



Lion buys out African Lion Fund

Lion Selection Group Limited (**Lion**) is pleased to announce that it has purchased the shares it did not own in African Lion 3 Ltd (**AFL3**) to consolidate ownership¹. This brings to an end more than 20 years of successful investing in partnership with European Development Banks with a focus on Africa. The various African Lion funds have been foundation and supporting investors in a large number of significant African mining companies including Equinox Resources, Gallery Gold, Red Back Mining, LionOre, Platmin, Resolute Mining, Mineral Deposits, Sphere Minerals, Toro Gold and Roxgold. African Lion was also a key investor in East African Gold Mines which, although never becoming publicly listed, developed the 300koz+pa North Mara Gold mine in Tanzania, now operated by Barrick Gold.

The closure of African Lion 3 simplifies Lion's structure and investment model.

Sequential details of the transaction are as follows:

- Lion to pay A\$0.4M in cash consideration to the other AFL3 Shareholders;
- All assets to be distributed in specie to Lion and the AFL3 fund to be closed; and
- Contingent consideration to be paid in certain circumstances for up to 5 years.

The African Lion funds were established in 1999 in partnership with European and African financial institutions. The current AFL3 fund has now reached the end of its fund life, and Lion has agreed to purchase the fund shares held by the other AFL3 shareholders¹ for a total of A\$0.4M, with contingent consideration related to their previous pro rata see through shareholdings to be paid to the selling shareholders in certain circumstances for up to 5 years.

The remaining investments include Celamin Holdings Ltd (ASX: CNL) and the unlisted Kasbah Resources. Given Lion Selection is already deemed a substantial shareholder in both companies owing to its relevant interest in AFL3, there will be no material change to its reported holdings in either company other than Lion Selection will hold these shares directly.

¹ Lion Manager did not participate in the share sale of AFL3 and retains 0.9% of the fund, although will immediately seek an in specie distribution of assets with Lion Selection to enable fund closure

AFL3 Assets Purchased

Celamin - 11.7% (15.3% including Lion's existing holding)

Celamin is an ASX-listed company with a phosphate development asset in Tunisia. The Chaketma Phosphate project is considered to have world class potential with a JORC-compliant Inferred Resource of 130Mt @ 20.5% P₂O₅ⁱ. The company recently announced the recovery of its 50.99% project interest (which had been subject to International Arbitration) and that it is making progress on preparations to re-commence its feasibility study at Chaketma.

Kasbah - 10.1%

Kasbah is an unlisted tin development company that has a 75% interest in the Achmmach Tin project in Morocco. Achmmach is one of the largest undeveloped tin assets in the world and completed a DFS on the project in 2018ⁱⁱ.

Lion Investment Strategy

Lion's investment strategy following closure of the last subsidiary fund is direct investment:

Commodity:	50% Gold, 50% other metals
Geographic:	Global mandate
Stage:	Invest after discovery - resource definition to feasibility
Cycle:	Synchronised to Lion Clock

ⁱ Refer Celamin Holdings Limited ASX announcements:

- [Gassaa Kebira Inferred Mineral Resource ASX announcement dated 18/6/2013](#)
- [Kef El Louz Inferred Mineral Resources ASX announcement dated 9/11/2012](#)

ⁱⁱ Refer Kasbah Resources Limited ASX announcement

<https://www.asx.com.au/asxpdf/20180716/pdf/43wjsg1wyb8m3m.pdf>