

28 April 2022

Lion Investing and Liquidity Update

- **Merdeka entitlement issue conducted: Lion captured profit of A\$860K**
- **On-market buy-back underway**
- **3.5cps dividend to be paid on 29 April**

Lion Selection Group Limited (**Lion, the Company**) is pleased to announce an update on the liquidity initiatives announced on 15 March 2022, and a windfall profit Lion has delivered by taking up and selling Merdeka entitlement.

Merdeka Entitlement Issue

Merdeka Copper Gold Tbk (**Merdeka**, MDKA.IDX) announced on 21 December 2021 that it intended to conduct an entitlement issue of 1,206,000,000 new shares for a price of IDR 2,830 per share (a 5% expansion of issued capital). The raising price compares very favourably with prevailing market prices for Merdeka shares, which has ranged recently between a low of IDR 3,450 per share in February 2022 and high of IDR 5,700 per share on 20 April 2022.

Lion opted to take full advantage of the deeply discounted pricing and taken up its full entitlement at a cost of approximately A\$1,018K, and immediately selling these shares for A\$1,878K. This represents a gain of A\$860k over a time frame of less than one week (before transaction costs).

It has not been Lion's intention to invest further in Merdeka, however the issue price was deeply discounted in comparison with market prices and offered a compelling short-term profit and the entitlements were not tradable. At the time that Lion received its Pani consideration shares, it was unclear if Lion would be eligible to participate in the entitlement issue. Having determined that the shares were eligible, Lion has been able to capture value in a very short period for virtually no additional risk to Lion shareholders.

On-market buy-back

Having satisfied the statutory waiting period, Lion commenced an on-market buy-back in mid-April.

3.5cps dividend to be paid 29 April

As announced on 15 March 2022, a special dividend of 3.5cps is to be paid to shareholders on the register as at the record date of 12 April 2022. Lion's shares (LSX.ASX) went ex-dividend on 11 April 2022.

As previously announced, the Lion board has also determined to pay a dividend of 1.5cps, to be paid as an annual dividend following final accounts, approximately in November 2022.

This marks the establishment of dividends by Lion for the first time since 2009.

