

14 January 2022

Net Tangible Asset Backing

Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 31 December 2021 is 65.0 cents per share (before tax) and 63.0 cents per share (after tax). This excludes \$2.3m in contingent liabilities relating to Lion's acquisition of investments from African Lion 3 (see note below).

	Commodity	November 2021 A\$M	December 2021 A\$M	¢ps
Pani Joint Venture	Gold	63.3	63.3	42.2
Lion notes that the fair value of its interest in Pani is subject to review, following the announcement of Merdeka's acquisition of an interest in the Pani Contract of Work, via an investment in PT Andalan Bersama Investama ¹ .				
Portfolio				
Erdene Resources	Gold	5.6	5.4	3.6
Kasbah Resources	Tin	2.0	2.0	1.3
Celamin Holdings	Phosphate	2.7	2.7	1.8
Other		1.1	1.1	0.7
Net Cash		23.3	23.1	15.4
Net Tangible Assets – Pre-Tax		A\$98.0m	A\$97.6m	65.0¢ps
Deferred tax liability on theoretical disposal of Lion's portfolio		(A\$3.2m)	(A\$3.2m)	(2.0¢ps)
Net Tangible Assets – Post-Tax		A\$94.8m	A\$94.4m	63.0¢ps

Capital Structure

Shares on Issue:	150,141,271	
Share Price:	53¢ps	31 December 2021

¹ Lion Selection Group ASX Announcement 31 December 2021, Pani Combination Completed – Merdeka Acquires Pani CoW



Contingent Consideration

Lion's NTA excludes potential contingent consideration that may be payable if Lion sells its investment in either Celamin or Kasbah. Based on a theoretical sale of both investments at the date of the NTA, contingent consideration of \$2.3m would arise (October 2021, \$2.2m).

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 to be paid in certain circumstances for up to 5 years. The value of the contingent consideration depends on the ultimate exit price for Celamin and/or Kasbah, how long Lion holds the investments, and how much additional investment is required.