

5 May 2025

Legacy Investments Update

Lion Selection Group Limited (ASX:LSX, **Lion**) is pleased to provide an update on several legacy investments. Lion's legacy portfolio comprises offshore investments made prior to Lion's decision in 2022 to focus new investment on Australia, with these investments awaiting realisation once their contained value can be achieved.

Atlantic Tin (unlisted):

On 1 May 2025 Atlantic Tin announced a recommended takeover offer from Xingye Silver & Tin for A\$0.24 per Atlantic Tin Share ([Atlantic Tin Announcement](#)). Atlantic Tin's largest shareholder, Pala, owns 71.39% of Atlantic Tin and intends to accept the Offer in the absence of a Superior Proposal. Pala has also granted Xingye a call option for 19.99% of Atlantic Tin's shares on issue.

The transaction is subject to Australian takeover rules and key conditions of Chinese regulatory approval and a 90% acceptance from Atlantic Tin shareholders.

Lion will revalue its Atlantic Tin investment at 24¢ or \$3.2M from 31 May 2025. This offer represents a premium of:

- 20% to the price at which Lion currently values Atlantic based on the most recent capital raising (November 2024); and
- 1,500% to the price at which shares in Kasbah Resources Limited (ASX:KAS) (the former name of Atlantic Tin) were trading on the ASX immediately prior to its delisting from the ASX on 22 September 2020.

Assuming that the takeover proceeds, Lion will be required to pay approximately \$1.1M from the Atlantic Tin proceeds to the former shareholders of African Lion 3 Limited. This obligation arises from Lion's acquisition of the Atlantic Tin shares from African Lion 3 Ltd, with Lion agreeing to pay contingent consideration to the other AFL3 shareholders in certain circumstances for up to 5 years ending 3 March 2026.

Erdene Resource Development Corp (TSX:ERD):

Project development is in its final stages at Erdene's Khundii gold project in Mongolia, being developed with its partner Mongolian Mining Corporation. Production is expected in the coming months positioning Erdene strongly to take advantage of record high gold prices. Erdene is approaching maturity within Lion's portfolio and with improving trading liquidity as it moves towards gold production. It is one of few companies listed in Canada that are on the cusp of gold production and has traded strongly, from a price of CAD 43.5¢ps on 31 July 2024 to CAD 87¢ps on 30 April 2025 to value Lion's Erdene holding at A\$12.2M.



PhosCo Ltd (ASX:PHO):

PhosCo is aiming to become a global fertiliser supplier following formally securing 100% ownership of its flagship Gasaat Phosphate Project in Tunisia. Gasaat (100% PhosCo) already hosts a significant JORC Resource of 146.4Mt at 20.6% P₂O₅¹. The mineralisation is open, and on 19 March 2025 PhosCo announced the maiden Exploration Targets for Gasaat and the nearby Sekarna Phosphate Project (100% PhosCo) covering the major areas of phosphate outside the existing Gasaat Mineral Resource Estimate.

Table 1. Exploration Targets by project, outside of the existing Mineral Resource Estimate.

Project	Tonnage Mt		Grade % P ₂ O ₅	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit
Gasaat	110	165	20	22
Sekarna	137	210	17	23

The potential quantity and grade of the Exploration Targets is conceptual in nature. There is insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Site preparations to test the extensional targets are currently underway and a diamond rig is mobilising to site and is expected to commence drilling very shortly.

PhosCo's fully underwritten A\$5M entitlement offer closed on 1 May 2025, with Lion committing to priority sub-underwriting for \$1M and also agreeing to advance a loan to PhosCo for \$0.5 million to fast track work on Gasaat and Sekarna. PhosCo's fund raising was conducted at 5¢ps, triggering conversion of a \$250K converting note investment held by Lion into 6.6M shares at 4¢ps with 6.6M options exercisable at 5¢ps.

PhosCo has also signed mandate letter with the European Bank for Reconstruction & Development (EBRD) for a potential US\$5.0M strategic investment. These funds will contribute towards a Gasaat Bankable Feasibility Study.

Lion Managing Director Hedley Widdup said: *"Recent developments in Lion's legacy portfolio are beginning to demonstrate the compelling value Lion has always recognised in these companies that Lion has patiently held. Lion is very focussed on new investment in Australia but continues to actively manage these legacy investments aiming to maximise the tremendous value potential."*

Gasaat Phosphate Project Global Mineral Resources

Chaketma	JORC 2012	Mt	% P ₂ O ₅
KEL (March 2022)	Measured	49.1	21.3
	Indicated	6.4	20.3
	Total	55.5	21.2
GK (November 2022)	Indicated	83.7	20.2
	Inferred	7.2	20.1
	Total	90.9	20.2
Global Resources	Measured	49.1	21.3
	Indicated	90.1	20.2
	Inferred	7.2	20.1
	Total	146.4	20.6

1. Refer to ASX announcement dated 15/3/22: 'Phosphate Resource Update Delivers 50% Increase at KEL' and ASX announcement dated 17/11/22: '90% Conversion of Inferred to Indicated Resources at GK'.

- All Mineral Resources are reported in accordance with the 2012 JORC Code
- The Mineral Resource is reported at a cut off grade of 10% P₂O₅.

All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.

2. Refer to ASX announcement dated 9/12/22: 'Scoping Study Confirms Outstanding Economics for Chaketma'.