
23 March 2023