

LION SELECTION GROUP

Mining Investment Company

November 2018



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Mining Investment Company

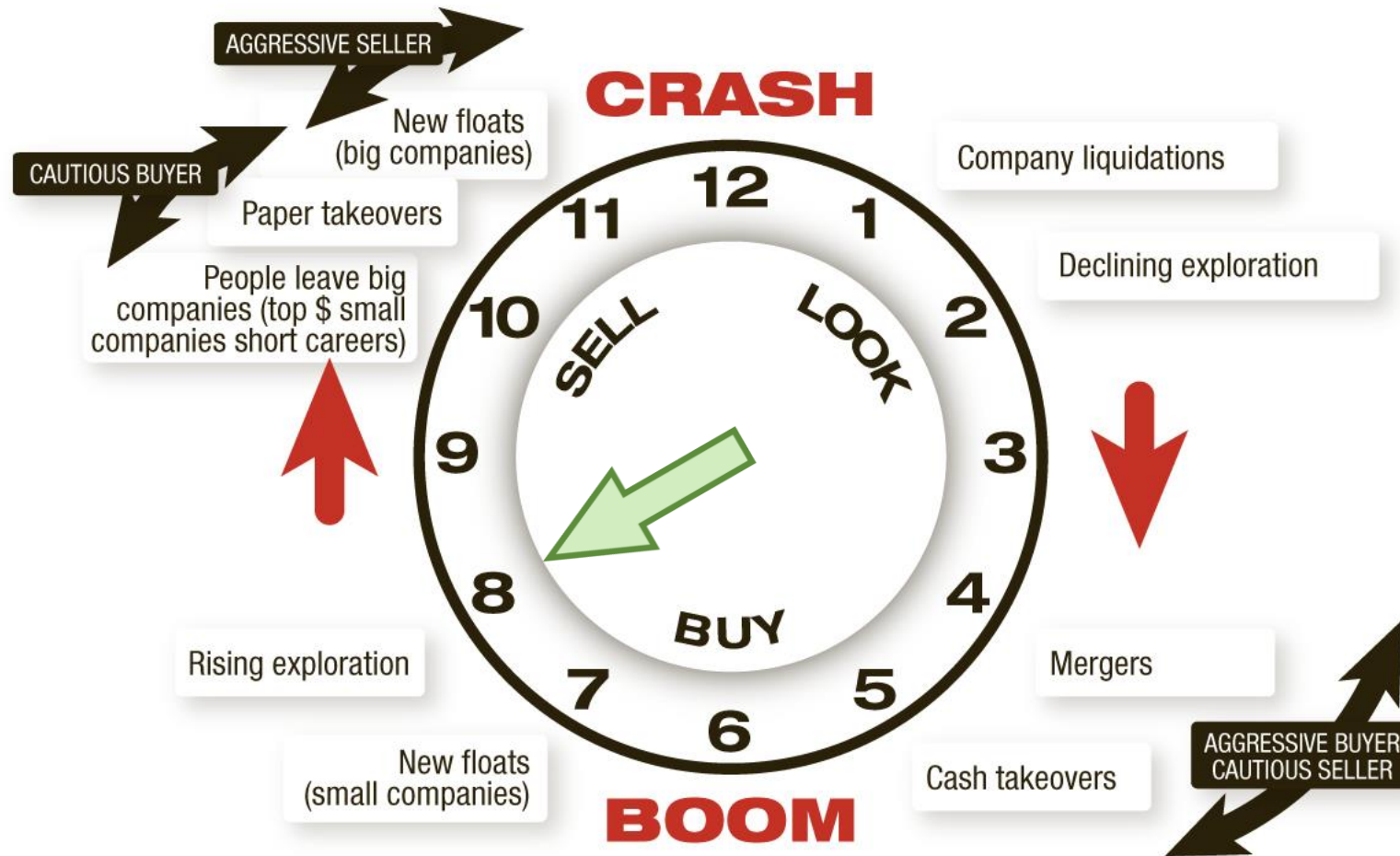
BUILDING EMERGING MINERS

| NTA October 2018 | % held | A\$ million | cps |
|--|--------|-------------|-------|
| Pani JV | 33.3 | 39.3 | 26.2 |
| <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 former JV partner in November 2018. | | | |
| Nusantara Resources | 31.7 | 7.9 | 5.3 |
| Roxgold | 1.6 | 5.3 | 3.5 |
| EganStreet Resources | 16.2 | 4.1 | 2.7 |
| Erdene Resources | 5.2 | 2.1 | 1.4 |
| Other | | 4.8 | 3.2 |
| <ul style="list-style-type: none">Portfolio holdings measured at fair valueIncludes investments held directly by Lion and the value to Lion of investments held by African Lion | | | |
| Net cash | | 0.9 | 0.6 |
| Total NTA | | A\$64.4m | 43cps |

- Lion Selection Group: listed mining investment company, founded 1997
- Target investment pre-development
- 21 year track record: 7.3%pa TSR
- Portfolio approach: from time to time, choosing specific assets for investment focus



Lion Performance



- All historic cycles have exhibited similar characteristic evolutions
- Driven by liquidity and sentiment
- Equity prices react, but a poor indicator



Pani

World Class Gold Opportunity

Indonesia:

- *World class* gold jurisdiction

Pani Gold Project:

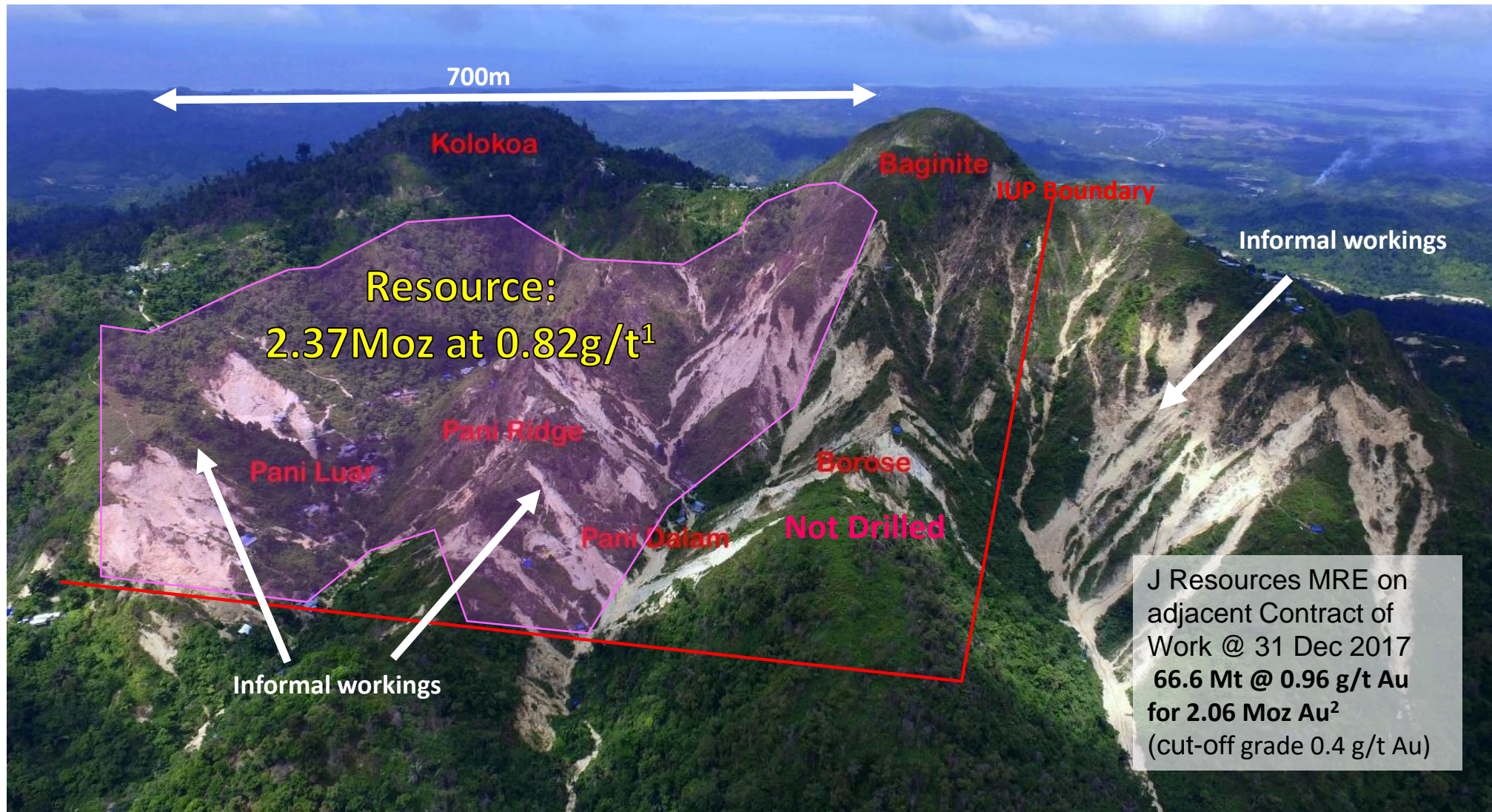
- Thick, low strip and leachable
- Multi-million ounce project
- Resource is open, hallmarks of a large system
- First class Indonesian development partner



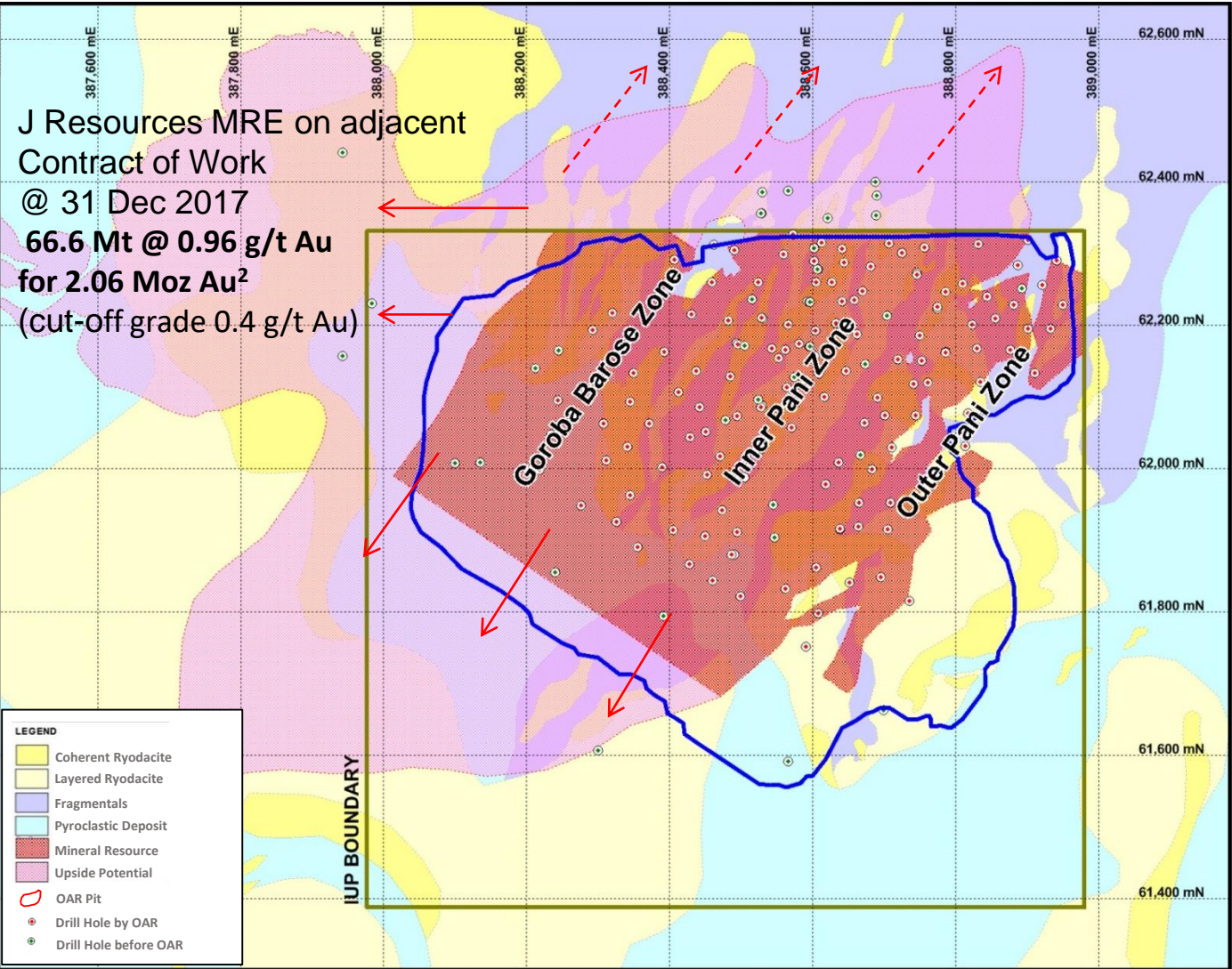
The Pani JV is owned 33.3% Lion, 66.6% Merdeka
No future sell down requirements



1. Thick, low strip, leachable



2. Multi-million ounces




Mineral Resource Estimate: 2.37Moz @ 0.82g/t gold¹

- Outcrops, deeply oxidised

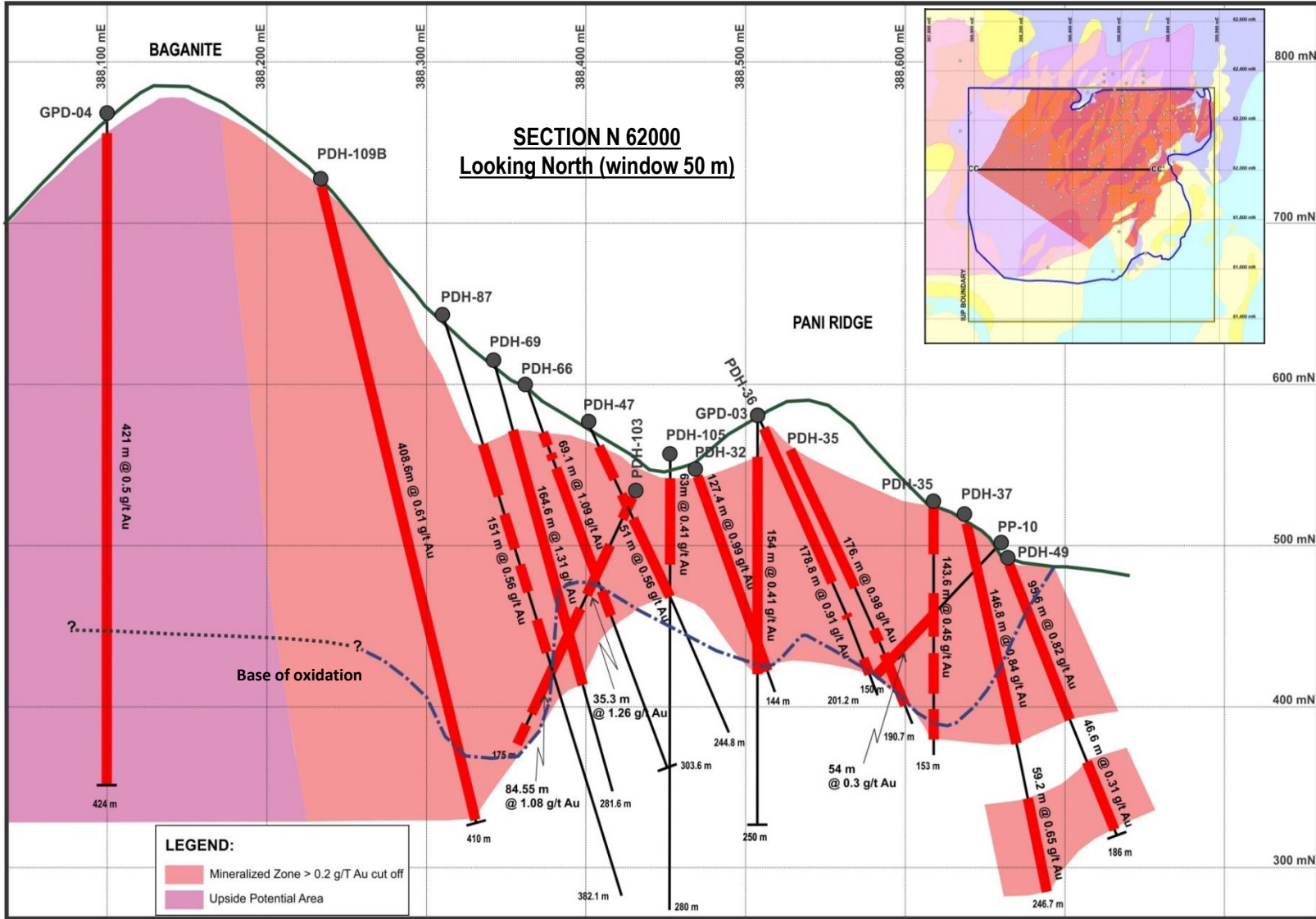
| Category | Ore (Mt) | Grade (g/t Au) | Au (million oz) |
|--------------|--------------|----------------|-----------------|
| Measured | 10.8 | 1.13 | 0.39 |
| Indicated | 62.4 | 0.81 | 1.63 |
| Inferred | 16.2 | 0.67 | 0.35 |
| Total | 89.50 | 0.82 | 2.37 |

The above resource estimate from SRK Report dated December 2014

- 137 Diamond Drill holes, 26,000m drilling
- Resource using cut off grade of 0.2 g/t Au



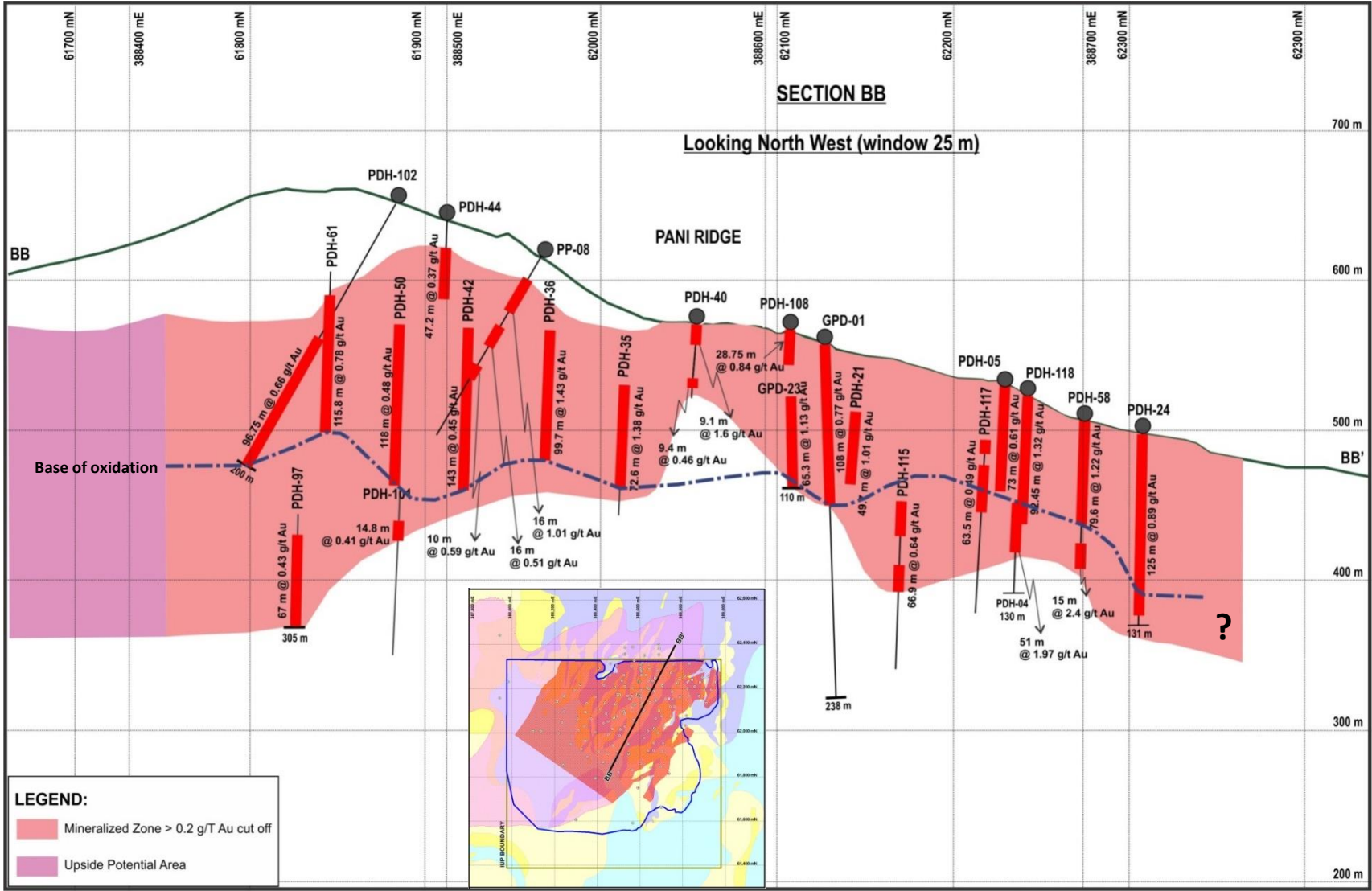
3. Open and prospective...



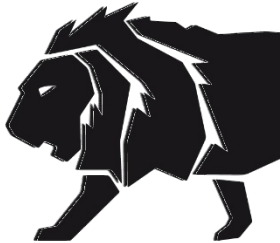
Open West



...Open and prospective



Open
South



4. Partner of choice

Pani Joint Venture

- 33.3% Lion Selection Group
- 66.6% Merdeka

Leading Indonesian gold mining company: owner and operator of the Tujuh Bukit Heap Leach Gold Mine, with an assessment underway into development of the Tujuh Bukit underground copper and gold mine

- Future Indonesian ownership requirements already met – no sell down requirement

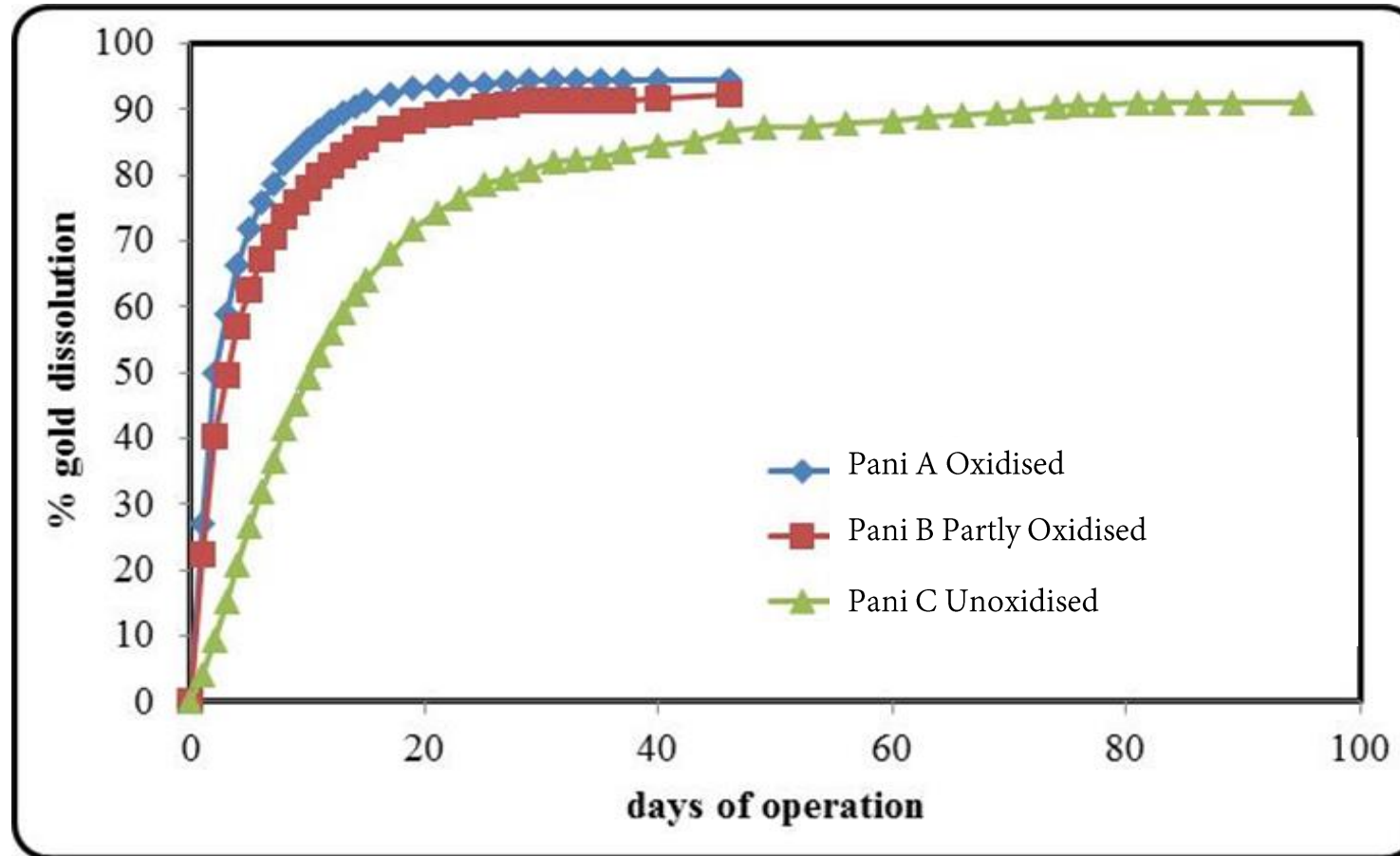
Pani Permitting

- Merdeka: strong history of Indonesian mining project permitting success
- Mining IUP
- Separate, specifically selected license area applied for processing and refining operations
- Connected by access corridor



Metallurgical testwork

Pani column leach test, ½ inch crush size



Pani: de-risking underway

Ownership:

- ✓ Partner 2015
- ✓ Ownership dispute resolved 2017
- ✓ Merdeka becomes partner 2018

Technical

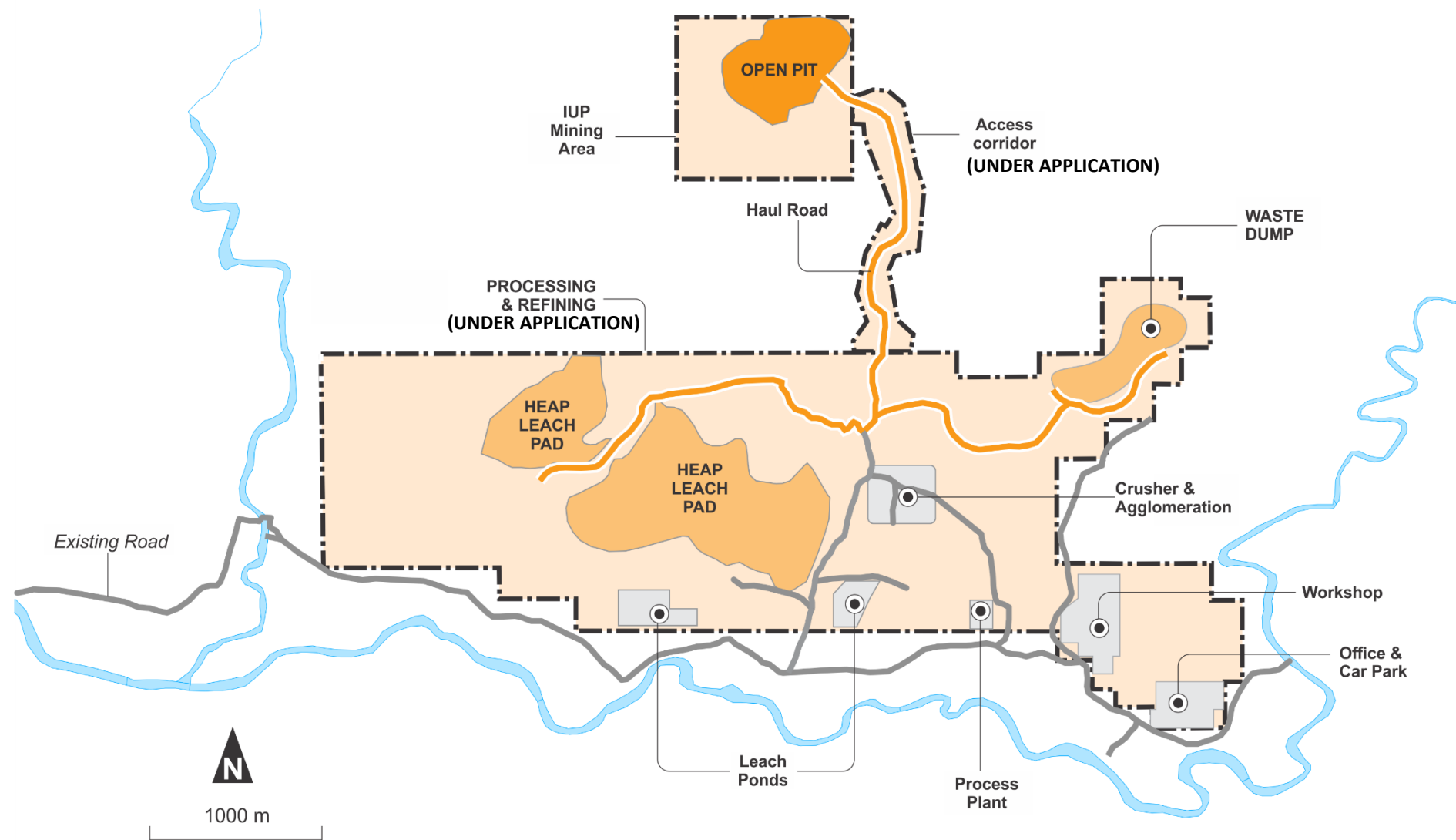
- ✓ Extensive drill hole database: 137 diamond drill holes for 26,017m
- ✓ Initial metallurgical test-work: leaches rapidly, recovers high 90% of metal at ½ inch crush size
- ✓ Re-logging, detailed geological model 2018
- ✓ Re-sampling – quantify effect of free gold
- Resource update
- Drilling: infill / extend / sample for detailed metallurgical test-work
- Detailed metallurgical test-work
- Feasibility Study



Pani Project – View East



Pani Gold Project



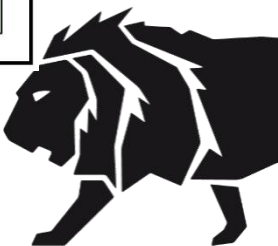
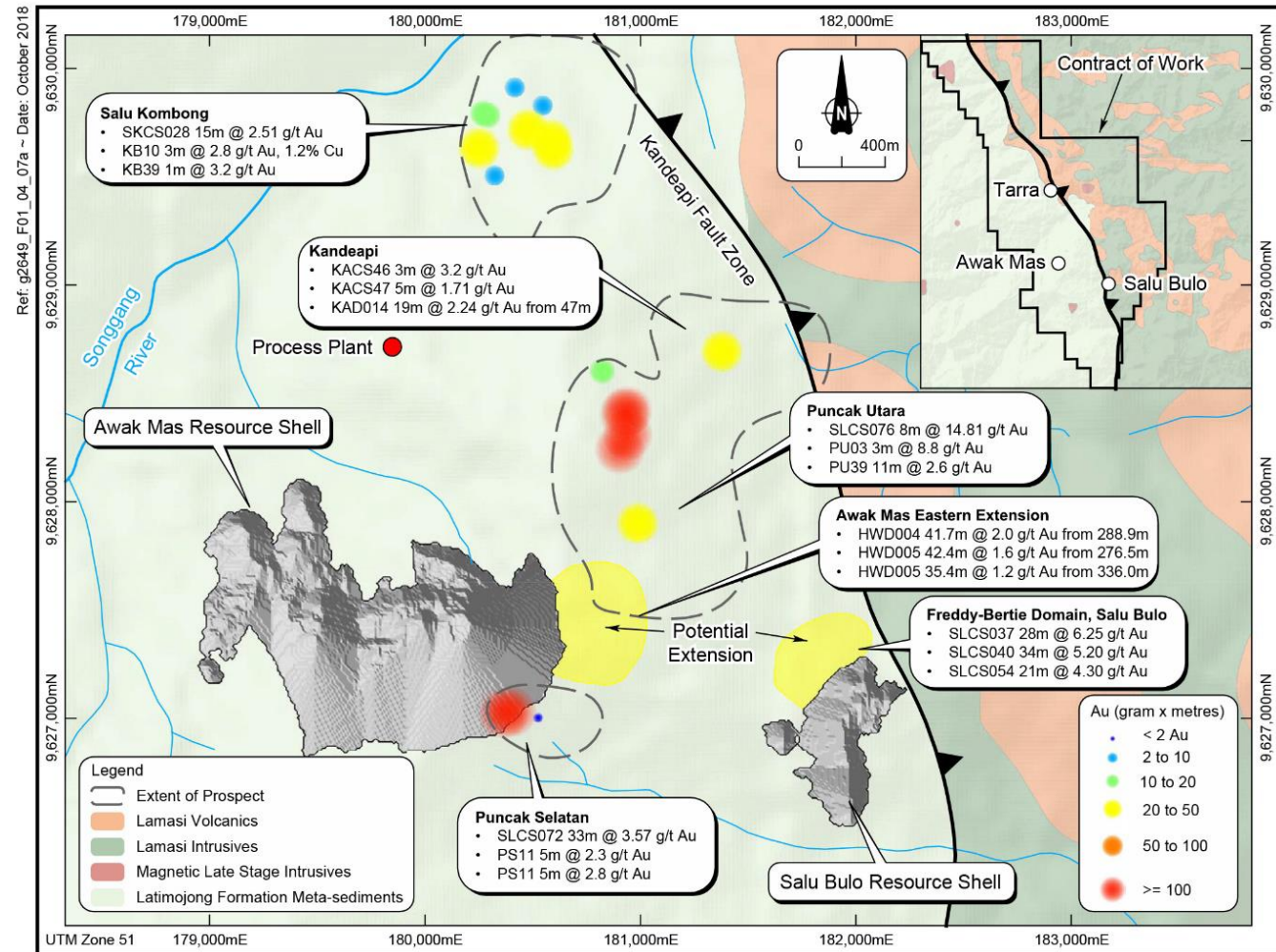
Nusantara (Indonesia, gold)

■ October 2018 DFS³:

- Long life, low cost gold mine
- 1.1 Moz Reserve⁴
- 2.0 Moz Resource⁵
- Upfront Capex US\$146M, AISC US\$758/oz
- NPV_{5%} US\$152M

■ Upside:

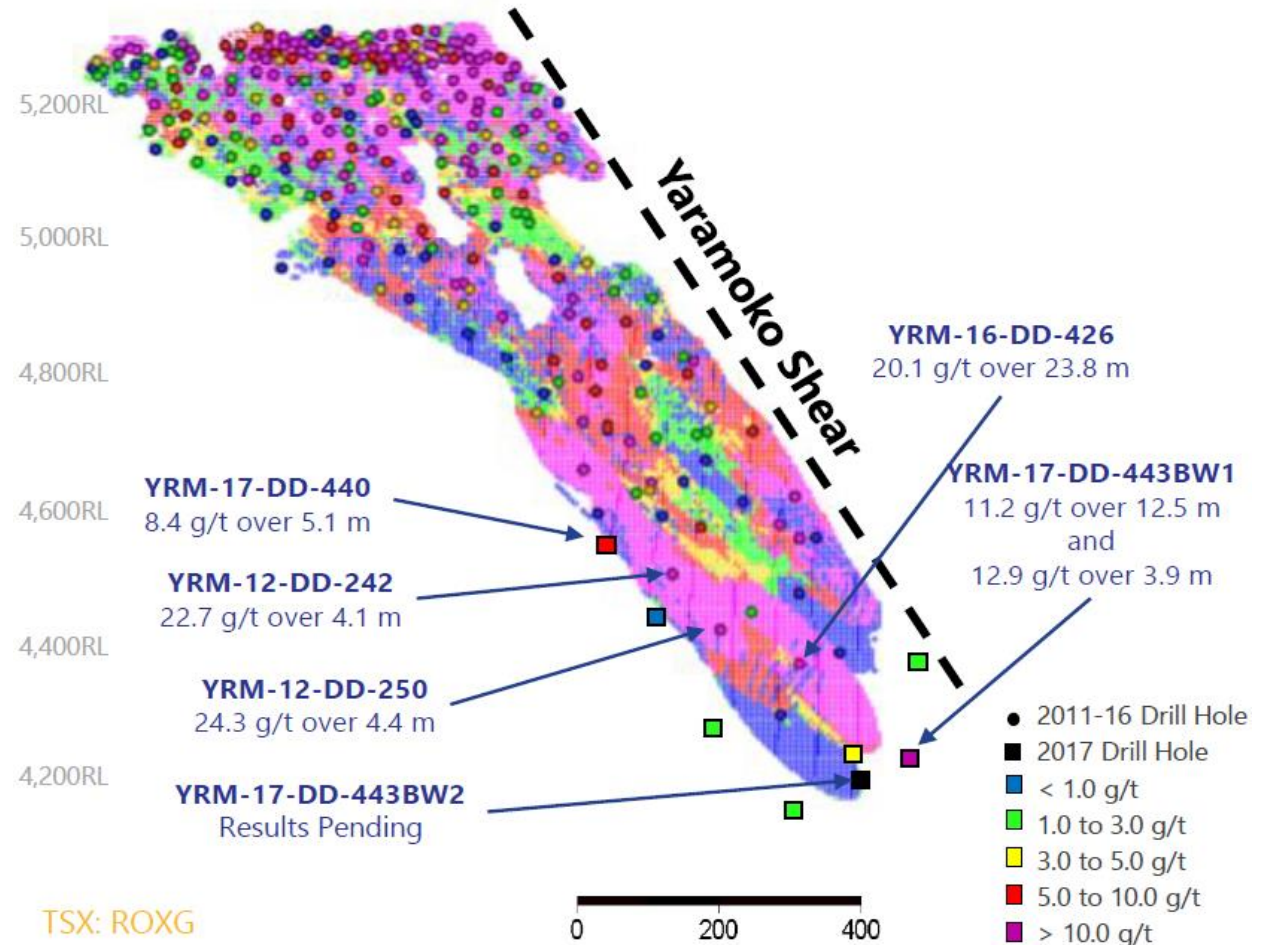
- Infill of higher grade zones
- Extension and regional targets



Roxgold (Burkina Faso, gold)

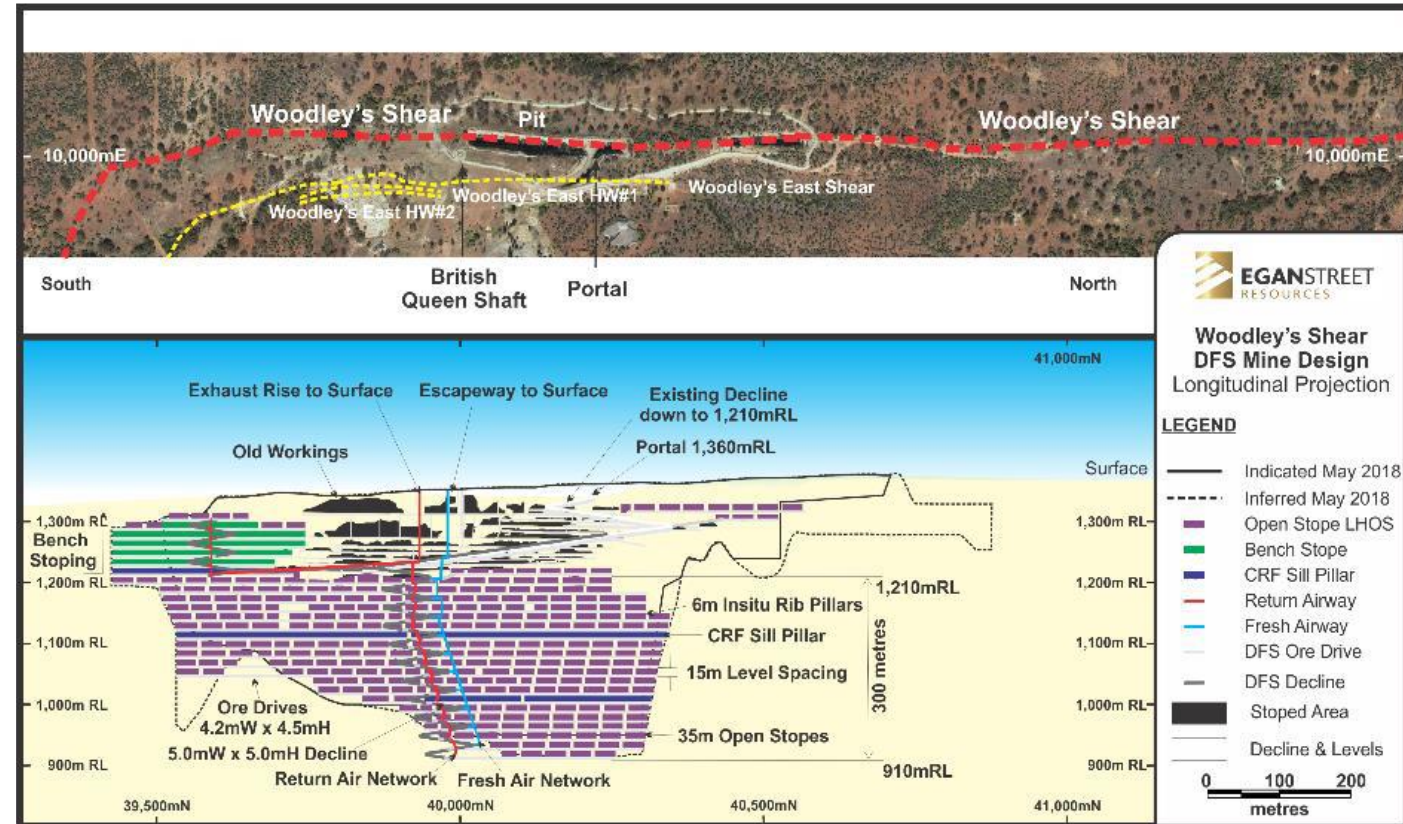
- High grade gold underground mine
- 2017 production: 127K Au oz @ 15.6g/t
- Cash Operating Cost – \$438/oz
- All-in Sustaining Cost – \$740/oz
- Second mine in development
- Exploration ramping up

Zone 55 - 2017 Deep Drilling Program



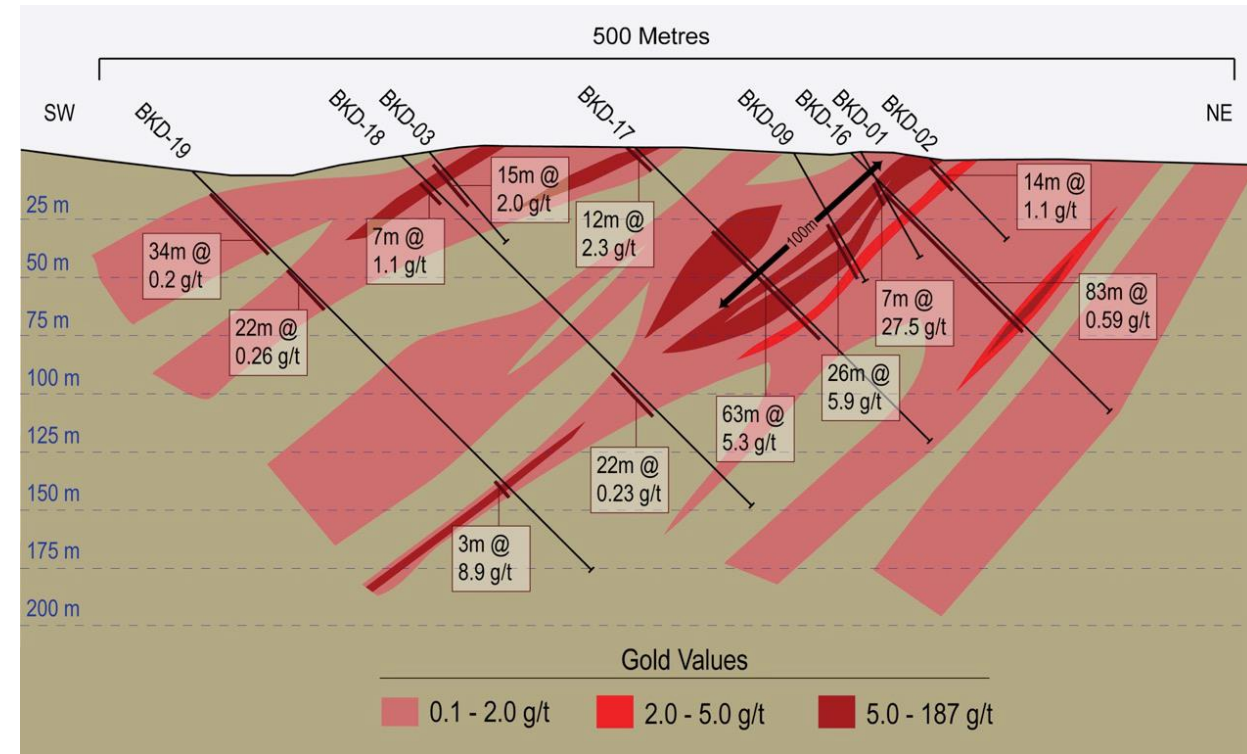
EganStreet Resources (WA, gold)

- High grade gold mine
- Resource: 401koz @ 8.8g/t Au (Indicated 820kt @ 9.3g/t Au and Inferred 600kt @ 8.0g/t Au)⁶
- DFS:⁶ low all-in cost (AISC A\$1,083/oz), low capital (A\$36m), payback 1.5 years
- Pre-tax NPV_{5%} of A\$80m
- Ore mined of 2.1Mt at 4.2g/t Au for 278,000oz of gold⁸
- Unexplored field – abundant discovery upside



Erdene Resource Devt Corp (Mongolia, gold)

- High grade gold discovery
- Resource:
 - 886 Koz AuEq @ 2.7 g/t AuEq, Measured and Indicated; and
 - 382 Koz AuEq @ 2.3 g/t AuEq, Inferred⁹
- Thick, stacked ore zones at / close to surface – low strip, minimal overburden
- Mongolia – primed for new developments, highly prospective geology
- Discovery – project or district ?



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)

| J Resources Group | | <i>Cut off grade</i> | <i>0.4 g/t</i> |
|--------------------------|-------------|----------------------|----------------|
| Resource classification | Tonnes Mt | Grade g/t Au | Metal Koz Au |
| Measured | 13.8 | 0.95 | 423 |
| Indicated | 38.7 | 0.91 | 1,136 |
| Inferred | 14.1 | 1.12 | 504 |
| Total MRE | 66.6 | 0.96 | 2,063 |

- 3. Nusantara ASX Announcement, 4 October 2018, Definitive Feasibility Study Confirms Robust, Long-Life, Low Cost Project
- 4. Nusantara ASX Announcement, 8 May 2018, Indicated Resource grows by a further 0.2 Moz
- 5. Nusantara ASX Announcement, 13 September 2018, Ore Reserve increases by 11% to 1.1. Moz

- 6. Refer to EganStreet Resources announcement “Rothsay Resource Jumps 31% to 401,000 Ounces” dated 14 May 2018
- 7. Refer to EganStreet Resources announcement to ASX 19 July 2018
- 8. Including Inferred Resources
- 9. Refer to Erdene New Releases of 12 September 2018.

| Cut-off Grade | Resource Classification | Quantity (Mt) | Grade Au g/t | Gold Koz | Grade AuEq g/t | AuEq Koz |
|---|--------------------------------|----------------------|---------------------|-----------------|-----------------------|-----------------|
| Bayan Khundii is 0.6 g/t gold and Altan Nar is 0.7 g/t AuEq | Measured | 1.4 | 3.6 | 161 | 3.6 | 161 |
| | Indicated | 8.7 | 2.1 | 590 | 2.6 | 725 |
| | Measured & Indicated | 10.1 | 2.3 | 751 | 2.7 | 886 |
| | Inferred | 5.2 | 1.8 | 291 | 2.3 | 382 |

