

6 December 2023

## **Chairman's Address to 2023 Annual General Meeting**

Lion Selection Group Limited (ASX: LSX) ('**Lion**' or '**the Company**') is pleased to release the Chairman's Address to be made by Robin Widdup at the Annual General Meeting (AGM) to be held at 10.00am (AEDT) today, 6 December 2023.

### **Chairman's Address**

I stood here in 1997 as Founder and inaugural Managing Director of Lion. I'm here now as Chairman Elect and would like to thank Barry Sullivan and the Lion Team for their hard work and patient guidance in delivering Lion with a strong cash position at the start of a new mining cycle. Lion had been stranded in 2013 with minimal cash and dependence on offshore assets held in the African and Asian Lion Funds. Both subsidiary funds were closed, and the job of the last decade was to manage the sale of offshore assets.

In 2021/22 over \$95M was realised from the sale of two Indonesian gold assets with \$17M of this spent on buybacks and dividends plus \$7M on new investment which is now top priority.

2023 has been a year of rebirth or Renaissance for Lion. Our patience and conviction about the market now sees us with \$70M of cash available to invest into a weak, still falling mining sector which is throwing up many opportunities where active Australian companies need urgent funding.

Lessons learned since 1997 have guided Lion's future focus:

- Australia is best with language, culture, travel, time zones and some other well-known risks overseas.
- Timing – it is essential to hold cash at the top of the cycle and be patient, plus take a long term 5-10 year view as most mining investors are short term.
- Portfolio needed as early mining is high risk and may fail.
- Commodity – stick to your knitting; invest in what you understand.
- Lion team can step in when needed to manage assets and has confidence in future to step into assets directly to maximise upside.
- LIC status is inappropriate; alternative models are being considered –
  - Lion is an active investor not a trader, often taking over 10% holdings and almost always holding for many years;



- LIC investors tend to have short term focus on liquidation value rather than Lion's pre-development focus which has multiples of upside but requires time and continued investment.

One regret is not having retained a cash flow asset which would have underwritten continuous dividend payment ability.

At Lion's inception in 1997 we were favoured with \$100M and the start of a new cycle. By 2008, Lion's value was around \$400M proving that our investment model worked. This is the first time since 1997 that Lion has been able to invest cash into a weak and falling market. In addition to lessons learned, the major advantage today is a work-hardened and experienced team. The team here today, Jane, Carmel, Craig and Hedley are the ones who built Lion's current position. I am proud to be a part of this team. It's 2 on the Lion clock and time to get cracking!