

16 January 2023

Weekly net tangible asset (NTA) backing per share as at 13 January 2023

13 January 2023

| | |
|-------------|----------|
| Before Tax | 64.7 cps |
| After Tax* | 64.7 cps |
| Share Price | 49.5 cps |

*The after-tax number relates to the provision for deferred tax on the unrealised gains in the Company's investment portfolio. The Company is a long-term investor and does not intend disposing of its total long term investment portfolio. Under current Accounting Standards, the Company is required to provide for tax on any gains that may arise on such a theoretical disposal, after the utilisation of brought forward losses.

Lion Selection Group

A simple way to invest in high growth mineral companies.

Investment Objectives: Lion Selection Group provides a patient, portfolio-oriented approach to investing in the high growth early-stage mining development space where specialist knowledge is essential.

Well funded to invest: Cash \$34.0M at 13 January 2023.

History of dividends: Over Lion's 25+ years, it has made distributions in excess of 338cps.³

5cps dividends were paid in 2022.

Lion aims to pay sustainable dividends from surplus investment proceeds, whilst balancing the investment requirements of the Company with market conditions and capital growth.

Size of Portfolio: \$92.4M as at 13 January 2023.

Investment style: Lion carefully selects a small number of opportunities that have excellent prospects for development and offer deep value.

Lion investment horizon: 3-5 years.

Net asset backing: released every month and weekly during buyback period.

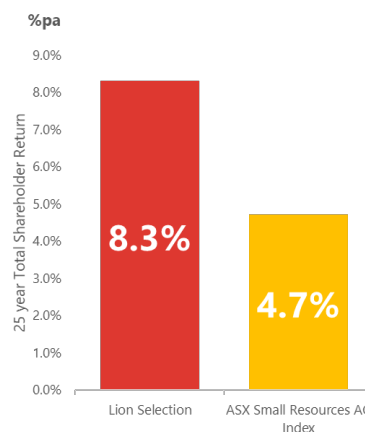
Listed on ASX: code LSX.

Key benefits

Specialist mining investment provides Lion shareholders with exposure to the early stage resources sector, with a portfolio that balances risks and is managed by a professional mining investment team.

Market beating historic performance since 1997

Total Shareholder Return (TSR) as at 31 December 2022 since inception (July 1997)¹⁻⁷



**Net Tangible Asset Backing**

Lion advises that the unaudited net tangible asset backing of Lion as 13 January 2023 is 64.7 cents per share (before tax) and 64.7 cents per share (after tax). This excludes \$2.5M in contingent liabilities relating to Lion's acquisition of investments from African Lion 3 (see Note 2).

| | Unaudited NTA A\$M |
|---------------------------------|-------------------------------|
| Net Cash | 34.0 |
| Cash by 28 January 2023 | |
| Share Sale Proceeds* | 31.0 |
| Pani Deferred Consideration | <u>14.4</u> |
| Sub Total | 79.4 |
| Portfolio | 13.1 |
| Less Tax | <u>(0.1)</u> |
| NTA Post Tax | <u>\$92.4M</u> |
| NTA per share (post tax) | <u>64.7cps</u> |

* Assuming sale of Merdeka shares based as at valuation date.

Note 1. Deferred Consideration and Top Up

On 1 March 2022 Lion sold its Pani joint venture interest for:

| | US\$M | |
|----------------------|--------------|---|
| Cash | 22.0 | March 2022 |
| 72.8M Merdeka shares | 20.0 | Provided immediately and still unsold |
| Deferred Cash | <u>10.0</u> | Payable 28 January 2023 |
| | 52.0 | US\$2.6M Indonesian tax paid March 2022 |

At 13 January 2023 the Merdeka shares were worth \$31.0M (US\$21.7M). A top-up clause provides a guarantee minimum US\$20M for these shares when sold. The Deferred Cash is subject to adjustment if the Merdeka share price exceeds 15% gain on US\$0.2749 Merdeka price 28 January 2022.

Note 2. Contingent Consideration

Lion's NTA excludes potential contingent consideration that may be payable if Lion sells its investment in either PhosCo or Kasbah.

This obligation arises following Lion agreeing to purchase the shares it did not own in African Lion 3 Ltd (AFL3) to consolidate ownership (with the exception of Lion Manager Pty Ltd who opted to hold its investment). The transaction involved Lion agreeing to pay contingent consideration in certain circumstances for up to 5 years ending 3 March 2026. The value of the contingent consideration depends on the ultimate exit price for PhosCo and/or Kasbah, how long Lion holds the investments, and how much additional investment is made.

- 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.
- Distributions made include cash dividends, shares distributed in specie as a dividend, proceeds from an off-market buyback conducted in December 2008, and the distribution of shares in Catalpa Resources via the demerger of Lion Selection Limited in December 2009. 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.
- Source: IRESS, Lion Manager