



SUMMARY

INVESTMENT HIGHLIGHTS

Pani Joint Venture (Lion 33.3%, Merdeka 66.7%)

Alternative pathways to development:

- Potential to create world-class gold deposit combining Pani IUP (2.37Moz Resource)¹ with adjoining Contract of Work (CoW) tenement owned by J Resources (2.06Moz Resource)²:
 - Step out drilling planned second half 2019 targeting known mineralisation between Pani IUP Resource and J Resources' CoW;
- OR standalone development of Pani IUP (2.37Moz Resource)¹:
 - Key permits received: processing and refining tenement and forestry permit for Pani mining IUP.

Nusantara Resources

Collaborative approach to financing development between Nusantara and Indika

- Moving into partner Indika's Jakarta office.
- Positive early bank engagement.
- Potential sale of >25% project interest to fund equity cost.
- Recruitment of development team underway.

EganStreet Resources

- Updated Rothsay gold project Definitive Feasibility Study delivers increased gold production and mine life.
- Seeking finance for Rothsay gold project from banks and other financing groups.
- Near mine exploration below historical workings on Orient Shear intersect high grade mineralisation potentially accessible from planned Rothsay infrastructure, and identification of the Karara shear and associated historic workings.

ABOUT LION

Lion Selection Group is a mining investment company, focused on a portfolio of carefully selected and closely managed investments in listed and unlisted junior developing mining companies. Lion aims to offer diversity and a portfolio approach to the micro-cap end of mining investment, providing exposure to companies in various stages of development. Lion's investment model involves focusing investment towards the best opportunities in the portfolio, which from time to time results in concentration of Lion's portfolio towards specific investments and commodities. Lion is currently weighted towards several producing or developing gold projects, across a range of jurisdictions but in particular to the Pani gold project in Indonesia.

Lion is listed on ASX, under the ticker code LSX.

INVESTMENT HIGHLIGHTS

Pani Joint Venture (33.3%)

Seeking deal with J Resources
Step out drilling planned

OR **Standalone development of Pani IUP**
Key permits granted

Pani Development Strategy

Deal with J Resources

The Pani joint venture is seeking to strike a deal with J Resources on its adjoining Contract of Work (CoW) tenement. If a deal can be consummated, the joint project would be a world class gold deposit with immediate upside, uniting the Pani JV's 2.37Moz Resource with J Resources Resource of 2.06Moz.

Such a deal would unlock optimal development of the Pani deposit in a 'Superpit' operation, unrestricted by tenement boundaries, including:

- Favourable topography: low strip ratio, open pit operation amenable to bulk mining.
- Economics of scale anticipated: low capital and processing costs per ounce, with grid power available.
- Metallurgical work to date suggests high recoveries via heap leach or CIL.

Due to key permits already being in place, it may be possible to fast track development of a globally significant gold mine.

Resources defined on surrounding CoW belonging to J Resources:

Pani CoW (JResources 100%) 0.4g/t cut off ²			
Category	Ore (Mt)	Grade (g/t Au)	Au (million oz)
Measured	13.8	0.95	0.42
Indicated	38.7	0.91	1.13
Inferred	14.1	1.12	0.50
Total	66.6	0.96	2.06

OR

Develop Pani IUP standalone

The Pani joint venture continues to progress towards a standalone operation for the Pani IUP, with key permits received this quarter.

A standalone operation would entail trucking material on an access haul road to the Pani JV's processing and refining area several kilometres south of the Pani IUP mining area where it would be treated.

Flexible processing options are available, with metallurgical work to date suggesting high recoveries in heap leach or CIL and grid power available.

Such an operation is also expected to be low cost due to favourable characteristics, but would not benefit from the economies of scale of a combined operation. In addition, some mineralisation is expected to be challenging to mine due to topography and tenement boundaries.

Resources defined on the Pani IUP:

Pani IUP (Lion 33.3%/Merdeka 66.7%) 0.2g/t cut off ¹			
Category	Ore (Mt)	Grade (g/t Au)	Au (million oz)
Measured	10.8	1.13	0.39
Indicated	62.4	0.81	1.63
Inferred	16.2	0.67	0.35
Total	89.5	0.82	2.37

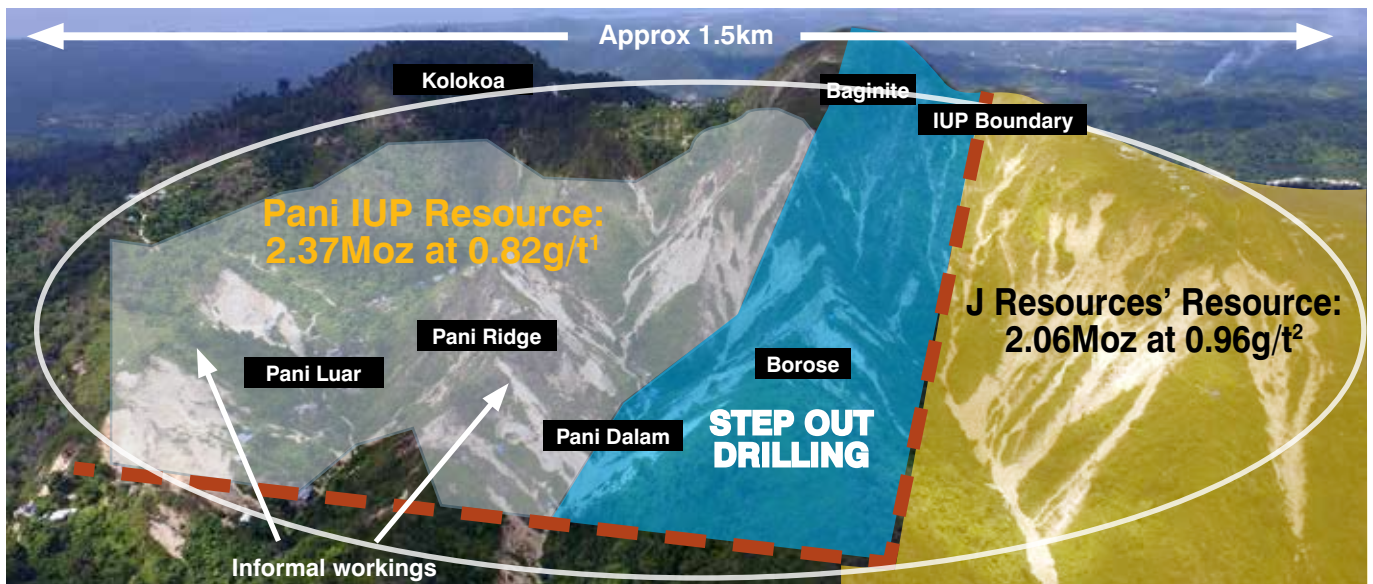


Figure: Pani Superpit concept joins two separate Resources (looking South)

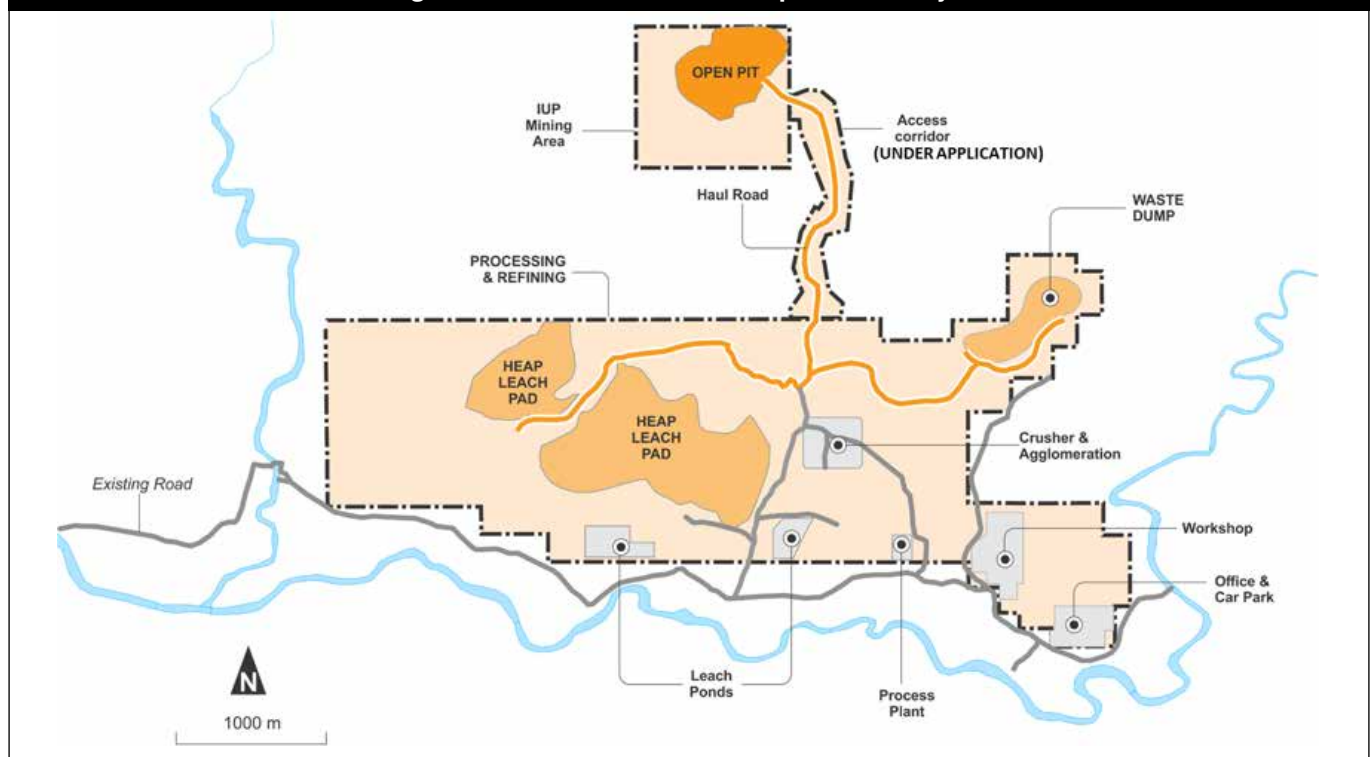
INVESTMENT HIGHLIGHTS

Award of Processing and Refining Permit

In March 2019, the Indonesian Ministry of Energy and Minerals granted the issue of a key processing and refining tenement near the Pani 'mining' IUP. This tenement is to the south of the Pani IUP mining area, with a road access corridor connecting the two licences, which has previously been agreed with the neighbouring tenement holder (J Resources).

The Pani Joint Venture was issued a business licence for processing and refining (IUP Processing and Refining) for a 16-year period over an area of approximately 720ha. This processing and refining tenement is held 100% by the Pani Joint Venture and allows the Pani Joint Venture to process ore from the Pani IUP mining area to produce a gold dore. The area was selected specifically for its suitability for heap leach processing, being moderately flat and of sufficient size to lay out the necessary dumps, leach pads, recovery and operations infrastructure.

Figure: Pani Standalone Conceptual Site Layout



There is no requirement for the Pani Joint Venture to divest any interest in the new processing and refining tenement or in the Pani IUP mining area, with the existing arrangements meeting Indonesian ownership regulations.

Award of Forestry Permit – Mining Area

The Pani Joint Venture has advanced permitting for the Pani gold project, receiving the production stage forestry use permit for the mining area of the Pani Joint Venture. This permit enables the Pani Joint Venture to carry out development, mining and production activities, once the Pani Joint Venture has completed the project feasibility study and financing.

This permit also allows the Pani Joint Venture to recommence physical work including the planned step-out drilling testing the area between the existing Pani IUP Resource and known mineralisation on the adjacent J Resources CoW. This step out target is considered particularly prospective due to surface trenching, extensive artisanal workings, and two holes on section drilled by Utah International in 1982 assaying 406m @ 0.5g/t (GPD-04) and 154m @ 0.57g/t (GPD-05). In-fill drilling will also commence to increase the confidence of the existing Mineral Resource Estimate, and provide samples for metallurgical testwork to refine the processing flow sheet. As previously announced, the Pani Joint Venture planned drilling program will use three diamond drill rigs for circa 20,000m and 97-holes.

Additional forestry permits will be sought by the Pani Joint Venture with respect to the access corridor between the mining area and the recently approved Processing and Refining area where heap leach operations are planned to be developed.

INVESTMENT HIGHLIGHTS

Nusantara Resources Limited

Awak Mas Gold Project Sulawesi, Indonesia

Project Financing

To prepare for financing and development of the Awak Mas Gold Project, Nusantara is moving into its partners office in Jakarta, Indika Energy and proposes to establish a mine development and operations team in Jakarta and not Perth. A collaborative approach to funding has begun with a Relationship Deed providing a framework for Indika Energy and Nusantara to work together in financing and developing Awak Mas. This includes Indika Energy potentially investing at the Awak Mas project level, with proceeds from this project sell down able to be applied towards Nusantara's equity share for the financing.

- Positive early engagement with banks on bank debt;
- Independent Technical Expert appointed to review DFS and assist funding process.

As part of this transition, Mr Mike Spreadborough has stepped down as Nusantara's Managing Director. The Lion Board would like to sincerely thank him for his efforts in delivering progress since Nusantara listed in August 2017.

Ore Reserves

- Maiden 1.0Moz probable Reserve announced April 2018.³
- Resource updated to 2.0Moz May 2018.⁴

DFS

Definitive Feasibility Study released October 2018:

- 11 years x 100,000 oz gold pa
- Capex US\$146m, NPV5 US\$152m
- All in sustaining costs US\$758/oz.
- 91% recovery, 3.5/1 strip ratio.
- 2.5mtpa x 1.3g/t CIL.

Exploration

Near mine exploration programs have delivered encouraging results identifying extensions of surface mineralisation.

Further drilling programs plan to test multiple drill targets close to the proposed Awak Mas Gold Project infrastructure.

EganStreet Resources Limited

Rothsay Gold Project Western Australia

DFS

Definitive Feasibility Study (DFS) released July 2018; updated DFS released February 2019 following a new Mineral Resource Estimate (November 2018) of 1.54 million tonnes at 9.2g/t Au for 454,000oz⁵.

February 2019 DFS update:

- 16% increase in projected gold production to 289,000 oz over an initial seven-year mine life;
- 16% increase in undiscounted pre-tax project cashflow to \$116.1m, based on unchanged gold price and exchange rate assumptions.

Exploration

EganStreet expanded the regional exploration potential at the Rothsay Gold Project, intersecting high-grade mineralisation on the Orient shear and identifying a series of priority regional targets within the newly recognised Karara Shear.

A 60-hole RC drilling program returned high-grade results from the Orient shear, to the west of the existing Woodleys Mineral Resource Estimate. Significant results included 1m at 29.6g/t from 68m, 1m at 29.1g/t from 61m and 1m at 25.0g/t from 57m. The new results, together with historical drilling, indicate that the mineralisation on the Orient shear is more extensive than previously thought.

New targets were identified on the Karara shear, which is geologically similar to the Woodleys shear, and extends for 4km of strike to the east of Woodleys and the previously understood prospective geology. The new targets were identified during an extensive regional mapping review of the EganStreet's 100% owned exploration tenements. This program was undertaken to enhance EganStreet's pipeline of high-potential gold exploration opportunities at Rothsay.

Total prospective shears at Rothsay increased from 14km to 18km.

MINING MARKET REVIEW

The biggest long-term issue for the mining industry has always been: where will investment come from to fund development of future production? Historically the equity market has done a lot of heavy lifting when it comes to investing in companies to build new mines. There is some concern that 3-4 years since the market's appetite for miners returned, there has not been much trickle-down appetite for junior / non-producer companies, which is where many potential new mines are owned. This was the focus of a panel discussion at the Melbourne Miners Club recently, which stimulated an examination of the equity market and what challenges junior explorers and pre-production miners face.

Broad investor appetite for miners is prominently evident in the improvements of equity prices of the big companies and indices (BHP 2.6x, ASX100 Resources Index 2.3x since Jan 2016). But equity prices also show us the mining market is two speed – the median performance of the metals and mining companies that are too small to be in an index is negative.

Themes affecting pre-development junior miners

1 – Structure of the equity market: stratified

The global pool of large investors has grown in sophistication, and a defining characteristic over the last few years has been avoidance of the key development risks. The outcomes of permitting, funding and commissioning risks have a binary outcome on value – so large investors have been drawn to operating miners in order to avoid these risks.

This theme coincides with a change in the identity of large investors – historically large, buy/hold funds were the dominant force in equity markets. However, the last decade has seen a variety of new structures and behaviours dominate the equity market:

- Exchange Traded Funds (ETF's) – which can only hold existing equity
- Hedge funds with short holding periods – can and do buy new equity and support fund raisings, but can quickly exit a register
- Royalty and streaming companies.

The net result has been a stratification of the mining equity market, with the mining juniors blocked in many cases from accessing these pools of funding on the basis they are either not large enough or do not fit a risk-based mandate.

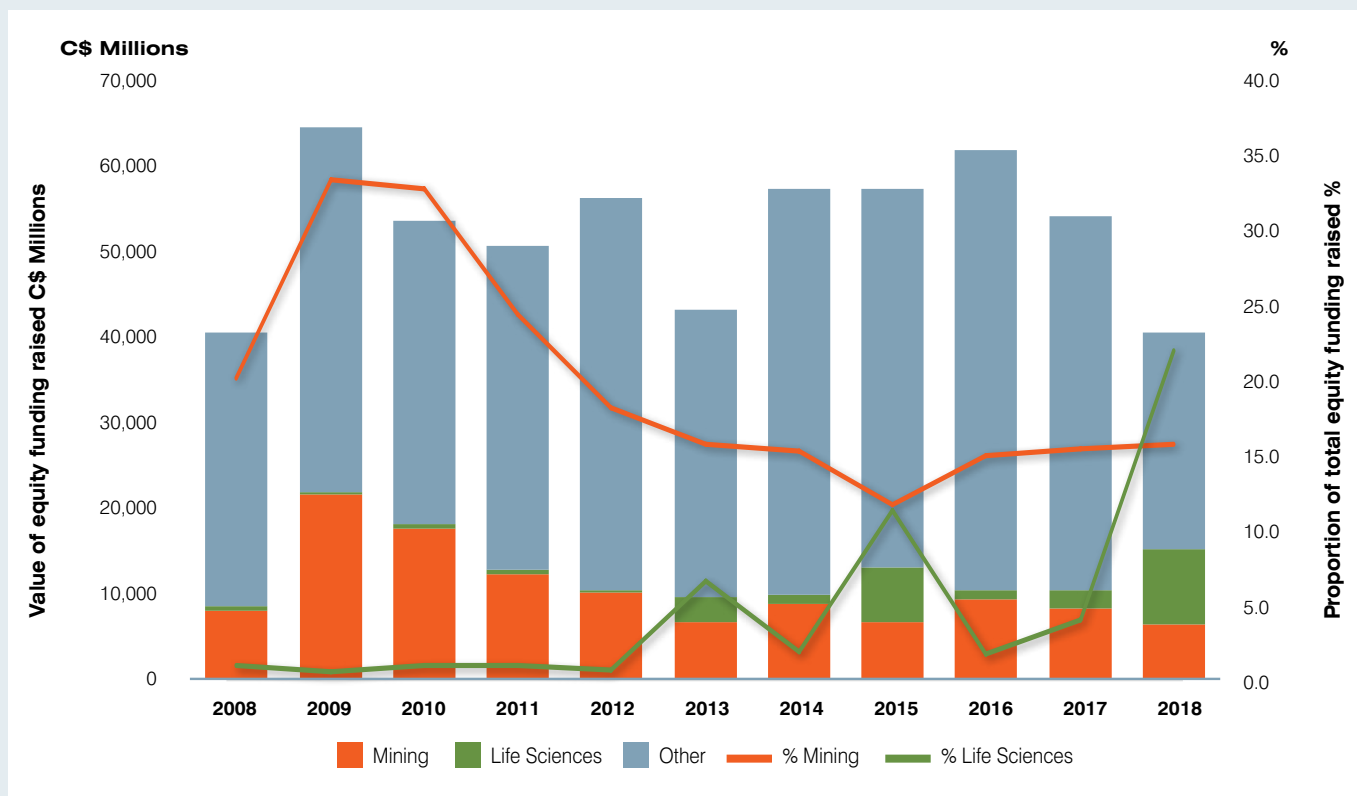
2 – Investor distraction: Cannabis (like dotcom in the 90's)

Investors with an appetite for speculative ventures have been captivated by the opportunity of medicinal and legalised marijuana in North America. 'Risk Money' tends to move as a herd, from sector to sector following an emerging dynamic. Explorers and hopeful developers in the mining sector have often benefited from this style of investor when the mining market has been strong. Such companies are presently suffering from a distracted audience. This is particularly prevalent in Canada rather than Australia, where legalisation of cannabis is the emergent dynamic underpinning investor interest.

Equity capital raising trends from the Canadian market paint a pretty clear picture of recent investor interest:

- In 2016, miners raised C\$9.4B (between TSX and TSXV), which accounted for 15% of the total equity raised that year. The proportion raised by miners has been as high as 33% in 2009 and 2010. In 2018 miners in Canada raised C\$6.5B – a decade low.
- 'Life Sciences' companies encompass a range of enterprises, including cannabis producers which have become market darlings in the last three years and who account for the lion's share of fund raising in the sector. In 2018 the Life Sciences sector accounted for the largest proportion of equity raisings in the Canadian market with 22%. The total C\$9B raised in 2018 was up strongly from C\$1.1B in 2016.

MINING MARKET REVIEW continued



Canadian equity fund raising trends (combined TSX and TSXV), illustrating the increased amount, and proportion of the total of equity raised by Life Sciences (mainly cannabis) companies since 2016. Source: TMX MiG Reports

Whilst the Canadian market is pre-occupied by cannabis, it is unlikely that junior miners will attract investor attention in any of the global mining markets until the herd is prepared to move as one. The cannabis phenomenon shares many similarities with investor interest in tech in the late 1990's / early 2000's:

	Tech bubble circa 2000	Cannabis circa 2018
Pre-event	The mining market crashed in 1998 following the Bre-X scandal and East Asian currency crisis – provided a market weakness and speculative investors went chasing returns in a different sector.	The mining market suffered the longest and deepest bust in living memory 2012-2015
Drivers of investor interest	Expectation of mass consumer take up of internet-based services, with no precedent to guide expectations of product penetration or pricing. The underlying premise was the internet would mean massive earnings for dotcom companies and the market applied valuations far in excess of what were realistic earnings (especially in retrospect).	Expectation of substantial consumption of cannabis as a result of legalisation for personal or medicinal use in various jurisdictions in North America Nobody knows what realistic cannabis consumption will look like under new laws, or how products will be optimally priced
Performance	The tech heavy north American Nasdaq market went up by 4.2x from April 1997 to March 2000.	The Canadian Marijuana Index (https://marijuanaindex.com) has gone up by 6.8x since January 2016.
Post-event	Tech bubble burst in 2000 and the Nasdaq plummeted to 22% of the peak index value. Capital raising trends (especially IPO's) for mining vs tech moved almost as opposites through the early 00's – as speculative investors moved from tech to earlier stage mining.	To be confirmed. Inflated equity prices imply that any correction is likely to be violent.

MINING MARKET REVIEW continued

3 – Merger and Acquisition growth-oriented thinking has re-emerged

The tempo of mining M&A has increased recently, which indicates that many leaders of the industry are now looking toward future sources of growth, and some sectors have clearly received the tick of approval to buy and buy big:

- Barrick / Randgold merger, followed by the Newmont / Goldcorp merger and then agreement by the new gold majors to form a joint venture of their Nevada assets.
- Growing number and size of deals announced between junior / non-producers and major miners – either in the form of project joint ventures or equity investments.
- Most recent announced M&A deals in Australia involve the retail / industrial conglomerate Wesfarmers making a hostile offer for Rare Earths producer Lynas (A\$1.5B) and a friendly offer for lithium developer Kidman (A\$776m) – if successful Wesfarmers could become a mid-tier battery materials producer.

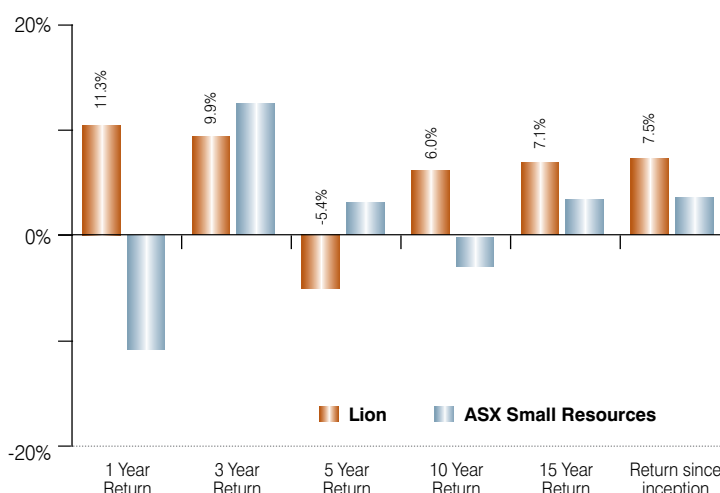
What next?

Despite some of the challenges evident above, the outlook for the junior mining sector is far from doom and gloom. The cyclical nature of investor interest towards mining is well known, especially for investors in speculative plays which are abundant at the smaller end. History has shown that whilst these investors have often been distracted by a different thematic, they return in a pack sooner or later. The maturing cannabis theme could play out much like the rotation from tech to mining in the early 00's. The structural evolution and stratification of the equity market provides opportunities for private equity style investors and superannuation funds who have already shown interest in small capitalisation mining stocks. Most importantly, the re-emergence of M&A offers a potential market catalyst to stimulate investor interest in juniors, many of whom now appear on the radars of large cap miners.

LION PERFORMANCE

Annualised Total Shareholder Return ⁶⁻¹¹

Annualised TSR to 30 April 2019	Lion	ASX Small Resources
1 Year	11.3%	-11.6%
3 Years	9.9%	13.3%
5 Years	-5.4%	4.5%
10 Years	6.0%	-2.8%
15 Years	7.1%	3.4%
Inception (21 yrs)	7.5%	3.5%



NOTES

1. Refer to One Asia Resources Limited news release 3 December 2014
<https://www.lionselection.com.au/wp-content/uploads/2018/08/PANI%20JORC%20RESOURCE.pdf>
2. J Resources Reserve and Resources Statement 31 December 2017.
[http://www.jresources.com/assets/uploads/home/JRAP_-_2017_-_RR_table_@_20171231_\(Sanjaya\).pdf](http://www.jresources.com/assets/uploads/home/JRAP_-_2017_-_RR_table_@_20171231_(Sanjaya).pdf)
3. Refer Nusantara Resources Limited announcement to ASX 18 April 2018.
4. Refer Nusantara Resources Limited announcement to ASX 8 May 2018 – Awak Mas Mineral Resource estimates (May 2018) at 0.5g/t Au cut-off

Classification	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)
Indicated	39.3	1.4	1.78
Inferred	6.0	1.1	0.22
Total	45.3	1.4	2.00

5. Refer EganStreet Resources announcement to ASX 31 January 2019.

Lode	Indicated			Inferred			Total		
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)
Woodley's	750	10.6	254	230	11.9	88	80	10.9	342
Woodley's East	200	5.8	38	140	8.8	40	340	7.0	78
Woodley's East HW				180	5.3	30	180	5.3	30
Other				40	3.3	5	40	3.3	5
Total*†	950	9.6	292	590	6.8	162	1,540	9.2	454

*Note: Resources quoted above 2.5g/t Au lower cut-off.

† Not: totals may not match due to rounding.

6. 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)
7. Methodology for calculating total shareholder return is based on MorningStar (2006), which assumes reinvestment of distributions
8. Distributions made include cash dividends, shares distributed in specie as a dividend, proceeds from an off market buyback conducted in Dec 2008, and the distribution of shares in Catalpa Resources via the demerger of Lion Selection Limited in Dec 2009. Lion assume all distributions are reinvested, with all non-cash distributions sold and the proceeds reinvested on the distribution pay date.
9. Investment performance is pre-tax and ignores the potential value of franking credits on dividends that were partially or fully franked.
10. Past performance is not a guide to future performance.
11. Source: IRESS, Lion Manager.

SUMMARY OF INVESTMENTS AS AT 30 APRIL 2019

Net Tangible Asset Backing

Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 30 April 2019 is \$0.42 per share (after tax).

SUMMARY OF INVESTMENTS AS AT 30 APRIL 2019				
	Commodity	March 2019 A\$M	April 2019 A\$M	April 2019 cps
Pani Joint Venture (33.3% Interest)	Gold	38.7	38.7	25.8
Fair value for Pani based on Merdeka's acquisition of 66.7% interest in the Pani JV from Lion's existing JV partner in November 2018.				
Portfolio				
Nusantara Resources	Gold	7.9	6.5	4.4
EganStreet Resources	Gold	5.4	5.3	3.5
Roxgold	Gold	4.4	4.0	2.7
Erdene Resources	Gold	1.9	1.7	1.1
Toro Gold	Gold	1.6	1.6	1.1
Other		3.1	3.5	2.3
<ul style="list-style-type: none"> • Portfolio holdings measured at fair value • Includes investments held directly by Lion and the value to Lion of investments held by African Lion. 				
Net Cash		2.3	2.1	1.4
Net Tangible Assets		A\$65.3m	A\$63.4m	42cps

Capital Structure

Shares on Issue:	150,134,879	
Share Price:	34.5¢ps	30 April 2019
Options on Issue:	15,720,958	\$0.50 expiry 12 April 2020