



Net Tangible Asset Backing

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Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 31 October 2019 is \$0.47 per share (after tax).

	Commodity	September 2019 A\$M	October 2019 A\$M	October 2019 cps
Pani Joint Venture (33.3% Interest)	Gold	39.2	39.2	26.1
<ul style="list-style-type: none"> Fair value for Pani based on Merdeka's acquisition of 66.7% interest in the Pani JV from Lion's previous JV partner in November 2018. 				
Portfolio				
Nusantara Resources	Gold	11.5	11.5	7.7
Egan Street Resources	Gold	6.3	6.7	4.4
Erdene Resources	Gold	2.0	2.0	1.4
Other		3.4	3.3	2.2
<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		8.6	8.2	5.4
Net Tangible Assets		A\$71.0m	A\$70.9m	47cps

Capital Structure

Shares on Issue:	150,134,879	
Share Price:	39.5cps	31 October 2019
Options on Issue:	15,720,958	\$0.50 expiry 12 April 2020

EGAN STREET TAKEOVER – IMPROVED CONSIDERATION

On 30 July 2019 it was announced that Lion had entered a Pre-Bid Acceptance Deed with Silver Lake Resources Limited ('Silver Lake') for a Recommended Takeover Offer for EganStreet Resources Limited ('EganStreet'), with Lion's 21.1m shares of EganStreet subsequently being accepted into the offer under the terms of the Pre-Bid Acceptance Deed.

On 1 November 2019 Silver Lake and EganStreet announced that Silver Lake will increase the Offer consideration with EganStreet Shareholders to be offered 0.400 Silver Lake shares for each EganStreet share held ("New Offer Consideration"). Further, Silver Lake will increase the consideration to 0.431 for each EganStreet share held ("Conditional Offer Consideration"), if Silver Lake obtains a relevant interest in at least 38% of EganStreet shares on or before 7.00 pm Sydney time on 8 November 2019, being 7 days from lodgment of the variation notice. As at 31 October 2019, Silver Lake has a relevant interest in 31.6% of EganStreet shares, including acceptances from the Board of Directors and Lion. Once Silver Lake receives a relevant interest of at least 38%, Silver Lake has advised it intends to declare the Offer immediately unconditional. Lion is eligible to benefit from the improved consideration assuming that the bid is declared unconditional.

Based on the Silver Lake closing price on 1 November of \$1.185 per share, the New Offer Consideration imputes a value of 47.4¢ per EganStreet share and the Conditional Offer Consideration 51.1¢. The October 2019 NTA backing is based on the closing EganStreet price on 31 October 2019 of 31.5¢ps. The Pro Forma NTA based on the increased offer is set out below.

	EganStreet Value	Lion's Interest	Contribution to Lion Pro Forma NTA	Lion Pro Forma NTA
Valuation 31 October 2019	31.5¢ps	\$6.7m	4.4¢ps	47¢ps
New Offer Consideration	47.4¢ps	\$10.0m	6.7¢ps	49¢ps
Conditional Offer Consideration	51.1¢ps	\$10.8m	7.2¢ps	50¢ps