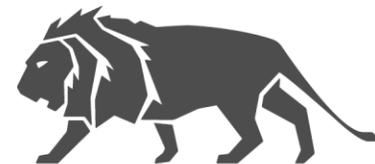




Lion Selection Group

ASX : LSX
August 2024

www.lionselection.com.au



Lion Selection Group

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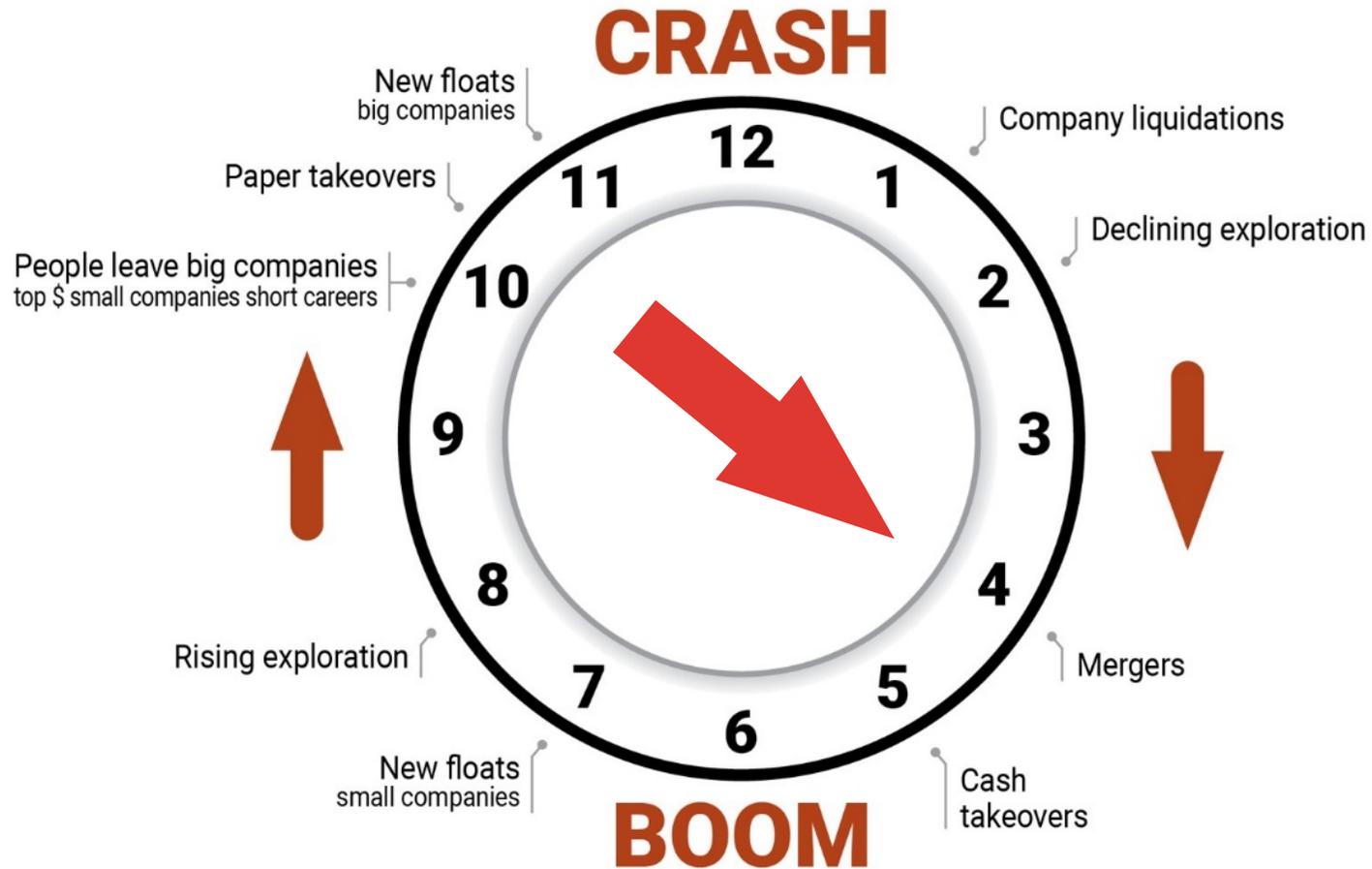
Disclaimer

Lion Selection Group Limited

27 years of investing, managing and selling

Mining Cycle – The Lion Clock

Central to Lion investment strategy



- Characteristic patterns define cycles for resources stocks
- Particularly pronounced for micro-capitalisation stocks
- Lion aligns investment behaviours to the cycle

Investing in *high growth* Resources via Lion

- 1.** Investing in a deeply discounted market
Micro-capitalisation Resources **down 75%** since April 2022
- 2.** Targeting highest growth sector
Micro-capitalisation Resources: multiples upside
Targeted investments made from high volume deal flow
- 3.** Well-funded
\$56.6M¹ cash to establish high % holdings in target investments at cyclical low prices
- 4.** Entry price < asset backing
47.5cps VS 62.3cps. Deeply liquid asset backing
- 5.** Research driven process
In house due diligence, underpinned by deep experience and broad networks
- 6.** Broad opportunity access
High quality deal flow from start-up stage explorers and deal makers eg Plutonic (Lion \$4.8M invested)
High proportion of deal flow internally originated
- 7.** Lowest jurisdiction risk
Australia
- 8.** Portfolio approach to high growth sector
Multiple commodity and project exposures to minimise individual exposure risks
- 9.** Specialist Mining Investment Team
Established performance track record across multiple cycles, hands on approach, experienced across mining, finance and M&A plugged into the mining investment sector

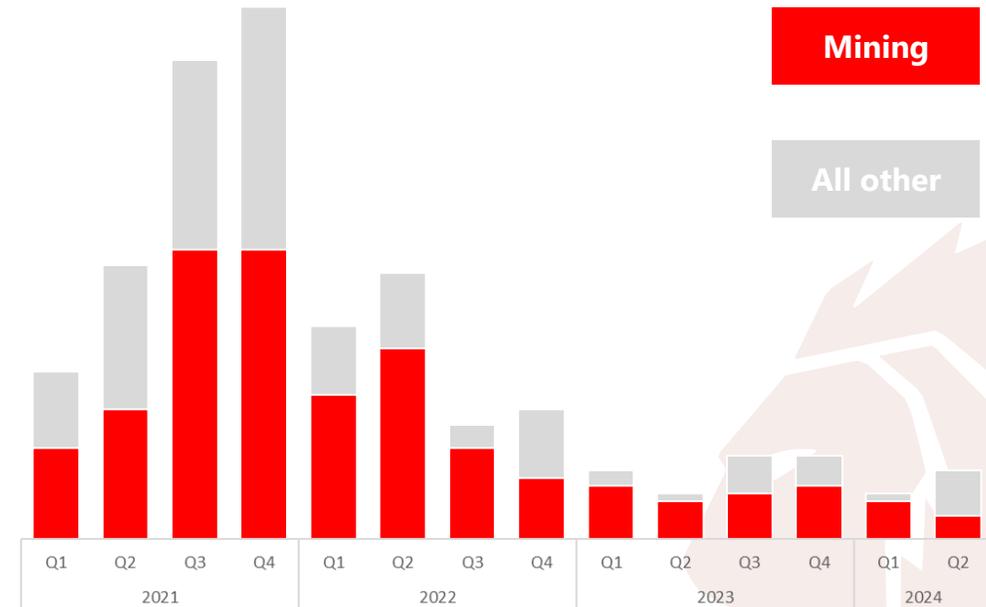
Opportunity: Lion's target asset class is down 75%

1. **Equity prices** for micro-capitalisation Resources companies have collapsed, and are still falling

2. **Liquidity** for the mining space has collapsed: very challenging conditions for micro-capitalisation Resources companies to raise money



Mining equity indices (ASX100 Resources and ASX Small Resources)
Jan 2022 – Present, rebased to 19 April 2022

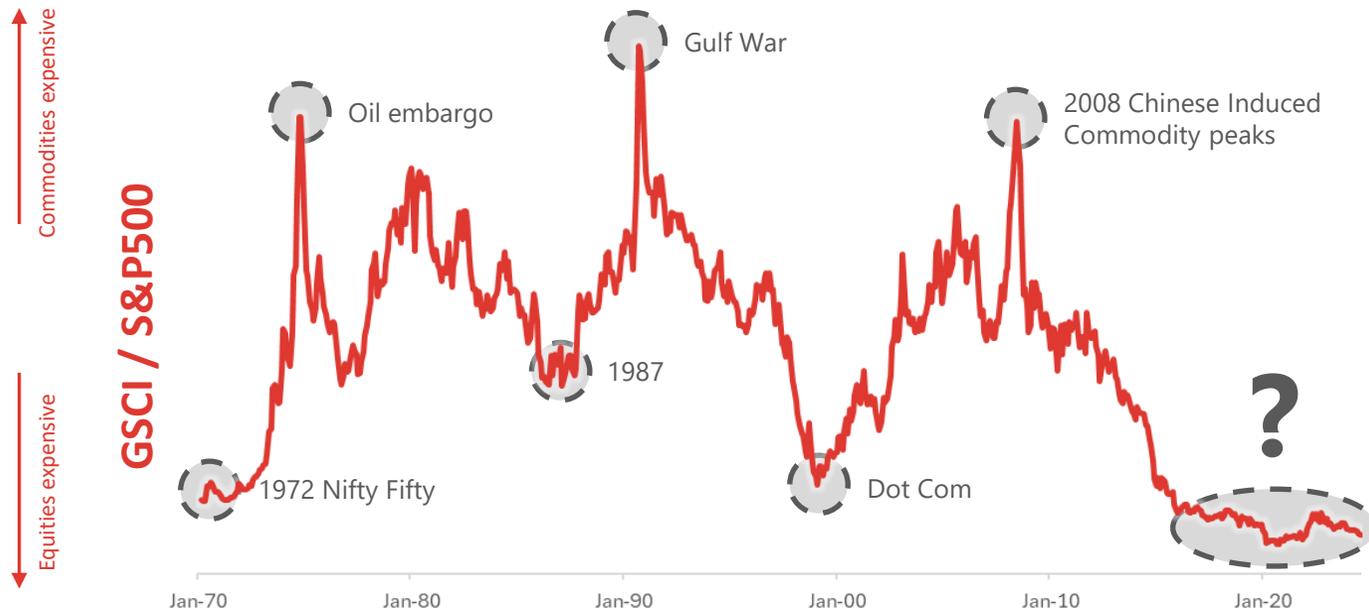


Number of IPO's onto ASX (Mining VS All Other)
Jan 2021 – Present

Commodities VS Equities

How will history describe the present...?

Wonderful medium- to long-term fundamentals for commodities and resources equities



1. Cyclical recovery: the next mining boom
2. Future supply
The mining industry is *extremely* under invested in future supply
3. A new marginal buyer of gold
Chinese investors have replaced Western ETFs as the price setter for gold
4. Energy transition
Future demand patterns will reflect greater intensity of use for many materials, now regarded as "critical / strategic"
5. Economic outlook
Weak growth (or recession): medium rather than short term commodity recovery expected
6. Interest rates
Period of interest rate hikes subdued equity market risk appetite for micro- and small-caps
7. Equity market favouritism
Tech vs mining

Deal Flow

Extremely broad access to opportunities

Micro Capitalisation Resources

- Deep but inefficient target market
- 000's of companies, with high creation / turnover rate

Huge investment universe

- **LISTED:** Metals and Mining classified micro-caps largest group on ASX. >600 (of >1900 listed companies)*
- **UNLISTED:** Large community of startup, explorers and deal makers

Delivered by networks

- Extensive relationship network throughout the industry
- Results in high in-bound volume of enquiry from brokers, companies, etc

Internally originated

- Bottom-up investment approach: We know what we are *looking and watching* for
- And establish / maintain contact

Watchlist

- Deal flow is actively processed: watch / pursue, wait, or ignore
- Watchlist companies have detailed assessment in place

Process

- Highly selective conversion to investment

* Source: ASX

Investment Process

27 years of deployment

Micro Capitalisation Resources

- Highest growth stage in mining
- Requires strong technical approach and alignment to the mining cycle
- To capture high multiple growth

Highly selective

- High deal flow (1,000's per year)
- Highly selective conversion to investment (targeting 10-20 portfolio stocks)
- 100% in-house due diligence, specialist mining investment team

Portfolio objectives

- Growth target: ***Multiples***
- Long term holdings, with strong follow on
- Risk management via exposure to multiple commodities, projects, stage of project and people

Filter

- **Jurisdiction / People / Project**

Jurisdiction

- Australia only

People

- High capability, strong integrity
- Extension / part of the Lion Team

Project

- Valuation
- Risk assessment

Exit

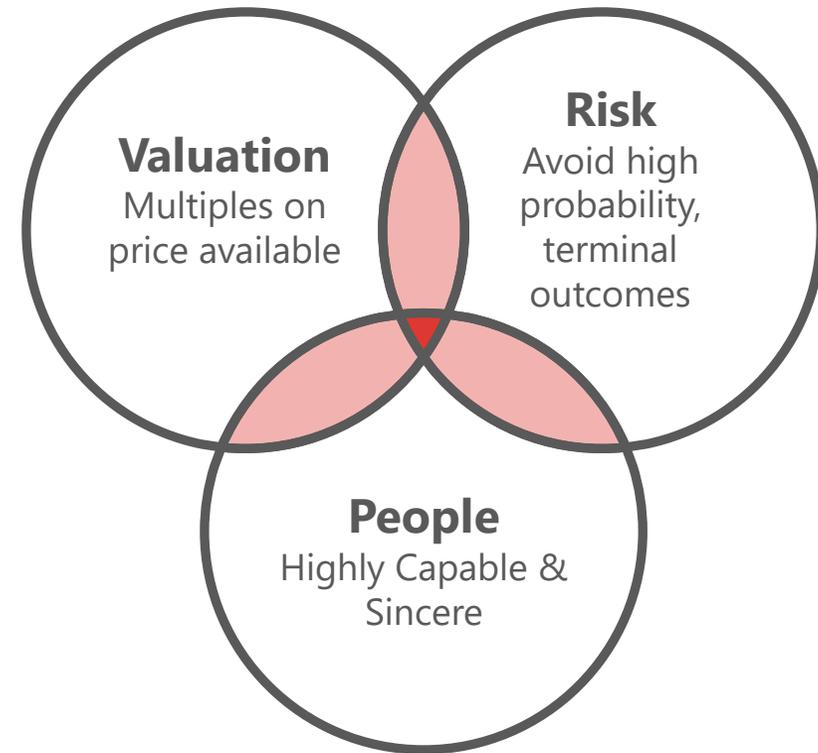
- Consolidate or sell

Investment Objective

Multiples

Micro Capitalisation Resources

- Target multiples that aren't threatened by a terminal risk
- And people that are as much on our team as we are on theirs



Leverage to most attractive commodities
Essential to be able to produce and sell a product

Cents in the dollar pricing
Developing portfolio at cyclical lows

High capability, growth-oriented teams
Oriented toward long-term relationships

Strategically located assets
Multiple pathways to development and exit

Investing at *cyclical low prices*

\$56.6M cash to invest¹

Australia focus

Precious, base and strategic materials

Pre-development stage

Underpins greatest value growth potential



Brightstar Resources
[ASX:BTR]

Low capex, cash flow funds growth, strategically sized gold inventory



Saturn Metals
[ASX:STN]

Low-cost heap leach economics x large gold inventory



Antipa Minerals
[ASX:AZY]

Telfer region strategic resource



Sunshine Metals
[ASX:SHN]

High grade Gold / Copper / Zinc VMS



Alto Metals
[ASX:AME]

Strategic ground package, 0.8Moz in shallow drilling



Great Boulder
[ASX:GBR]

Defining the Eastern limb of the Meekatharra Gold Field



Venture Minerals
[ASX:VMS]

Large, shallow, high grade REE discovery close to proposed upgrade facilities



Koonenberry Gold
[ASX:KNB]

Koonenberry field – nugget patches and untested targets



Plutonic
[unlisted]

Large, undrilled hydrothermal system with gold / copper pregnancy



Commodity legend:



Precious metals



Base metals



Strategic materials

Legacy investments (Erdene, PhosCo, Atlantic Tin, Kin Gin) not shown

“The biggest risk for investors under these circumstances is to be illiquid.”



ASX:LSX

Valuation¹

Sum of the parts

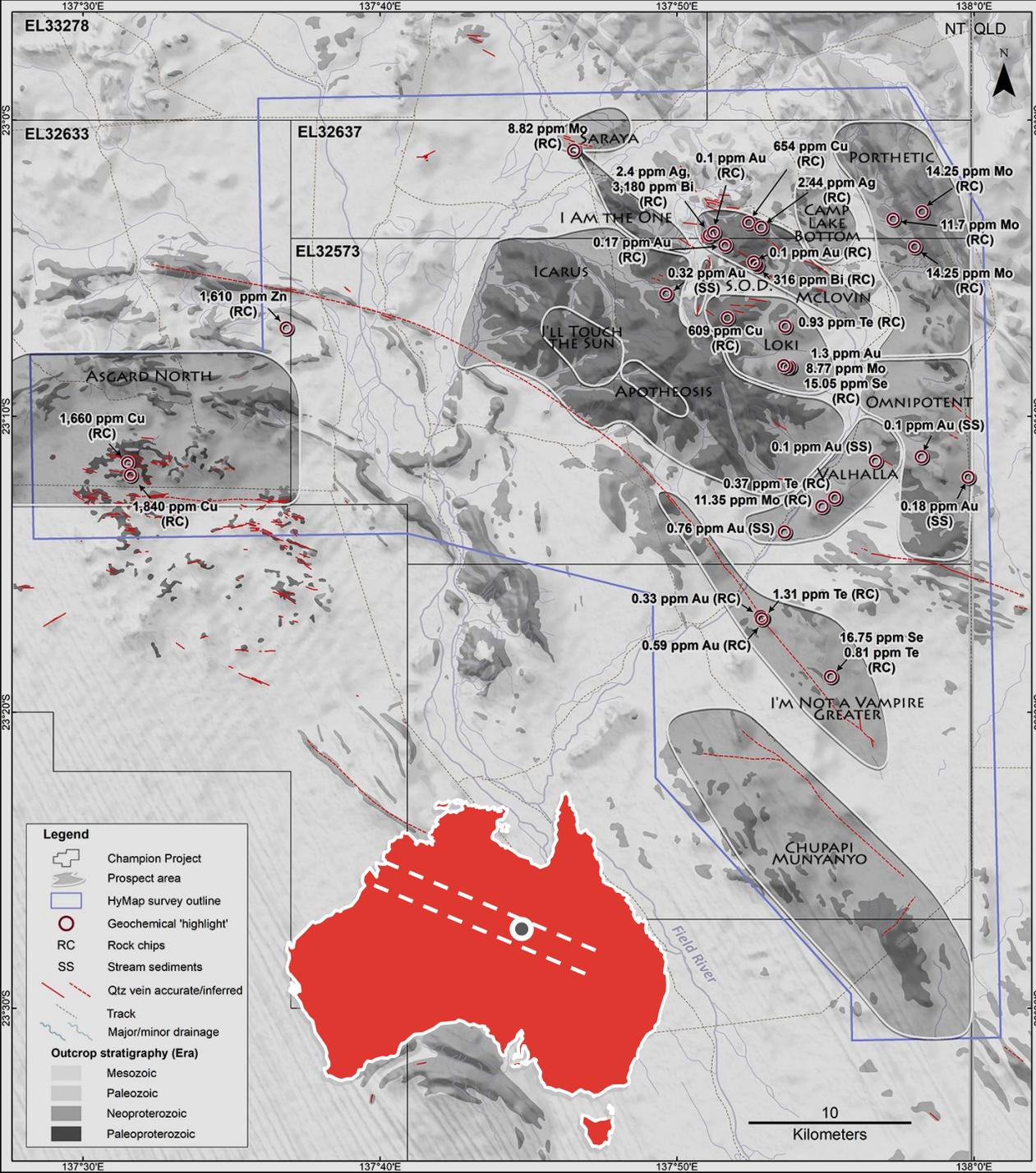
31 July 2024

Cash	\$56.6M	40.1cps
Legacy Investments	\$9.4M	22.5cps
New Investments *	\$22.4M	
Tax	-\$0.4M	
Total Value	\$88.0M	62.3cps
Market Capitalisation	\$67.0M	47.5cps

The New Investment pool consists of investments made by Lion, with a focus on Australia, since the exit of two substantial Indonesian gold investments in 2021 and 2022

- **\$22.4M invested** in New Investments
- This pool of New Investments has **performed +9%**

* New investments are companies invested in by Lion for the first time after 1 January 2022



Investment in Focus

PLUTONIC

Chasing hypergiant gold and copper deposits

Never-before considered mineral systems over a large area: District scale discovery potential

- ✓ Gold and copper anomalism
- ✓ Hydrothermal system 400-450Ma
- ✓ G3 structural corridor

Ultra-leveraged to discovery

Lion 42% shareholder²

This investment is not available in the market

Plutonic unlisted – ordinary retail access only via LSX

Golden Cornerstones

- ✓ Valuation upside
- ✓ Growth upside
- ✓ Strategic inventory size
- ✓ World best gold jurisdiction



Lion 5.1%* | **\$6.3M invested***
3.0Moz⁵

Harnessing low capex cash flow to fund growth over multi-million ounce portfolio

- 3x gold projects*: Menzies, Laverton and Sandstone*
- Low hurdles to production and cash flow



Lion 17.6%# | **\$8M invested#**
1.84Moz⁶

Strong economics available unlocking strategically sized gold development

- Broad ore zone inside single, low strip open pit
- Heap leach process plan
- Low-cost mining and processing

Board & Management

Strong Foundation

BOARD



Peter Maloney

Non-Executive Director

Peter has commercial background developed through various roles at WMC Resources, Santos and FH Faulding. Peter was Chairman at Catalpa Resources when it merged into Evolution Mining Limited.



Chris Melloy

Non-Executive Director

Chris is a mining engineer with 40+ years experience in mining operations, securities analysis and investment. He has worked with Lion since inception, and held directorships of several Lion investee companies.



Robin Widdup

Executive Chairman

Robin's mining experience spans Africa, UK and Australia. Robin led the mining analyst team at JB Were and was the founder of Lion Selection Group.



Craig Smyth

CFO

18 years mining investment experience. Craig is a member of the Institute of Chartered Accountants of Australia with experience working for Coopers & Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank.



Hedley Widdup

CEO

24+ years mining and investment experience. Extensive mine and resource geology experience. Noted for mining commentary including the mining cycle. Director of Erdene Resources and Plutonic Limited

MANAGEMENT TEAM

Exceptional Access to People



Plutonic Limited



Brightstar Resources



Alto Metals



Great Boulder



Saturn Metals



Venture Minerals



Antipa Minerals



Sunshine Metals



Koonenberry Gold



Vacancy...



LSX

Assembling a portfolio of high-quality resources investments

At cyclical low pricing

Preparing for the next mining boom

ASX:LSX

Opportunity

(well-funded to acquire multiple, high % holdings)

- Small and micro-cap resources companies have been depressed by small cap sentiment and commodity price weakness
- Lion has a strong cash position from top-of-market investment exits and is investing at deeply discounted cyclical lows

Asset portfolio development

- Highly selective investor in a huge investment universe where specialist mining investment approach is required
- Targeting the most attractive commodities: precious, base and strategic materials
- Strategically located assets, with multiple pathways to development and exit

Potential for outperformance

(strong re-rating expectation)

- Investing aligned with the mining cycle, awaiting the next boom and cyclical uplift
- Exceptional long-term fundamentals for commodities
- Overdue reversal of equity market sentiment to micro- and small-cap companies

LSX:ASX

Lion Selection Group | Well funded | Investing at cyclical low
Powerful contrarian play in a weakened market

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The Lion Story

27 years

Veteran of three mining cycles

EST.
1997

Melbourne • Australia

Founded in 1997 by Robin Widdup, Lion Selection Group has built a track record as a successful investor in mining assets and interpreter of the cycles of mining.

In a 27-year history, Lion has been an early shareholder and contributed to the success of a long list of successful mining companies. These include East African Gold Mines (The North Mara Mine which is now a substantial gold producer for Barrick in Tanzania), Consolidated Minerals, Independence Group (now known as IGO), Catalpa Resources (now known as Evolution Mining), MPI Mines, Redback Mining, Gallery Gold, EganStreet Resources, Indophil Resources and Platmin. Profitable exits have enabled Lion to make distributions to shareholders exceeding 341cps⁷ which underpin Total Shareholder Return since 1997 well exceeding the ASX Small Resources Index⁷.

In 2021 / 2022 Lion exited two substantial Indonesian gold investments which resulted in a cash return to Lion of over \$90M at the top of the mining cycle. \$16.7M of this cash was distributed via dividends and an on-market buy-back, the remainder is available for investing in a market that has more than halved. Lion is strongly re-capitalised for a new mining boom cycle.

Lion closely monitors the mining cycle via the Lion Mining Clock and aims to align investments and exits with mining busts and booms to take best advantage of weak markets to invest and strong markets to sell.

Lion has always backed people whose competency and integrity are high and aligned with our own.

Our sole focus is developing a commodity diverse portfolio of pre-production Australian mining assets that have strong investment cases. This positions Lion as a mid-tier sized mining house of the future, with high leverage to the long term strongly positive fundamentals for mineral commodities and the inevitable next mining boom, based on assets that have been accumulated through the current weak market.

Appendices

References

1. Refer to Lion Selection Group announcement to ASX on 8 August 2024
2. Refer to Lion Selection Group announcement to ASX on 29 July 2024
3. Refer to Brightstar Resources announcement to ASX on 1 August 2024 “BTR and AME Strategic Merger. BTR consolidates Sandstone”, and the Lion Selection Group announcement to ASX on 2 August 2024
4. Refer to Saturn Metals announcement to ASX on 1 July 2024 “Successful \$14M placement”, and the Lion Selection Group announcement to ASX on 1 July 2024 “Lion increases Saturn Metals holding with \$5M investment”
5. Refer to Brightstar Resources announcement to ASX on 1 August 2024 “BTR and AME Sandstone Merger and Acquisition Presentation”
6. Refer to Saturn Metals announcement to ASX on 28 June 2023
7. Total Shareholder Return (TSR) for Lion Selection Group as at 31 July 2024 since inception in July 1997 was **8.0%pa**, versus the ASX Small Resources Accumulation Index **4.2%pa**
Investment performance figures reflect the historic performance of Lion Selection Group Limited (ASX:LSG, 1997–2007), Lion Selection Limited (ASX:LST, 2007–2009), Lion Selection Group Limited (NSX:LGP, 2009–2013) and Lion Selection Group Limited (ASX:LSX, 2013–present).
Methodology for calculating total shareholder return is based on MorningStar (2006), which assumes reinvestment of distributions.
Lion assume all distributions are reinvested, with all non-cash distributions sold and the proceeds reinvested on the distribution pay date.
Investment performance is pre-tax and ignores the potential value of franking credits on dividends that were partially or fully franked.
Past performance is not a guide to future performance.
Indices used for comparison are accumulation indices, which assume reinvestment of dividends.

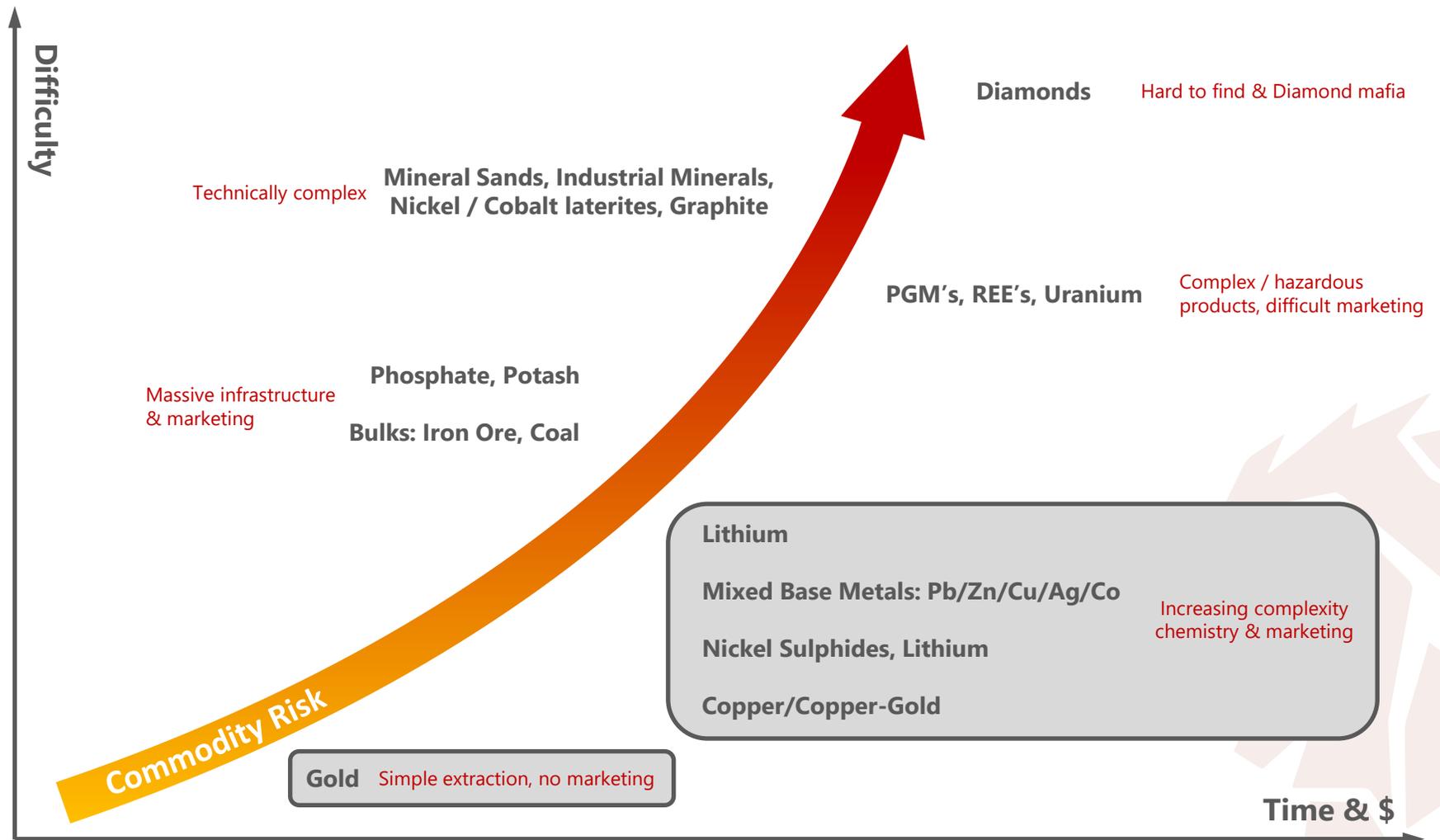
Data source: IRESS, Lion Manager

Commodities have differing risk profiles

Mineral commodities have differing "degrees of difficulty", that result from:

- Process risk (how challenging to separate from host rocks and create a product that matches market specifications)
- Off-site capex requirements for transport infrastructure
- Transparency / liquidity of the commodity market

Lion targets low risk commodities:
Precious and base metals, strategic materials



Mining Investor Landscape

ASX100 Resources Index
 19 companies
 Capitalisations >\$2.4B

ASX Small Resources Index
 53 companies
 Capitalisations \$150M-\$4B

Index Inclusion
 Large Capitalisation
 & Liquidity

ASX Listed Micro-Cap Resources
NO INDEX
 00's companies
 Capitalisations (typically) \$1M-\$500M

UNLISTED Resources Companies
(Mostly Start-ups)
 00's companies
 Capitalisations (typically) \$1M-\$50M

