

20 February 2023

Pani Sale Completed

- **2cps Special Dividend**
- **Lion cash \$80M / 57cps**

Lion Selection Group Ltd (**Lion** or **the Company**) is pleased to announce it has completed the sale of its 72.8M Merdeka shares received as part of the consideration for the sale of Lion's Pani Joint Venture interest. The shares have been progressively sold since late January 2023 on the Indonesian Stock Exchange for a total of A\$32.5M, compared with A\$26.5M (US\$20M) at the time they were received.

As previously announced, on 31 January 2023 Lion also received the deferred consideration (US\$10M cash) due under the sale of its interest in the Pani Joint Venture.

The completion of the sale of the Merdeka shareholding and receipt of the deferred consideration concludes Lion's exit from Pani and Indonesia.

2 cents per share Special Dividend

The Lion Board has determined to pay a 2cps special dividend for payment to shareholders on the register as at the Record Date of 10 March 2023, payable on 3 April 2023. This dividend will be unfranked.

Lion also intends to pay an annual dividend in late 2023 following final accounts.

Mining Investment Plans

With the closure of the sale of Lion's Pani interest, Lion's portfolio includes \$80M net cash, equivalent to approximately 57cps cash backing. The Company is now able to direct its cash towards new opportunity investment.

Lion's exit from Pani provides the funding needed to focus on new investment as follows:

- Jurisdiction – Australia;
- Commodities – Precious metals, base metals, strategic minerals;
- Company equity, quasi equity, project interest – anywhere within the capital structure that the best opportunity can be structured;
- Typically, three year plus holding period.

Lion takes a venture capital style approach to investing and is not limited to new or existing company equity. Lion closely monitors risks and volatility and the mining cycle and will favour investing structures that are most suitable to its assessment of market conditions.



Robin Widdup, Lion Founder and Director said: *“Lion is very pleased to be in an extremely strong cash position and able to confidently consider new investments. Lion is in an excellent position to capitalise on existing and ongoing market weakness.”*

Net Tangible Asset Backing as at 17 February 2023

	Unaudited NTA A\$M
Cash	79.8
Portfolio	13.2
Less Tax	<u>(0.3)</u>
NTA Post Tax	<u>\$92.7M</u>
NTA per share (post tax)	<u>65.7cps</u>

Daily Merdeka share sales were usually converted on the next day into AUD. A protective currency hedge put in place in early 2022 was not used.

Lion began disclosing NTA on a weekly basis at the time that the on-market buy-back commenced, as the value of the Merdeka shareholding and related Pani deferred consideration comprised a material and relatively volatile component of the portfolio. Having now received the deferred cash payment and sold the Merdeka shareholding (and removed any foreign exchange variation on those assets), Lion’s NTA is now reasonably stable as it is composed principally of cash in Australian dollars. Following Lion’s exit from Pani there will be a reversion to monthly NTA announcement.