Preliminary Final Report
for the year ended 31 July 2023

Lion Selection Group

KEY POINTS

- **Pani Exit Complete**
- **Strong balance sheet with cash and term deposits of A$75M to invest in a weakening junior resources market**
- **Since Pani exit, over $14.6M has been distributed by way of dividends and an on-market buyback**

Lion Re-Commenced New Opportunity Investing

- Lion Selection Group (Lion) is an ASX listed mining investor (ASX:LSX), with a strong balance sheet to invest in a weakening junior resources market. Lion's main asset is cash and is a simple way to invest in high growth mineral companies, with a track record of value creation and dividends.
- The price of Lion's target investment universe has halved since 2021. These price falls have accelerated in 2023 as equity market funding for the sector dries up.
- Lion has $75M cash and term deposits, which is earning a strong return of interest whilst its purchasing power (for investing in micro-cap resources companies) is increasing.
- Lion has begun to take selective advantage of once-in-a-cycle opportunities with investments made into Great Boulder (ASX: GBR), Plutonic Limited (unlisted) and Alto Metals (ASX: AME).
- Actively seeking and assessing company and project investments – Australia focus / precious and base metals, battery materials.

Dividends Re-Established

- 1.5¢ps unfranked annual dividend paid on 31 October 2022 in addition to a 3.5¢ps unfranked special dividend paid on 29 April 2022.
- 2¢ps unfranked special dividend paid on 3 April 2023.

On-Market Buy-Back Completed

- 7.3m shares bought back for $3.5M during the year.

Key Investment Metrics Full-Year Ended 31 July	2023 $000's	2022 $000's	% Change
Mark to Market	904	8,127	(89)
Cash Inflows/Outflows			
Proceeds from investments	46,705	45,807	2
Payments for Investments	(2,263)	(4,084)	(45)

Lion Selection Group

Lion Selection Group Limited
ABN 26 077 729 572

Appendix 4E Preliminary Financial Report
for the year ended 31 July 2023

Reporting Period

Reporting Period	
Current reporting period	Year ended 31 July 2023
Previous corresponding reporting period	Year ended 31 July 2022

Results for Announcement to the Market

Results for Announcement to the Market				
Revenue	up	1,194%	to	2,264,000
Profit (loss) for the year	down	94%	to	581,000
Profit (loss) for the year attributable to members of the parent	down	94%	to	581,000

Results were extracted from the Financial Statements for the year ended 31 July 2023 which was audited by PricewaterhouseCoopers.

Commentary on the results for the year ended 31 July 2023 is included in the Director's Report section of the Annual Financial Report for the year ended 31 July 2023.

Net Tangible Assets Per Security

Reporting Period	31 July 2023		31 July 2022 Post Tax
	Pre-Tax	Post -Tax	
Net tangible assets per ordinary security	0.632	0.630	0.653

Dividends

Dividends		
Dividends	**Date of Payment**	**Total amount of dividend**
Annual 2022 dividend per share	31 October 2022	1.5¢
Interim 2023 dividend per share	3 April 2023	2¢
Amount per security	**Amount per security**	**Franked amount per security**
Current Year	3.5¢	-
Previous Year	3.5¢	-
Total dividend on all securities	**2023 $'000**	**2022 $'000**
Ordinary Securities	5,036	5,255
Total	**5,036**	**5,255**

Controlled Entities

Controlled Entities

During the period, the Company held a 100% ownership interest in Asian Lion Limited (wound up in 2022) and Lion Selection Asia Limited, and a 99% ownership interest in African Lion 3 Limited (wound up in 2023), and controls these companies. Lion is an investment entity for the purposes of AASB 10 Consolidated Financial Statements, AASB 127 Separate Financial Statements, and AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities.

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities is effective for annual periods beginning on or after 1 August 2014, exempting "Investment entities" from consolidating controlled investees. Investment entities are entities that:

(a) obtain funds from one or more investors for the purpose of providing those investors with investment management services;

(b) commit to their investor(s) that their business purpose is to invest funds solely for returns from capital appreciation, investment income or both, and

(c) measure and evaluate the performance of substantially all of their investments on a fair value basis.

Associates

Company	Current Period % Held	Previous Corresponding Period % Held
African Lion 3 Ltd	-	99
Lion Selection Asia Ltd	100	100
Plutonic	31.7	-

Lion meets the qualifying criteria under AASB 10 of an "investment entity", and entities controlled by Lion (Asian Lion Limited (wound up in 2022), African Lion 3 Limited (wound up in 2023) and Lion Selection Asia Limited) do not provide investment related services to the Company. Accordingly, the Company has applied the exemption from consolidating these entities and continues to carry these investments at fair value. Similarly, the scope of AASB 128 Investments in Associates allows the Company to elect to measure that investment at fair value through profit or loss in accordance with AASB 9.

For more information please refer to the attached Financial Statements.

Lion Selection Group

Lion Selection Group Limited

ABN: 26 077 729 572

Annual Financial Report for the year ended 31 July 2023

Lion Selection Group

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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 financial year ended 31 July 2023.

At the date of this report Lion had 141,150,775 fully paid ordinary shares on issue.

Directors

The following persons were directors of Lion during the financial year and up to the date of this report:

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

Principal Activities

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

Operating and Financial Review

This financial report is prepared in accordance with Australian Accounting Standards and therefore includes the result of the "mark to market" of the Company's investment portfolio in both the Statement of Comprehensive Income and the Statement of Financial Position.

The Company's profit after tax for the year was $0.6 million (2022: $9.0 million).

Lion's portfolio has performed well with Lion exiting two key investments during 2022 placing it in a strong position to take advantage of new opportunities with a renewed focus on Australian opportunities. Lion has begun to take selective advantage of once-in-a-cycle opportunities with investments made into Great Boulder (ASX: GBR), Plutonic Limited (unlisted) and Alto Metals (ASX: AME).

The result for the year reflects a mark to market gain of $0.9 million with respect to investments, with key movements in the portfolio value outlined below:

- A mark to market increase of $2.6 million on Lion's deferred consideration from the Pani Joint Venture that was sold during 2022, including an increase in PT Merdeka Copper Gold TBK (Merdeka) shares received as consideration for the Pani sale.
- Decrease in the value of Lion's investment in PhosCo of $2.6 million following PhosCo having its Chaketma Phosphate Project mining concession denied and the exploration permit cancelled.
- A mark to market increase of $1.0 million in the valuation of Lion's investment in Erdene Development Corporation, with Erdene's completion of a joint venture agreement to finance and develop its Bayan Khundii Gold Project in Mongolia.

At 31 July 2023 the Company held investments valued at $13.1 million (2022: $56.6 million), and cash and term deposits of $75.0 million (2022: $40.6 million).

Pani Joint Venture

In 2022 Lion sold its Pani interest to Merdeka (Lion's Pani joint venture partner) and Andalan International Pte Ltd (Andalan, an entity controlled by Provident Capital) 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); and
- Deferred consideration of US$10 million (subject to adjustment) due on 28 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 February 2023 Lion completed the sale of its 72.8M Merdeka shares for a total of A$32.5 million, compared with A$26.5 million (US$20 million) at the time they were received.

The completion of the sale of the Merdeka shareholding and receipt of the deferred consideration concludes Lion's exit from Pani and Indonesia.

Dividends

On 27 September 2022[1] 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 (2022: $5.2 million). On 27 February 2023[2] the Board determined to pay a special unfranked dividend of 2¢ps which was paid on 3 April 2023 (totalling $2.8 million).

Compliance with Environmental Regulations

Lion has a policy that environmental impacts of developments of investees are in line with country/international standards and do not adversely impact local communities.

Lion has not been notified by any investee of any environmental breach by any government or other agency, and is not aware of any such breach.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company.

Significant Events after Balance Date

There has not arisen in the interval between the end of the financial year 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.

Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

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.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Lion support the applicable principles of good corporate governance. The Company's corporate governance statement can be found in the Investor Section of our website www.lionselection.com.au.

Employees

At 31 July 2023 there was 1 full time equivalent employee of the Company (2022: 1 FTE).

Remuneration Report

All disclosures in this remuneration report have been audited. This remuneration report outlines the director and executive remuneration arrangements of the Company as required by section 308 (3C) of the Corporations Act 2001. For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director, and includes the executive employed by the Company considered to meet the definition of key management personnel.

Key Management Personnel Remuneration Framework

Emoluments of individual Board members and other key management personnel are determined on the basis of market conditions and the level of responsibility associated with their position. The emoluments are not specifically related to company performance and there are no long-term or short-term performance-related incentives provided to key management personnel. Remuneration and other terms of employment for key management personnel are formalised in either service agreements or employment contracts.

[1] See ASX Announcement dated 27 September 2022, Lion to pay 1.5¢ps annual dividend in October 2022

[2] See ASX Announcement dated 20 February 2023, Dividend/Distribution - LSX

The remuneration policy in relation to directors is determined by the full Board. Remuneration of other key management personnel is determined by the directors of the Company. Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. As approved by shareholders at the Annual General Meeting held on 1 December 2011, the maximum aggregate amount, including superannuation contribution, that may be paid to directors of the Company as remuneration for their services is $200,000 for any financial year.

Other key management personnel receive a base salary and superannuation contributions in accordance with Australian superannuation guarantee legislation.

Lion's only contracted executive, Ms Jane Rose, is employed under an employment contract with no fixed duration. The contractual notice period under this agreement is 3 months with no termination benefit specified in the agreement. The other key management personnel are not subject to any notice period or termination benefit with respect to their positions with the Company.

The remuneration policy of the Company with respect to directors and other key management personnel provides for Director's & Officer's (D&O) Insurance cover, but does not provide options, shares, loans or any other non-monetary benefits.

Voting and Comments at the Company's 2022 Annual General Meeting

The Company received more than 92% of "yes" votes on its Remuneration Report for the previous financial year. The Company did not receive any specific feedback at the Company's 2022 Annual General Meeting on its remuneration practices.

Details of Remuneration

Details of remuneration paid/payable to directors and the other key management personnel of the Company are detailed in the table below. The benefits provided to key management personnel are fixed with no at-risk components of remuneration.

KEY MANAGEMENT PERSONNEL OF THE COMPANY – REMUNERATION FOR YEAR TO 31 JULY 2023

2023			**FIXED REMUNERATION**		**VARIABLE REMUNERATION**	
		SALARIES/ FEES	**LEAVE ENTITLEMENTS**	**POST-EMPLOYMENT SUPERANNUATION**	**CASH BONUS**	**TOTAL**
NAME	**NOTES**	**$**	**$**	**$**	**$**	**$**
Directors						
B J K Sullivan		59,175	-	6,242	-	**65,417**
P J Maloney		24,167	-	27,500	-	**51,667**
C Melloy		24,167	-	27,500	-	**51,667**
R A Widdup	(a)	-	-	-	-	**-**
Other Key Management Personnel						
C K Smyth	(a)	-	-	-	-	-
J M Rose		113,080	(4,631)	11,920	-	**120,369**
Total		**220,589**	**(4,631)**	**73,162**	**-**	**289,120**

2022		FIXED REMUNERATION			VARIABLE REMUNERATION	
		SALARIES/ FEES	LEAVE ENTITLEMENTS	POST-EMPLOYMENT SUPERANNUATION	CASH BONUS	TOTAL
NAME	NOTES	$	$	$	$	$
Directors						
B J K Sullivan		47,255	-	4,745	-	**52,000**
P J Maloney		12,500	-	27,500	-	**40,000**
C Melloy		12,500	-	27,500	-	**40,000**
R A Widdup	(a)	-	-	-	-	**-**
Other Key Management Personnel						
C K Smyth	(a)	-	-	-	-	**-**
J M Rose		91,041	10,482	9,151	-	**110,674**
Total		**163,296**	**10,482**	**68,896**	**-**	**242,674**

(a) *R A Widdup and C K Smyth are employed by Lion Manager Pty Ltd, and do not receive any remuneration from the Company*

Prior year numbers were updated to include the movement in the annual leave provision.

Both Mr R A Widdup and Mr C K Smyth are executive directors and beneficial owners of Lion Manager Pty Ltd (Lion Manager) and have the capacity to significantly influence decision making of that company. Lion Manager provides management and investment services to Lion.

Lion entered into a Management Agreement with Lion Manager, under which Lion Manager provides the Company with management and investment services. These arrangements were approved by shareholders at Lion's AGM on 5 December 2012, with ongoing management fees of 1.5% p.a. based on the direct investments under management. There is an incentive applicable which would apply where Lion's performance outperforms a benchmark. In addition, up to a 12 month termination fee may be applicable should Lion seek to terminate the management agreement. Further details of the Management Agreement are set out in the Notice of Meeting for the 2012 AGM, available on Lion's website. As at the date of this report, no incentive fee had accrued with respect to the Lion Manager contract.

Key Management Personnel Shareholdings

At the date of this report the direct and indirect interests of the directors and other key management personnel in the ordinary shares and options of Lion are detailed below. No shares or options were issued as remuneration.

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL OF THE COMPANY

NAME	BALANCE 1 AUGUST 2022	SHARES ISSUED AS REMUNERATION	ON-MARKET PURCHASE OF SHARES	CLOSING BALANCE 31 JULY 2023
Directors				
P J Maloney	2,190,389	-	-	2,190,389
C Melloy	5,800,000	-	-	5,800,000
R A Widdup	16,717,277	-	-	16,717,277
B J K Sullivan	813,074	-	-	813,074
Other Key Management Personnel				
C K Smyth	1,505,137		-	1,505,137
J M Rose	-	-	-	-
Total	**27,025,877**	**-**	**-**	**27,025,877**

NAME	BALANCE 1 AUGUST 2021	SHARES ISSUED AS REMUNERATION	ON-MARKET PURCHASE OF SHARES	CLOSING BALANCE 31 JULY 2022
Directors				
P J Maloney	2,190,389	-	-	2,190,389
C Melloy	5,751,509	-	48,491	5,800,000
R A Widdup	16,717,277*	-	-	16,717,277
B J K Sullivan	813,074	-	-	813,074
Other Key Management Personnel				
C K Smyth	1,431,137		74,000	1,505,137
J M Rose	-	-	-	-
Total	**26,903,386***	**-**	**122,491**	**27,025,877**

* The opening number of shares has been updated to reflect historical shares omitted in the prior year.

OPTIONS ON ISSUE

There were no options on issue during 2023.

Information on Directors

Barry Sullivan BSc (Min), ARSM, FAusIMM, MAICD (Chairman)

Barry Sullivan is an experienced and successful mining engineer with a career spanning over 40 years in the mining industry. His initial mining experience was gained in the South African gold mining industry, followed by more than 20 years with Mount Isa Mines. In the final five years of his tenure with MIM, Barry was Executive General Manager responsible for the extensive Mount Isa and Hilton operations.

Barry was previously Non-Executive Chairman for EganStreet Resources, non-executive Director and Chairman of Exco Resources and a non-executive Director of Catalpa Resources, Sedimentary Holdings, Bass Metals and Allegiance Mining. He was also a non-executive director of Lion's predecessor company, Lion Selection Limited.

Barry has been a non-executive director of Lion since December 2011, becoming Chairman from 25 February 2016. Barry is also a member of the Lion Audit Committee.

Peter Maloney BComm, MBA (Roch) (Non-Executive Director)

Peter Maloney has broad commercial, financial and management expertise and experience. He has been Chief Financial Officer of Lion and an executive director of Lion Manager. Prior to that he held senior executive positions with WMC Resources and a number of other companies.

Peter holds a Bachelor of Commerce from the University of Melbourne and an MBA from University of Rochester. He has also completed the Advanced Management Program at Harvard Business School.

Peter has been a non-executive director of Lion since December 2010, including serving as Chairman between 1 January 2012 and 24 February 2016. Peter is also Chairman of the Lion Audit Committee.

Chris Melloy BE (Mining) (Hons), MEngSc, MAusIMM, F Fin (Non-Executive Director)

Chris Melloy is a mining engineer with some 40 years' experience in the mining industry in operations, securities analysis and investment. He held senior positions in MIM and JB Were & Son prior to joining Lion.

Chris was an Executive Director of Lion Manager from its inception in 1997 through to 2011, becoming a non-executive director of Lion on 1 November 2012. Chris is also a member of the Lion Audit Committee.

Robin Widdup BSc (Hons), MAusIMM (Director)

Robin has over 40 years of industry experience. He graduated from Leeds University in 1975 with an Honours Degree in Geology. From 1986 to 1997 Robin worked as an Analyst and Manager for J B Were & Sons – Resource Research team. Robin founded Lion Selection Group and Lion Manager in 1997.

Robin is a director of Lion Manager Pty Ltd, Chairman of PhosCo Ltd and a non-executive director of One Asia Resources Limited.

Other Key Management Personnel

Craig Smyth BCA (Acctg), M App Fin, CA (Chief Executive Officer)

Craig Smyth graduated from the Victoria University of Wellington with a Bachelor of Commerce and Administration, and has completed his Master of Applied Finance at the University of Melbourne. Craig's financial background includes Coopers & Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank. He is currently the CEO of Lion and Executive Director of Lion Manager Pty Limited. Craig is a member of the Institute of Chartered Accountants of Australia and New Zealand.

Jane Rose (Investor Relations Manager & Company Secretary)

Jane Rose commenced work in 1983 as a legal administrative assistant. During the following 12 years, Jane held senior administrative positions with Phillips Fox and Corrs Chambers Westgarth in Melbourne and Nabarro Nathanson in London.

On returning to Australia, Jane worked as Executive Assistant to the Managing Director of Acacia Resources Limited and AngloGold Ashanti Limited where she was also responsible for the management of various corporate initiatives, including marketing and co-ordination of investor relations activities. From 2002 to 2006, Jane worked for several Lion investees, including MPI Mines Ltd, Leviathan Resources and Indophil Resources. Jane worked with Lion in early 2007 to assist with the merger, and she subsequently joined the company in July 2007 as Corporate Relations Manager.

In November 2008 Jane was appointed Company Secretary.

Directors' Meetings

During the year and up until the date of this report, the Company held 14 directors' meetings. The table below reflects attendances of the directors at meetings of Lion's Board.

BOARD OF DIRECTORS		
	ATTENDED	MAX. POSSIBLE ATTENDED
P J Maloney	14	14
R A Widdup*	12	12
B J K Sullivan	14	14
C P Melloy	14	14

* R A Widdup was excluded from two meetings of Independent Directors considering a possible transaction with Lion Manager, a company in which Mr Widdup has a beneficial interest.

Audit Committee Meetings

During the year and up until the date of this report, the Company held two Audit Committee meetings.

The table below reflects attendances of the Audit Committee meetings.

AUDIT COMMITTEE		
	ATTENDED	MAX. POSSIBLE ATTENDED
P J Maloney	2	2
B J K Sullivan	1	2
C P Melloy	2	2

Directors' Benefits

Since the end of the preceding financial year, no director has received or become entitled to receive a benefit, other than benefits disclosed in this report as emoluments or the fixed salary of a full time employee of the Company or a related body corporate, by reason of a contract made by the Company or related body corporate with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Indemnification of Directors and Officers

An indemnity agreement has been entered into between Lion and each of the Company's directors named earlier in this report and with the Company Secretary. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

Lion has paid an insurance premium of $84,218 in respect of a contract insuring each of the directors, previous directors of the Company, and other key management personnel, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

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 9 of this financial report.

Non-Audit Services

No fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2023. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Rounding of Amounts

The Company is of a kind referred to in ASIC 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.

....	....
B J K Sullivan	**R A Widdup**
Chairman	Director
Melbourne	

Auditor's Independence Declaration

As lead auditor for the audit of Lion Selection Group Limited for the year ended 31 July 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 audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Graeme McKenna
Partner
PricewaterhouseCoopers

Melbourne
14 September 2023

Lion Selection Group Limited
Statement of Comprehensive Income for the Year ended 31 July 2023

	NOTES	2023 $'000	2022 $'000
Gain/(loss) attributable to movement in fair value	4	**904**	**8,127**
Interest income		**2,195**	**120**
Other income		**69**	**55**
Foreign exchange gain/(loss)		**-**	**80**
Management fees		**(1,521)**	**(1,269)**
Employee benefits		**(289)**	**(243)**
Other expenses	4	**(598)**	**(718)**
Profit/(loss) before income tax		***760***	***6,152***
Income tax (expense)/benefit	5	**(179)**	**2,879**
Net profit/(loss) after tax		***581***	***9,031***
Other comprehensive income		**-**	**-**
Total comprehensive income/(loss) for the year		***581***	***9,031***
Attributable to:			
Members		***581***	***9,031***
		Cents per share	**Cents per share**
Basic earnings/(loss) per share		**0.4**	**6.0**
Diluted earnings/(loss) per share		**0.4**	**6.0**

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 July 2023

	NOTES	2023 $'000	2022 $'000
Current Assets			
Cash and cash equivalents	13	**7,534**	**20,619**
Term deposits	3	**67,500**	**20,000**
Trade receivables and other assets	6	**1,169**	**102**
Financial assets	7	**-**	**44,106**
Total current assets		***76,203***	***84,827***
Non-Current Assets			
Financial assets	7	**13,101**	**12,534**
Property, plant and equipment	8	**296**	**392**
Total non-current assets		***13,397***	***12,926***
Total Assets		***89,600***	***97,753***
Current Liabilities			
Trade and other payables	9	**96**	**150**
Tax payable	5	**-**	**237**
Lease liabilities		**89**	**81**
Total current liabilities		***185***	***468***
Non-Current Liabilities			
Lease liabilities		**220**	**308**
Deferred tax liabilities	5 (b)	**220**	**43**
Total non-current liabilities		***440***	***351***
Total Liabilities		***625***	***819***
Net Assets		***88,975***	***96,934***
Equity			
Contributed equity	11	**121,900**	**125,404**
Reserves	12	**1,341**	**1,341**
Accumulated losses	10	**(34,266)**	**(29,811)**
Total Equity		***88,975***	***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 Year ended 31 July 2023

	NOTES	2023 $'000	2022 $'000
Cash flows from operating activities			
Interest received		**1,129**	**105**
Other income received		**69**	**55**
Payments to suppliers and employees (including GST)		**(2,316)**	**(2,170)**
Interest paid		**(17)**	**(17)**
Income tax paid		**(238)**	**-**
Net cash inflow/(outflow) from operating activities	*13(b)*	***(1,373)***	***(2,027)***
Cash flows from investing activities			
Payments for investments		**(2,263)**	**(4,084)**
Funds placed on term deposit		**(47,500)**	**(20,000)**
Proceeds from investments		**46,705**	**45,807**
Net cash inflow/(outflow) from investing activities		***(3,058)***	***21,723***
Cash flows from financing activities			
Dividends paid		**(5,036)**	**(5,255)**
On-market share buy-back		**(3,537)**	**(778)**
Payments for lease liability		**(81)**	**(62)**
Net cash inflow/(outflow) from financing activities		***(8,654)***	***(6,095)***
Net increase/(decrease) in cash and cash equivalents		***(13,085)***	***13,601***
Effects of exchange rate changes on foreign currency denominated cash and cash equivalents		**-**	**80**
Cash and cash equivalents at beginning of financial year		**20,619**	**6,938**
Cash and cash equivalents at end of financial year		***7,534***	***20,619***

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 Year ended 31 July 2023

	ISSUED CAPITAL $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL $'000
Balance at 1 August 2022	**125,404**	**1,341**	**(29,811)**	**96,934**
Total comprehensive income/(loss)	**-**	**-**	**581**	**581**
Transactions with owners in their capacity as owners				
Dividends paid	-	-	(5,036)	(5,036)
Share buy-back	(3,504)	-	-	(3,504)
Balance at 31 July 2023	**121,900**	**1,341**	**(34,266)**	**88,975**

	ISSUED CAPITAL $'000	RESERVES $'000	ACCUMULATED LOSSES $'000	TOTAL $'000
Balance at 1 August 2021	**126,214**	**1,341**	**(33,587)**	**93,968**
Total comprehensive income/(loss)	**-**	**-**	**9,031**	**9,031**
Transactions with owners in their capacity as owners				
Dividends paid	-	-	(5,255)	(5,255)
Share buy-back	(810)	-	-	(810)
Balance at 31 July 2022	**125,404**	**1,341**	**(29,811)**	**96,934**

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

Notes to the Financial Statements for the Year ended 31 July 2023

NOTE 1. CORPORATE INFORMATION

The financial report of Lion Selection Group Limited ("Lion" or "the Company") for the year ended 31 July 2023 was authorised for issue in accordance with a resolution of the directors on 14 September 2023. The directors have the power to amend and reissue the financial report.

Lion is a company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Company are described in the Directors' Report. The registered address of Lion is Level 2, 175 Flinders Lane, Melbourne.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Comparative information is reclassified where appropriate to enhance comparability.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Lion is a for-profit entity for the purpose of preparing the financial statements.

The financial report complies with Australian Accounting Standards. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for certain financial assets and financial liabilities that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to Lion under ASIC Instrument 2016/191. Lion is an entity to which the class order applies.

Lion meets the qualifying criteria under AASB 10 of an "investment entity", and entities controlled by Lion (Asian Lion Limited (wound up in 2022), African Lion 3 Limited (wound up in 2023) and Lion Selection Asia Limited do not provide investment related services to the Company. Accordingly, the Company has applied the exemption from consolidating these entities and continues to carry these investments at fair value.

(b) New accounting standards and interpretations

New standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have an impact on the carrying amounts of certain assets and liabilities are:

(i) Fair value of investments and other financial assets

The Company carries its investments at fair value with changes in the fair values recognised in profit or loss. The fair value of investments and other financial assets that are not traded in an active market is determined based on either a recent sale price, or where not available, the market value of underlying investments. Determination of market value involves the Company's judgment to select a variety of methods and in making assumptions that are mainly based on market conditions existing at each balance sheet date. The key assumptions used in this determination are set out in note 2(j).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) Income taxes

Lion is subject to income taxes in Australia. Judgment is required in determining the provision for income taxes and deferred taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Lion recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that sufficient future taxable amounts will be available to utilise those temporary differences and losses. This involves judgment regarding the future financial performance and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognised which can result in a charge or credit in the period in which the change occurs.

(d) Other income

Other income is recognised to the extent that it is probable that the economic benefits will flow to Lion and the other income can be reliably measured. The following specific recognition criteria must also be met before other income is recognised:

(i) Interest

Income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the fair value of the financial asset.

(ii) Dividends

Dividend income is recognised when the shareholders' right to receive the payment is established.

(e) Cash, cash equivalents and term deposits

For cash flow statement purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less or that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Other short-term, highly liquid investments with original maturities of more than three months are shown within term deposits on the balance sheet.

(f) Trade and other receivables

Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Company recognises a provision based on historical default rates, debtor analysis and the Company's monitoring of credit risk. Trade and other receivables are written off when there is no reasonable expectation of recovery.

(g) Foreign currency translation

Both the functional and presentation currency of Lion is Australian dollars (AUD).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity as part of other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidated Group

The Company and its wholly-owned entities have implemented the tax consolidation legislation. The head entity, Lion Selection Group Limited, and the wholly-owned entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from wholly-owned entities in the tax consolidated group.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTE 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Investments, other financial assets and investments in associates

The Company classifies its financial assets into the following categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be held at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Lion is a venture capital organisation and designates its investments as being fair value through profit or loss. The scope of AASB 128 Investments in Associates allows the Company to elect to measure that investment at fair value through profit or loss in accordance with AASB 9. After initial recognition, investments are measured at fair value, with gains or losses on fair value of investments being recognised in the Statement of Comprehensive Income. The fair value of assets is re-measured at each reporting date. This recognition is more relevant to shareholders and consistent with internal investment evaluation.

The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial assets that are not traded in an active market are determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

All regular purchases and sales of financial assets are recognised on the trade date (i.e. the date that the Company commits to purchase the asset). Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

Investments in controlled entities

During the period the Company held a 100% ownership interest in Asian Lion Limited (wound up in 2022) and Lion Selection Asia Limited, a 99% ownership interest in African Lion 3 Limited (wound up in 2023), and controls these companies. Lion is an investment entity for the purposes of AASB 10 Consolidated Financial Statements, AASB 127 Separate Financial Statements, and AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities.

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities is effective for annual periods beginning on or after 1 August 2014, exempting 'Investment entities" from consolidating controlled investees. Investment entities are entities that:

(a) obtain funds from one or more investors for the purpose of providing those investors with investment management services;

(b) commit to their investor(s) that their business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and

(c) measure and evaluate the performance of substantially all of their investments on a fair value basis.

(k) Derecognition of financial assets and financial liabilities

(i) Financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leases

Right-of-use assets and lease liabilities are established on the balance sheet for leases with an expected term greater than one year. The lease term is equal to the base contractual term and, where material, is adjusted for renewal or termination options that are reasonably certain to be exercised. Leases are recognised when the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the outstanding lease payments, which mainly comprise fixed payments (including in-substance fixed payments) and variable lease payments that are based on an index or rate, plus if applicable any residual value guarantees, purchase options and termination payments less any lease incentive receivable. When material adjustments to variable lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset. The portion of fixed payments related to service costs is included in the calculation of lease liabilities. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the Company's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar environment with similar terms, security and conditions. The lease liability is subsequently measured at amortised cost using the effective interest method. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any lease incentive received. Initial direct costs incurred are not considered to be significant and have been excluded from measurement of the right-of-use asset. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payments associated with short term leases (i.e. lease with a term of 12 months or less) and leases of low value assets are charged to expenditure as incurred over the duration of the lease. Variable payments under these lease agreements are not significant.

(m) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless Lion has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(o) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provisions and contingencies

Provisions are recognised when Lion has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When Lion expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

A contingent liability is disclosed when the Company has a:

(i) possible obligation arising from past events where it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits; or

(ii) present obligation that does not meet the recognition criteria of a provision (because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

(q) Employee leave benefits - Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave that are expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave for which Lion has an unconditional right to defer settlement for at least 12 months after the balance sheet date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example, as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(t) Earnings per share

Basic earnings per share is calculated as net profit after tax, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the segments, has been identified as the Board.

Investments have similar characteristics and so segments are determined on a geographical basis. Lion invests only in small and medium mining and exploration companies with gold and base metal activities in Australia, Africa and Asia.

NOTE 3 FINANCIAL RISK MANAGEMENT

Lion's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. Lion's overall risk management program is carried out under policies approved by the Board of Directors, focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Board provides written principles for overall risk management, as well as policies covering specific areas. The Board reviews and agrees policies for managing each of these risks and they are summarised below. Lion also monitors the market price risk arising from all financial instruments.

Lion holds the following financial instruments:

	2023 $'000	2022 $'000
Financial assets		
Cash and cash equivalents	**7,534**	**20,619**
Term deposits	**67,500**	**20,000**
Investments in securities	**13,101**	**56,640**
Trade receivables and other assets	**1,169**	**68**
	89,304	**97,327**
Financial liabilities		
Trade and other payables	**96**	**150**
	96	**150**

(a) Market risk

(i) ***Price risk***

Lion is exposed to equity securities price risk, with many of the Company's equity investments being publicly traded. This arises from investments held by Lion and classified on the balance sheet as fair value through profit or loss.

To manage its price risk, including exposure to changes in commodity prices arising from investments in equity securities, the Company diversifies its portfolio. Diversification by way of different commodities and locations of the portfolio is done in accordance with the limits set by the Company, however from time to time the Company may seek to increase exposure to particular investments. Lion does not hedge its equities securities price risk. Based on the financial instruments held at the end of the period, if the value of equity securities had increased by 10%/decreased by 10% with all other variables held constant, the Company's post-tax profit for the year would have been $1,310,000 higher/lower (2022: $5,656,000 higher/lower) as a result of gains/losses on equity securities classified as fair value through profit or loss.

(ii) ***Interest rate risk exposures***

Lion is exposed to interest rate risk through its primary financial assets. The interest rate risk exposures together with the effective interest rate for each class of financial assets and financial liabilities at balance date are summarised below. Most assets and liabilities are current, maturing within one year, with the exception of investments in securities, the value of which will be realised at the discretion of the Company.

2023	FLOATING INTEREST RATE $'000	FIXED INTEREST RATE $'000	NON INTEREST BEARING $'000	TOTAL $'000	AVERAGE INTEREST RATE FLOATING %	FIXED %
Financial Assets						
Cash – AUD	7,520	-	-	7,520	3.1	-
Cash – USD	14	-	-	14	-	-
Term deposits	-	67,500	-	67,500	-	4.1
Investments in securities	-	-	13,101	13,101	-	-
Financial Liabilities						
Trade and other payables	-	-	96	96	-	-

NOTE 3 FINANCIAL RISK MANAGEMENT (continued)

2022						
Financial Assets						
Cash – AUD	10,607	10,000	-	20,607	0.4	2.3
Cash – USD	12	-	-	12	-	-
Term deposits	-	20,000	-	20,000	-	3.3
Investments in securities	-	-	56,640	56,640	-	-
Financial Liabilities						
Trade and other payables	-	-	150	150	-	-

(b) Credit risk

Lion is exposed to credit risk. Credit risk arises from cash and cash equivalents and deposits with banks as well as credit exposures to counterparties, including outstanding receivables and committed transactions. Lion has a policy of maintaining its cash and cash equivalents with the "top 4" Australian Banks. For other counterparties, if there is no independent rating, management assesses the credit quality of the party, taking into account its financial position, past experience and other factors. The maximum exposure to credit risk approximates the carrying values as disclosed above.

Based on historical default rates, debtor analysis and the Group's monitoring of credit risk, no impairment allowance is considered necessary in respect of trade receivables not past due.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. Lion manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(d) 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

(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.

Recognised fair value measurements

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

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
At 31 July 2023				
Assets				
Financial assets at fair value through profit or loss	9,691	3,410	-	13,101
Total Assets	**9,691**	**3,410**	**-**	**13,101**
At 31 July 2022				
Assets				
Financial assets at fair value through profit or loss	10,133	46,507	-	56,640
Total Assets	**10,133**	**46,507**	**-**	**56,640**

NOTE 3 FINANCIAL RISK MANAGEMENT (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.

NOTE 4 INCOME AND EXPENSES

	2023 $'000	2022 $'000
Gain/(loss) attributable to movement in fair value of investments		
Mark to Market adjustment for year – investments realised during year	**(140)**	**405**
Mark to Market adjustment for year – deferred consideration	**2,568**	**-**
Mark to Market adjustment for year – investments held at end of year	**(1,524)**	**7,722**
Gain/(loss) attributable to movement in fair value of investments as recorded in the Statement of Comprehensive Income	**904**	**8,127**

Lion is a long term investor and investment performance generally spans a number of financial periods. Measured on historic cost, gross profit/(loss) on investments realised during the year includes mark to market adjustments realised in the current year as well as mark to market adjustments recognised in the Statement of Comprehensive Income in prior years as set out in the table below. This analysis excludes the sale of the interest in Pani Joint Venture by Lion Selection Asia Limited. Lion Selection Asia Limited is owned 100% by Lion.

	2023	2022
Results of investments realised during year		
Proceeds from sale of shares	**87**	**17,502**
Historical cost of investment sales	**(4,049)**	**(27,198)**
Gross profit/(loss) measured at historical cost on investments realised	**(3,962)**	**(9,696)**
Represented by:		
Mark to Market recognised in prior periods (including on acquisition)	**(3,822)**	**(10,101)**
Mark to Market recognised in current year	**(140)**	**405**
	(3,962)	**(9,696)**

NOTE 4 INCOME AND EXPENSES (continued)

	2023 $'000	2022 $'000
The total profit/(loss) is after charging the following other expenses		
Investor relations	103	111
Directors and Officers insurance	93	87
Legal expenses	38	143
Depreciation	96	81
Corporate overheads	268	296
Total other expenses	598	718

NOTE 5 INCOME TAX EXPENSE

	2023 $'000	2022 $'000
(a) Statement of Comprehensive Income		
Current income tax expense/(benefit)	(299)	237
Deferred income tax expense/(benefit)	478	(3,116)
Income tax expense/(benefit) reported in the Statement of Comprehensive Income	179	(2,879)
Reconciliation of income tax expense		
Profit/(loss) from ordinary activities before income tax	760	6,152
Prima facie tax thereon at 30%	228	1,846
Tax effect of permanent and temporary differences:		
Other non-deductible or non-assessable amounts	(21)	(3)
Assessable income brought to revenue account	311	193
Tax losses utilised – revenue account	(339)	(1,329)
Foreign tax credit available	-	(3,586)
Total income tax (expense/(benefit)	179	(2,879)

	2023 $'000	2022 $'000
(b) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Unrealised investments – revenue account	634	124
Accrued interest income	324	-
Other temporary differences	7	-
	965	124
Set-off of deferred tax assets pursuant to set-off provisions		
Tax losses available – revenue account	(719)	(81)
Other temporary differences	(26)	-
Net deferred tax liabilities	220	43

NOTE 5 INCOME TAX EXPENSE (continued)

(c) Unrecognised temporary differences

A deferred tax asset has not been recognised in the Statement of Financial Position as the benefits will only be realised if the conditions for deductibility and/or recognition set out in Note 2(h) occur.

	2023 $'000	2022 $'000
Unrecognised temporary differences at 31 July relate to the following:		
Tax losses available – revenue account	**55,653**	**57,053**
Temporary difference – unrealised investments (capital account)	**-**	**26,567**
Accrued expenses/Other temporary differences	**-**	**34**
Unrecognised tax losses and temporary differences at 31 July	**55,653**	**83,654**
Potential tax benefit at 30%	**16,696**	**25,096**

Capital losses have previously been realised in relation to foreign controlled companies which held assets which were used in an "active business". In the current period, Lion has opted to apply the default position under the participation exemption rule which disregards such capital losses (or gains).

NOTE 6 TRADE RECEIVABLES AND OTHER ASSETS

Interest Receivable	**1,082**	**15**
Prepayments	**34**	**34**
Security deposits	**35**	**35**
Sundry debtors	**18**	**18**
Total trade receivables and other assets, net	**1,169**	**102**

NOTE 7 FINANCIAL ASSETS

Unlisted investments (at fair value) - Current	**-**	**44,106**
Listed investments (at fair value) - Non-current	**9,691**	**10,134**
Unlisted investments (at fair value) - Non-current	**3,410**	**2,400**
Total financial assets	**13,101**	**56,640**

Listed shares are readily saleable with no fixed terms.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment – Cost	**506**	**506**
Accumulated depreciation	**(210)**	**(114)**
Total property, plant and equipment	**296**	**392**

NOTE 9 TRADE AND OTHER PAYABLES

Sundry creditors and accruals	**96**	**150**
Total trade and other payables	**96**	**150**

NOTE 10 ACCUMULATED LOSSES

	2023 $'000	2022 $'000
Movements in accumulated losses were as follows:		
Accumulated losses at the beginning of the financial year	**(29,811)**	**(33,587)**
Net profit/(loss) for period	**581**	**9,031**
Dividends paid	**(5,036)**	**(5,255)**
Accumulated losses at the end of the financial year	**(34,266)**	**(29,811)**

NOTE 11 CONTRIBUTED EQUITY

Issued and paid up capital (fully paid)		
Opening balance	**125,404**	**126,214**
Share buy-back	**(3,504)**	**(810)**
Issued and paid up capital (fully paid)	**121,900**	**125,404**

Share capital	2023 SHARES	2022 SHARES
Issued and paid up capital (fully paid)		
Opening balance	**148,406,526**	**150,141,271**
Share buy-back	**(7,255,751)**	**(1,734,745)**
Issued and paid up capital (fully paid)	**141,150,775**	**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.

NOTE 12 OPTION RESERVE

	2023 $'000	2022 $'000
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 13 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purpose of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, term deposits, cash managed by third parties and other bank securities which can be liquidated at short notice (less than three months), net of outstanding bank overdrafts if applicable.

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

Cash on hand and at bank	**7,534**	**20,619**

NOTE 13 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Reconciliation of net profit/(loss) after income tax to net cash inflow/(outflow) from operating activities

	2023 $'000	2022 $'000
Net profit/(loss) after income tax	**581**	**9,031**
Adjustments for non-cash income and expense items:		
Movement in fair value of investments (increase)/decrease in assets	**(904)**	**(8,127)**
Other non-cash (income)/expenses	**98**	**(7)**
Decrease/(increase) in assets:		
Other receivables	**(1,067)**	**(59)**
(Decrease)/increase in liabilities:		
Current income tax liabilities	**(237)**	**237**
Deferred tax liabilities	**178**	**(3,116)**
Payables	**(22)**	**14**
Net cash inflow/(outflow) from operating activities	**(1,373)**	**(2,027)**

NOTE 14 EARNINGS PER SHARE

(a)	Profit/(loss) used in calculating earnings per share	**581**	**9,031**
		2023 NUMBER	**2022 NUMBER**
(b)	Weighted average number of ordinary shares for basic earnings per share	**143,699,115**	**149,860,260**

The calculation of the weighted average number for the basic earnings per share does not include any potential ordinary shares with respect to options as there are no options on issue (2022: Nil).

NOTE 15 COMMITMENTS AND CONTINGENT LIABILITIES

Superannuation commitments

Lion does not have its own superannuation plan. The only commitment to superannuation is with respect to statutory commitments. At balance date, the Company was contributing to various approved superannuation funds at the choice of employees at a minimum rate of 11% of salaries paid. Employees are able to make additional contributions to their chosen superannuation funds by way of salary sacrifice up to the age based deductible limits for taxation purposes.

Contingent liabilities

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

Based on a theoretical sale at the carrying value for both investments at 31 July 2023, contingent consideration of $1.7M would arise.

NOTE 16 REMUNERATION OF AUDITORS

		2023 $	2022 $
(a)	**Audit services**		
	Audit and review of financial reports	**122,200**	**142,290**
	Total remuneration for audit services	**122,200**	**142,290**

(b) Non-audit services

No fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2023 (2022: Nil).

NOTE 17 RELATED PARTY DISCLOSURES

(a) Directors and Key Management Personnel

The directors and key management personnel in office during the financial year and up until the date of this report are as follows:

Barry Sullivan (Non-Executive Chairman)
Peter Maloney (Non-Executive Director)
Chris Melloy (Non-Executive Director)
Robin Widdup (Director)
Craig Smyth (Chief Executive Officer)
Jane Rose (Company Secretary)

(b) Subsidiaries and Associates

Lion meets the qualifying criteria under AASB 10 of an "investment entity", and entities controlled by Lion (Asian Lion Limited (wound up in 2022), African Lion 3 Limited (wound up in 2023) and Lion Selection Asia Limited) do not provide investment related services to the Company. Accordingly, the Company has applied the exemption from consolidating these entities and continues to carry these investments at fair value. Similarly, the scope of AASB 128 Investments in Associates allows the Company to elect to measure that investment at fair value through profit or loss in accordance with AASB 9.

Transactions with controlled entities:

Lion Selection Asia Limited (100% ownership interest)

During the year, the Company received net funds from Lion Selection Asia Limited of US$32,622,411 (A$46,604,787) (2022: advanced funds of US$19,384,383 (A$26,676,879)), with a loan liability balance of US$nil (A$nil) (2022: loan asset US$4,118,650 (A$5,893,890)). The amount payable to Lion Selection Asia Limited was interest free and payable at call.

African Lion 3 Limited (99% ownership interest)

In March 2021, Lion agreed to purchase the shares it did not own in AFL3 to consolidate ownership (with the exception of Lion Manager who opted to hold its investment). The transaction involved the payment of $392,000 in cash consideration to the other AFL3 Shareholders, with all AFL3 investments distributed in specie to Lion and Lion Manager on a pro rata basis. Lion also agreed for contingent consideration to be paid in certain circumstances for up to 5 years. Refer to Note 15 Commitments and Contingent Liabilities for further details. African Lion 3 Limited was wound up in 2023.

(c) Key Management Personnel Remuneration

	2023 $	2022 $
Short term employee benefits	**215,958**	**173,778**
Post-employment benefits	**73,162**	**68,896**
	289,120	**242,674**

(d) Lion Manager Contract

Lion entered into a Management Agreement with Lion Manager, under which Lion Manager provides the Company with management and investment services. These arrangements were approved by shareholders at Lion's AGM on 5 December 2012, with ongoing management fees of 1.5% p.a. based on the direct investments under management. Management fees of $1,520,699 were paid in the current year. There is an incentive applicable which would apply where Lion's performance outperforms a benchmark. In addition, up to a 12 month termination fee may be applicable should Lion seek to terminate the management agreement. Further details of the Management Agreement are set out in the Notice of Meeting for the 2012 AGM, available on Lion's website. As at the date of this report, no incentive fee had accrued with respect to the Lion Manager contract with the benchmark materially exceeding Lion's Market Capitalisation.

NOTE 18 MATERIAL INVESTMENTS

The Company had direct and indirect ownership of the following material investments at year end:	CARRYING AMOUNT 2023 $'000	CARRYING AMOUNT 2022 $'000	ENTITY OWNERSHIP 2023 %	ENTITY OWNERSHIP 2022 %
African Lion 3	**-**	**-**	**-**	**99**
Lion Selection Asia	**-**	**8**	**100**	**100**
Merdeka	**-**	**28,515**	**-**	**0.3**
Deferred Pani Consideration	**-**	**15,514**	**-**	**-**
PhosCo Ltd (formerly Celamin Holdings)	**3,126**	**5,684**	**15**	**15**
Erdene Resource Development	**5,228**	**4,071**	**4**	**4**
Atlantic Tin (formerly Kasbah Resources)	**2,013**	**2,013**	**4**	**4**

Each of the above companies is involved in the mining and exploration industry.

NOTE 19 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, and Asia. Information with respect to geographical segments is set out below.

2023	AUSTRALIA $'000	AFRICA $'000	ASIA $'000	CORPORATE $'000	TOTAL $'000
Mark to Market adjustment	(47)	(2,558)	3,509	-	904
Segment Income	**(47)**	**(2,558)**	**3,509**	**2,264**	**3,168**
Segment Expense	-	-	-	(2,408)	(2,408)
Segment Result Before Tax	**(47)**	**(2,558)**	**3,509**	**(144)**	**760**
Segment assets	2,408	5,140	5,553	76,499	89,600
Segment liabilities	-	-	-	625	625
Other Segment Information					
Assets acquired during the period	2,250	-	13	-	2,263
Cash Flow Information					
Net cash flow from operating activities	-	-	-	(1,373)	(1,373)
Net cash flow from investing activities	(2,250)	-	46,692	(47,500)	(3,058)
Net cash flow from financing activities	-	-	-	(8,654)	(8,654)

2022	AUSTRALIA $'000	AFRICA $'000	ASIA $'000	CORPORATE $'000	TOTAL $'000
Mark to Market adjustment	(45)	2,780	5,392	-	8,127
Segment Income	**(45)**	**2,780**	**5,392**	**255**	**8,382**
Segment Expense	-	-	-	(2,230)	(2,230)
Segment Result Before Tax	**(45)**	**2,780**	**5,392**	**(1,975)**	**6,152**
Segment assets	205	7,698	48,738	41,112	97,753
Segment liabilities	-	-	-	819	819
Other Segment Information					
Assets acquired during the period	250	955	2,349	530	4,084
Cash Flow Information					
Net cash flow from operating activities	-	-	-	(2,027)	(2,027)
Net cash flow from investing activities	(250)	(915)	43,189	(20,301)	21,723
Net cash flow from financing activities	-	-	-	(6,095)	(6,095)

NOTE 20 EVENTS OCCURRING AFTER THE REPORTING PERIOD

There has not arisen in the interval between the end of the financial year 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:

1. In the opinion of the directors:

    (a) the financial statements and notes set out on pages 10 to 29 are in accordance with the Corporations Act 2001 and other mandatory reporting requirements, including:

        (i) complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

        (ii) giving a true and fair view of the financial position of the Company as at 31 July 2023 and its performance for the year ended on that date; 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.

2. Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 July 2023.

4. The directors have been given the declaration by the chief executive officer required by section 295A of the *Corporations Act 2001.*

On behalf of the Board

………………………………………	………………………………………
B J K Sullivan	**R A Widdup**
Chairman	Director

Melbourne
Date: 14 September 2023

Independent auditor’s report

To the members of Lion Selection Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Lion Selection Group Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 31 July 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 July 2023
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors’ declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

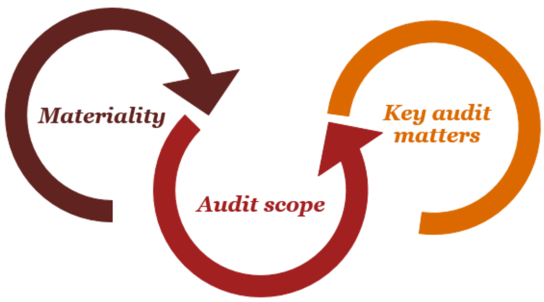
We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the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

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

The principal activities of the Company involve investing in mining and exploration companies through a number of listed and unlisted investments.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of $889,700, which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose net assets because, in our view, it is the benchmark against which the performance of the Company is most commonly measured, and it is a commonly accepted benchmark.
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Company made subjective judgements, for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Company's finance function and corporate office is based in Melbourne, where we predominantly perform our audit procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	*How our audit addressed the key audit matter*
Fair value of investments *Refer to note 3(d) and note 7* As at 31 July 2023, the total fair value of the Company's investments amounted to $13.1 million. The fair value applied by the Company to these listed and unlisted investments was a key audit matter due to the significant impact that any movement in the fair value could have on the net assets as at 31 July 2023.	We obtained the Company's investment schedule as at 31 July 2023, which includes a listing of each investment held, and compared the total of the investment schedule to the amount recorded in the financial statements. We assessed whether the investment valuation techniques used by the Company were in accordance with Australian Accounting Standards. We performed the following procedures, amongst others, on the fair value of these investments: • For a sample of listed and unlisted investments, we compared the number of shares held to supporting evidence such as holding statements • For a sample of listed and unlisted investments, together with PwC internal valuation experts, we assessed the fair value with reference to quoted market prices or market observable data, if available. Where that information was unavailable, we considered other available financial information in assessing the fair value.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 July 2023, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 2 to 5 of the directors' report for the year ended 31 July 2023.

In our opinion, the remuneration report of Lion Selection Group Limited for the year ended 31 July 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Graeme McKenna

Graeme McKenna
Partner

Melbourne
14 September 2023