

26 March 2024

Lion invests in Brightstar, Sunshine and Koonenberry

Lion commits to three new investments:

- **\$2M in Brightstar Resources**
- **\$0.5M follow-on investment in Sunshine Metals**
- **\$0.25M in Koonenberry Gold**

Lion Selection Group Limited (ASX:LSX, **Lion**) is pleased to announce it has committed to invest \$2.75M across three investments.

Lion has committed to invest \$2M as part of a \$12M fund raising announced by Brightstar Resources (ASX:BTR, **Brightstar**). This raising accompanies Brightstar's off-market takeover offer announced on 25 March 2024 for unlisted Linden Gold Alliance Limited that Lion believes will be transformational for Brightstar. The combination is expected to create a growth orientated gold producer with a material resource base, complementary operations, and excellent management team that will drive development and growth. Lion is expected to hold approximately 3% of Brightstar assuming that the raising and takeover are completed as announced.

Lion has also committed to invest \$0.5M in Sunshine Metals Limited (ASX:SHN, **Sunshine**) as part of a \$4M placement announced on 25 March 2024, taking Lion's interest in Sunshine to approximately 4%. Lion first invested in Sunshine in September 2023 attracted by the large mineral inventory and successful geological team, who identified and drilled high-grade Au-Cu in the 1.6km long Liantown footwall including:

- 17m @ 22.1g/t Au from 67m (23LTRC002)¹; and
- 20m @ 18.2g/t Au from 114m (24LTRC005)²

Following this success, Lion has opted to increase its investment in Sunshine, and notes that Sunshine's story is attracting increasing institutional interest.

Lion has also recently committed to a smaller investment of \$0.25M in Koonenberry Gold (ASX:KNB, **Koonenberry**), via underwriting Koonenberry's rights issue announced on 4 March 2024.

Lion Chairman Robin Widdup said: *"We are very pleased with the prospects of adding Brightstar and Koonenberry to the Lion portfolio. Brightstar can establish itself as a producer with advanced projects and very manageable funding requirements. Koonenberry is exploring for gold over a large area with very little historic exploration work but substantial prospectivity. With Sunshine, the teams in these companies are totally aligned with the qualities Lion seeks to back and we look forward to working with them all into the future."*

¹ Announced by Sunshine on 24 November 2023

² Announced by Sunshine on 13 March 2024



Brightstar Resources

Brightstar has two established gold resource hubs near Menzies and Laverton in Western Australia. At the Menzies hub Brightstar recently commenced toll treating material from its Selkirk JV to the Gwalia mill owned by Genesis Minerals Limited. At Laverton, Brightstar owns a processing plant that is currently on care and maintenance.

On 25 March 2024, Brightstar announced a recommended takeover offer for Linden Gold Alliance Limited, an unlisted gold producer, developer and explorer with existing mineral resources of 350koz @ 2.1g/t Au³ near Brightstar in the Laverton district. Lion sees this transaction as being transformative for Brightstar for three key reasons:

- The combination of the Linden team enhances Brightstar's board and management, including the introduction of the highly regarded Richard Crookes as Chairman post-merger;
- Linden's Laverton operations add scale and operational synergies for restarting Brightstar's Laverton plant including anticipated mine scheduling benefits to materially bring forward production; and
- Linden's existing toll treatment production (also treated at Gwalia) adds to the critical mass of Brightstar's toll treatment business.

Lion has committed to invest \$2M in a placement being conducted by Brightstar to raise \$12M at 1.4¢ps. The placement is not conditional on the takeover proceeding.

Sunshine Metals

Sunshine holds a base metal dominated (zinc, copper, gold) Resource in North Queensland within a geological belt that contains numerous similar examples of mineralisation. As a result of investment by historic owners of the ground Sunshine benefits from defined Resources that are open in all directions, and established targets that are revealed in the data-rich ground position. There has been mining in the district for over a century and the project is well located with respect to critical infrastructure, which reduces the risk threshold for potential future project development.

Lion has committed to invest \$0.5M via the \$4M placement that was announced by Sunshine on 25 March 2024 priced at 1.1¢ps.

Koonenberry Gold

Koonenberry is an early-stage explorer that was an early mover applying for a large-scale tenement package in the Koonenberry belt of north-western New South Wales. The belt has more recently seen a pegging rush, attracting high profile groups including S2 Resources Limited and AIC Mines Limited.

With abundant evidence of high-grade mineralisation in multiple bedrock sources and a pipeline of emerging targets, the tenement package offers a compelling district scale Greenfields discovery opportunity in an underexplored and emerging province. Koonenberry Gold holds a dominant position in the Koonenberry Belt in NSW which is believed to be an extension of the Stawell Zone in Western Victoria and therefore has the potential for the discovery of significant gold deposits.

Lion has agreed to act as a sub-underwriter for up to \$250,000 in Koonenberry's \$2.35M rights Issue at 1.4 ¢ps, with one free attaching option for each two shares in the offer. In the event that the Rights Issue shortfall is less than \$250,000, Koonenberry intends to undertake a follow-on placement of new shares to Lion on the same terms subject to Koonenberry shareholder approval.

³ As announced by Brightstar on 25 March 2024

Lion investment process

Despite a strengthening gold price, the prices of most mineral commodities have weakened during 2024. In combination with declining liquidity in the equity market over recent years the prices of micro-capitalisation miners and explorers as a group have fallen materially, which has increased the purchasing power of Lion's available cash, and the flow of opportunities to Lion has also increased. Lion places greatest emphasis on projects that have strong growth and development prospects coupled with people that have high levels of capability and integrity.