

LION SELECTION GROUP

Annual General Meeting

December 2018



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Mining Investment Company

PANI – value uplift in steps to development

NTA November 2018	% held	A\$ million	cps
Pani JV	33.3	38.7	25.8
<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	6.7	4.5
Roxgold	1.6	4.9	3.3
EganStreet Resources	16.2	4.2	2.8
Erdene Resources	5.2	2.0	1.4
Other		4.9	3.3
<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		1.4	0.9
Total NTA		A\$62.8m	42cps

- Lion Selection Group: listed mining investment company, founded 1997
- 21 year track record: 7.6% pa TSR
- Current portfolio dominated by gold projects
- 50/50 portfolio aim, gold/other



Pani gold project



Pani – value uplift steps

Ownership dispute resolved	✓	December 2017
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Pani Joint Venture interest acquired	✓	April 2018
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Direct Ownership & JV representation	✓	August 2018
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Merdeka acquisition	✓	November 2018
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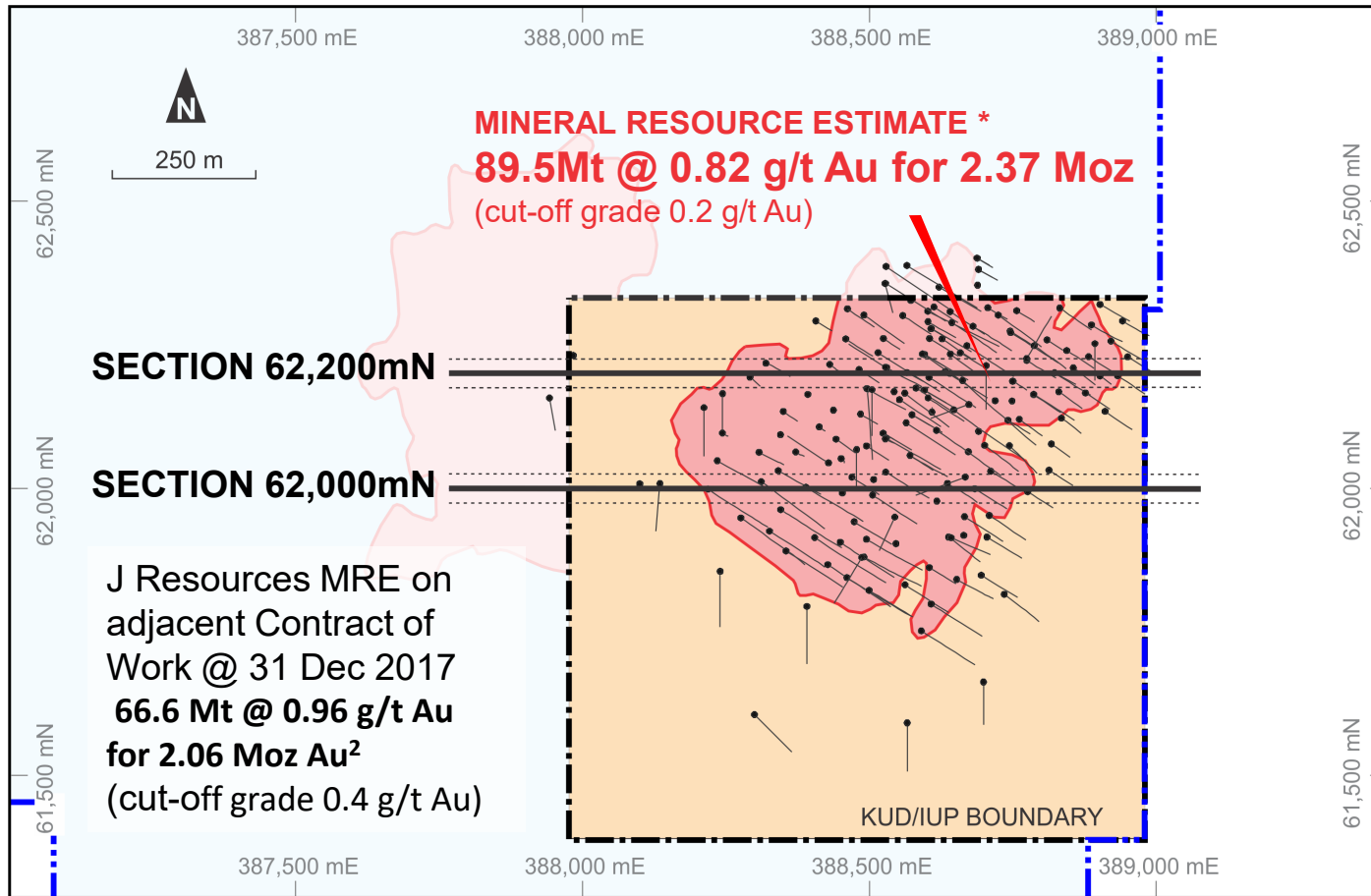
Next steps

- Permitting and Licencing
- Project expansion/ DFS



Pani Mineral Resource Estimate

Plan View



* Reported 3-Dec-2014

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

- Outcrops, deeply oxidised

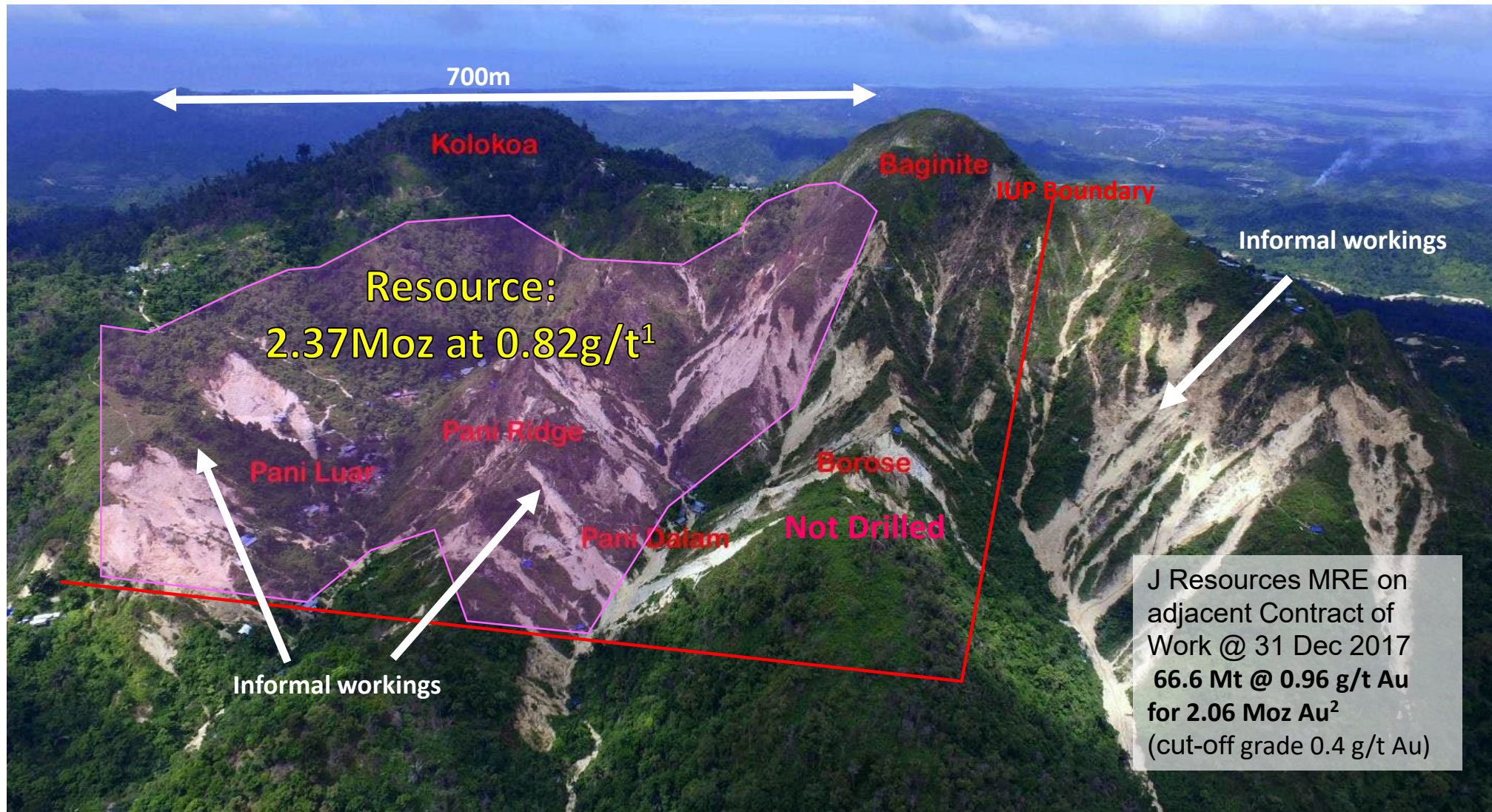
Category	Ore (Mt)	Grade (g/t Au)	Au (million oz)
Measured	10.8	1.13	0.39
Indicated	62.4	0.81	1.63
Inferred	16.2	0.67	0.35
Total	89.50	0.82	2.37

The above resource estimate from SRK Report dated December 2014

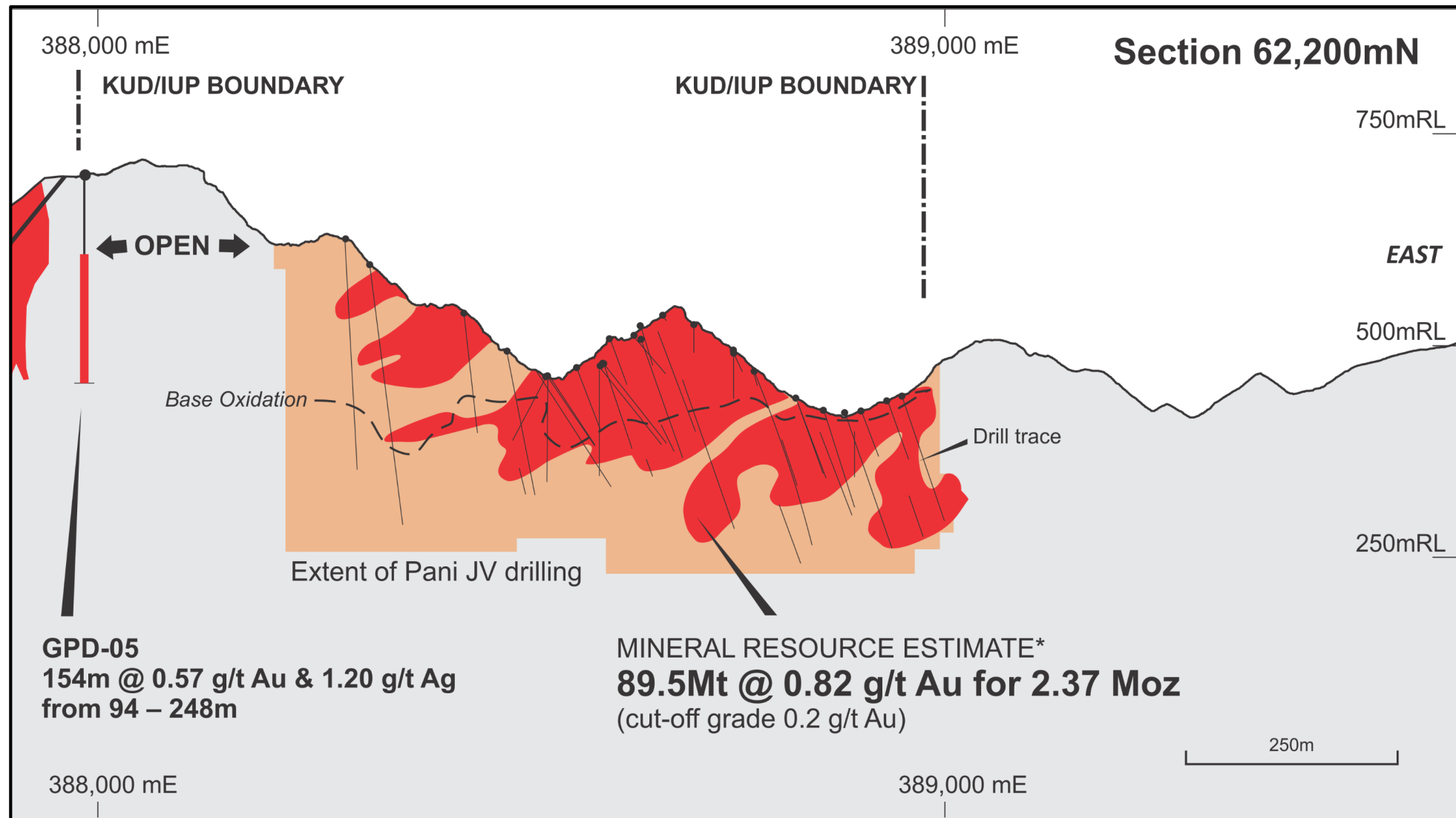
- 137 Diamond Drill holes, 26,000m drilling
- Resource using cut off grade of 0.2 g/t Au



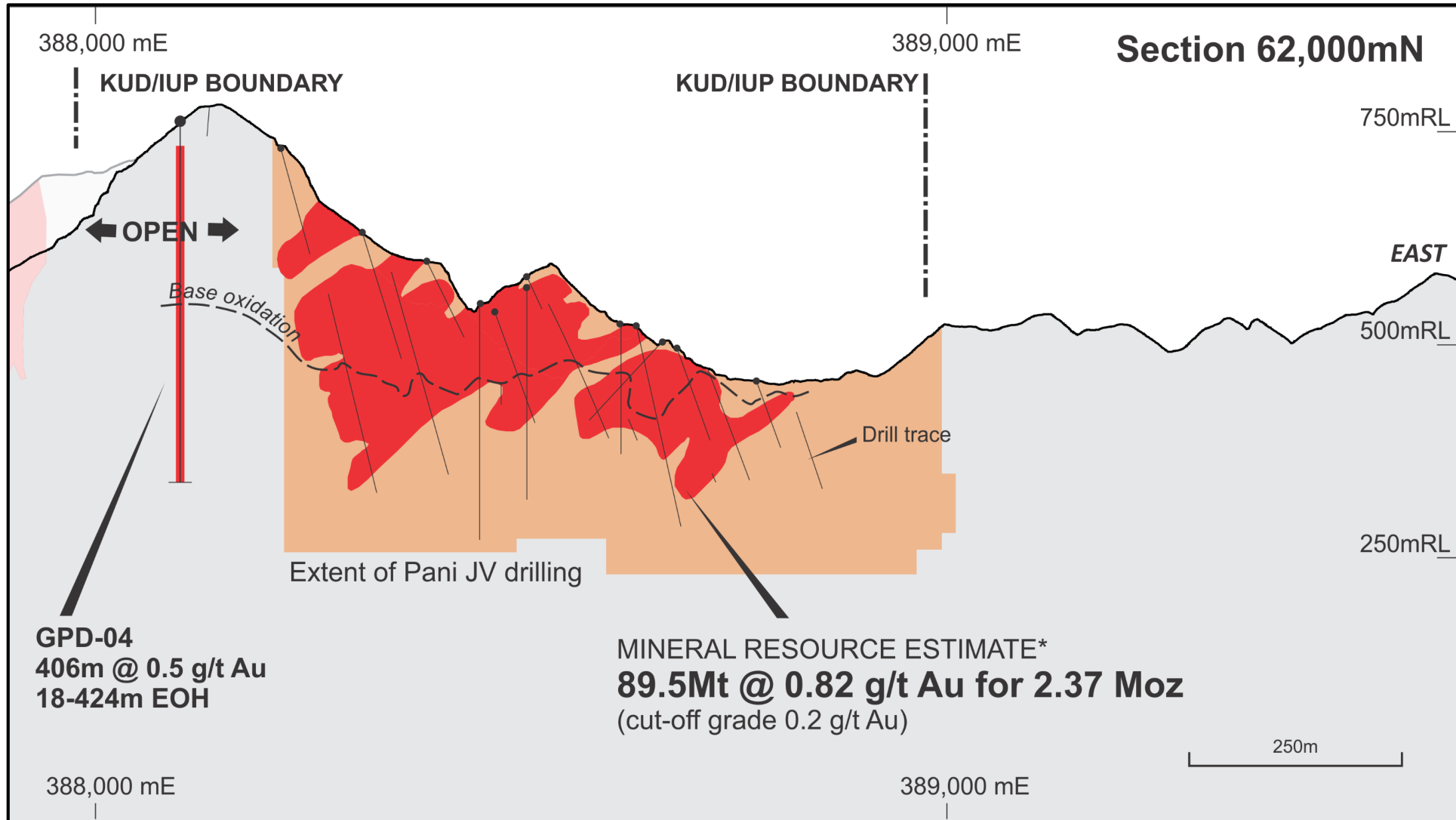
Pani looking south



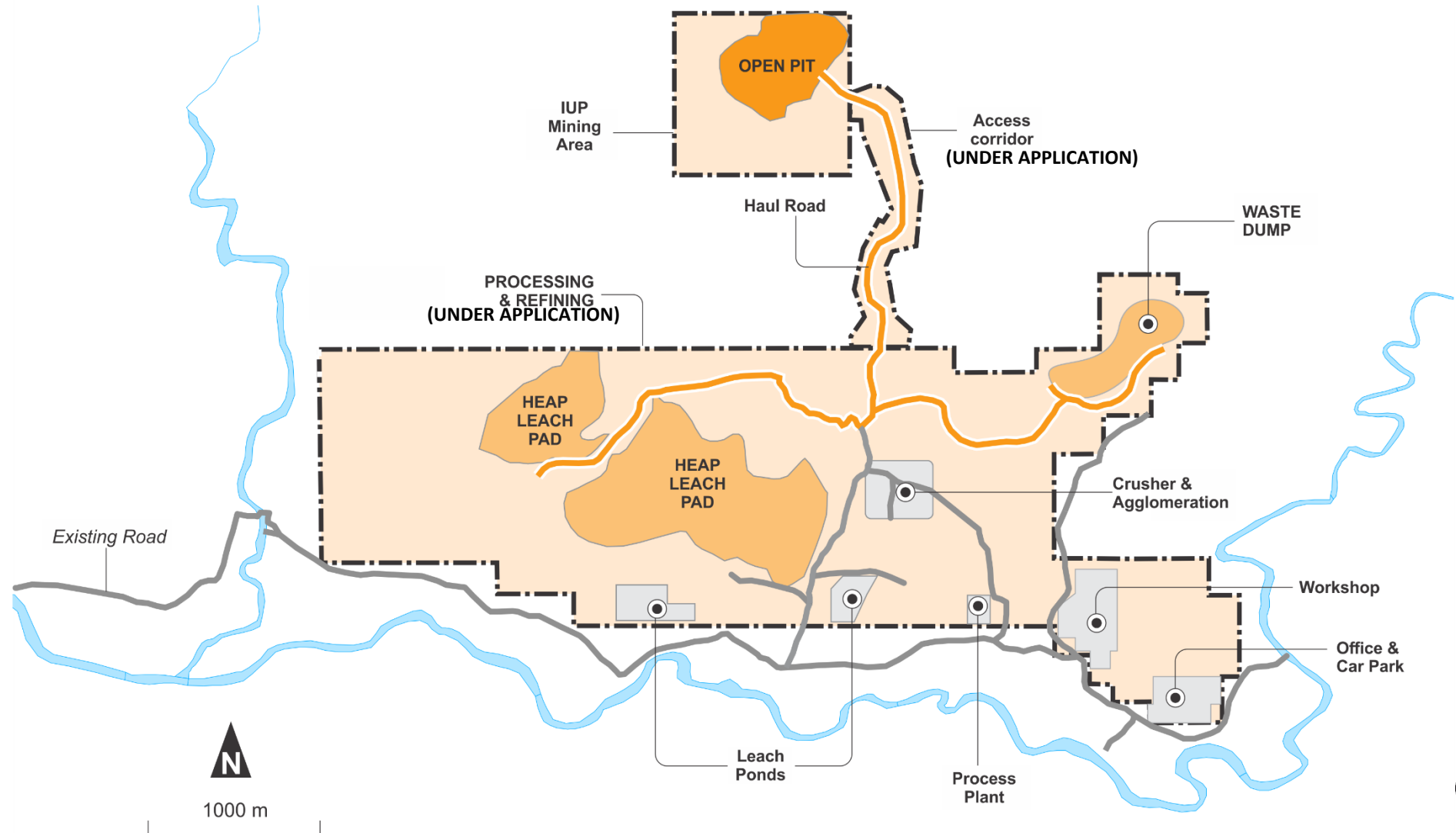
...Open and prospective



...Open and prospective

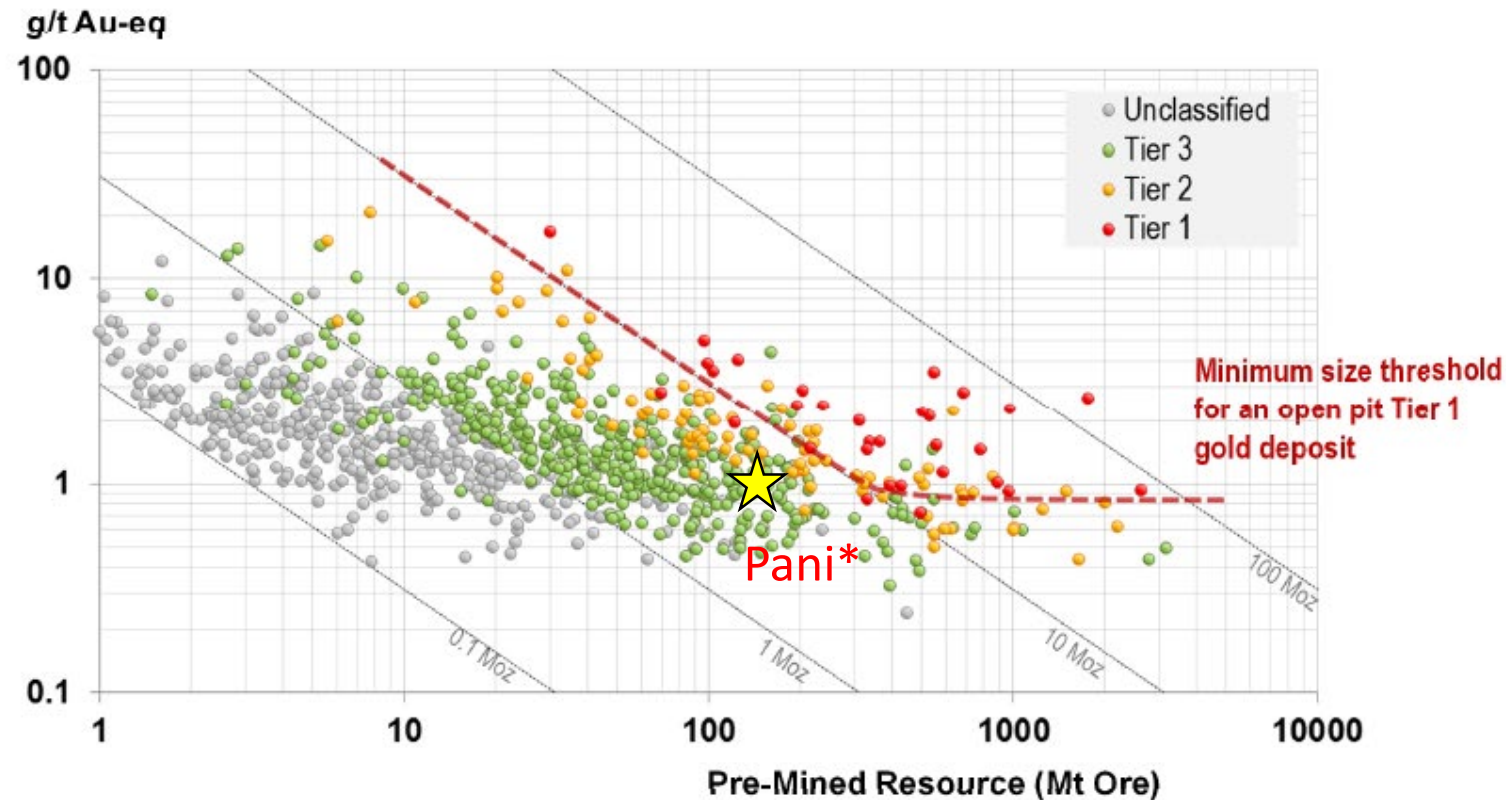


Pani Gold Project – Conceptual Site Layout



Pani World Class Scale?

Tonnes and Grade of Tier 1, 2 and 3 primary deposits
World all years, **open pit**



***Combined Pani (J Resources/ Pani IUP)**

Note: Gold equivalent based on monthly average price over last 3 years
1 g/t Au = 67 g/t Ag = 0.80% Cu = 4.14% Zn = 3.67% Pb

Source: MinEx Consulting © October 2015



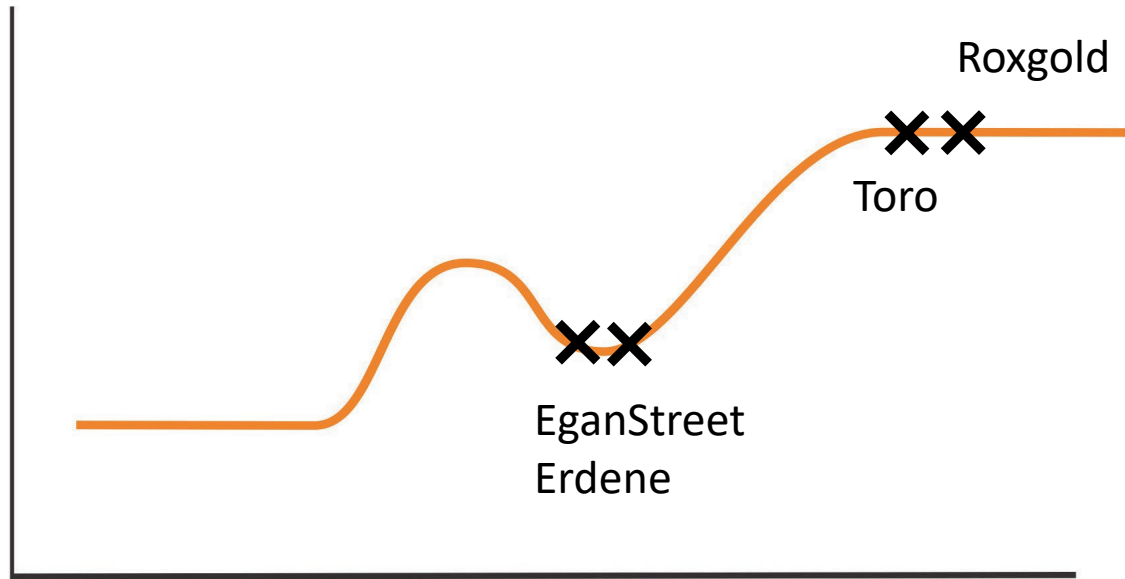
Nusantara (Indonesia, gold)

- DFS (October 2018)³:
 - 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
- Next steps – Seek finance and Indonesian partner



Other investments

Gold



Tin

Kasbah, Morocco – DFS complete July 2018: awaits funding

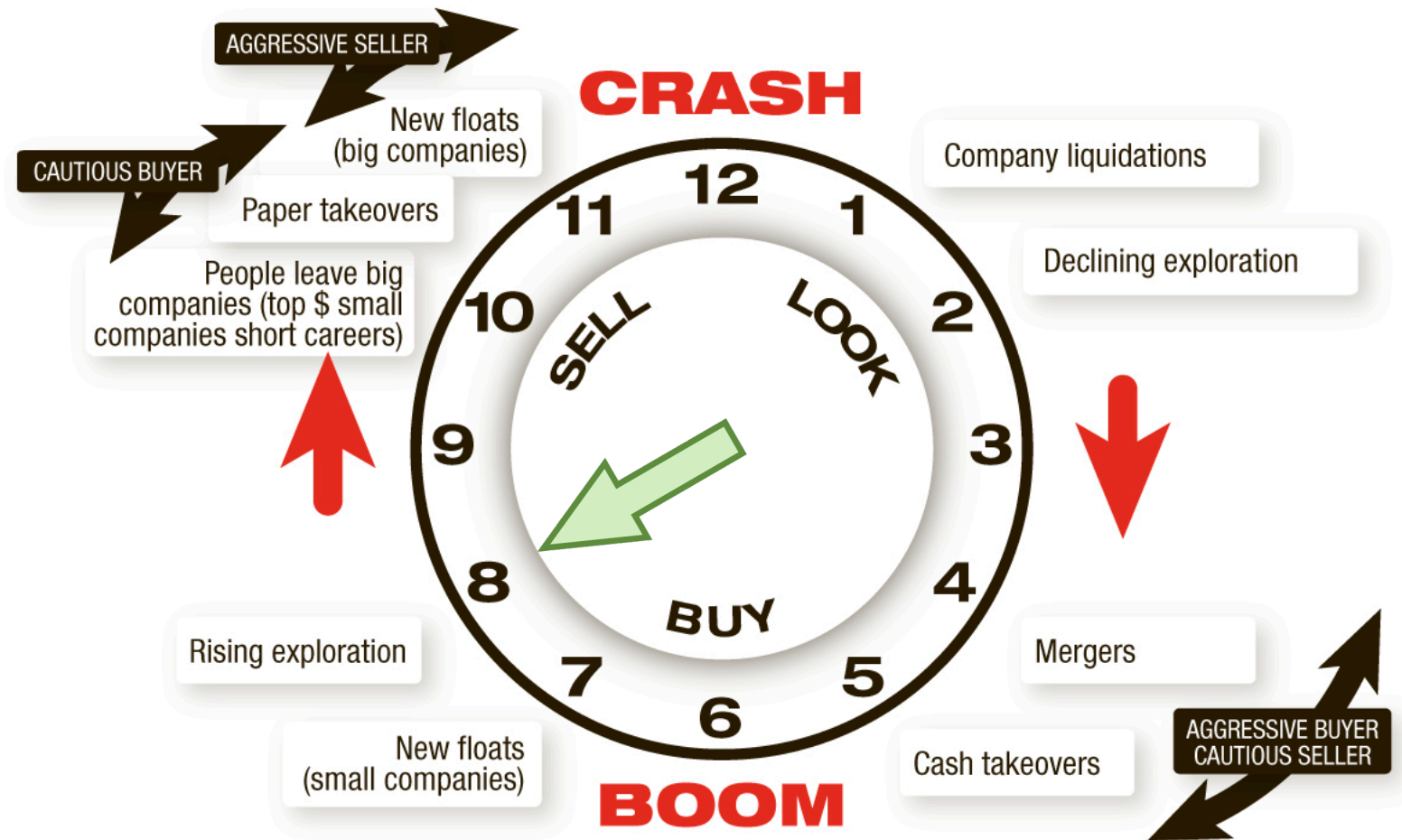
Phosphate

Celamin, Tunisia

- Ownership dispute 2015
- Won international arbitration November 2017
- Development awaits enforcement and partner



Lion Clock



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



Gold Mining Equities: A tale of two markets



2016 – Present

ASX Gold Index
Vs
Van Eck Gold Miners

ASX

A\$/share

- > Australian mines into “local” ownership
- > Collective cost discipline
- > Recent Reserve additions – extended life

GDX

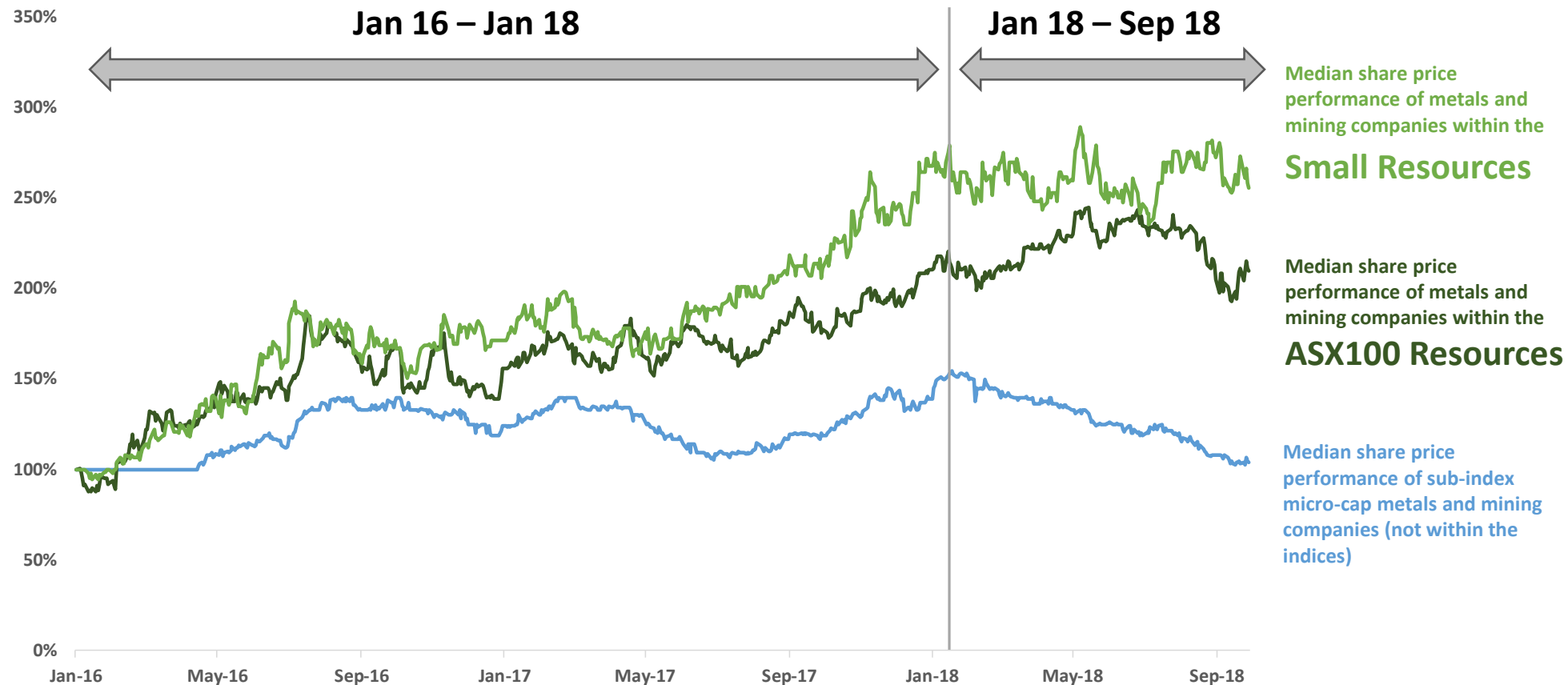
US\$/share

- > Rest of the World
- > Still struggling with cost / capex discipline

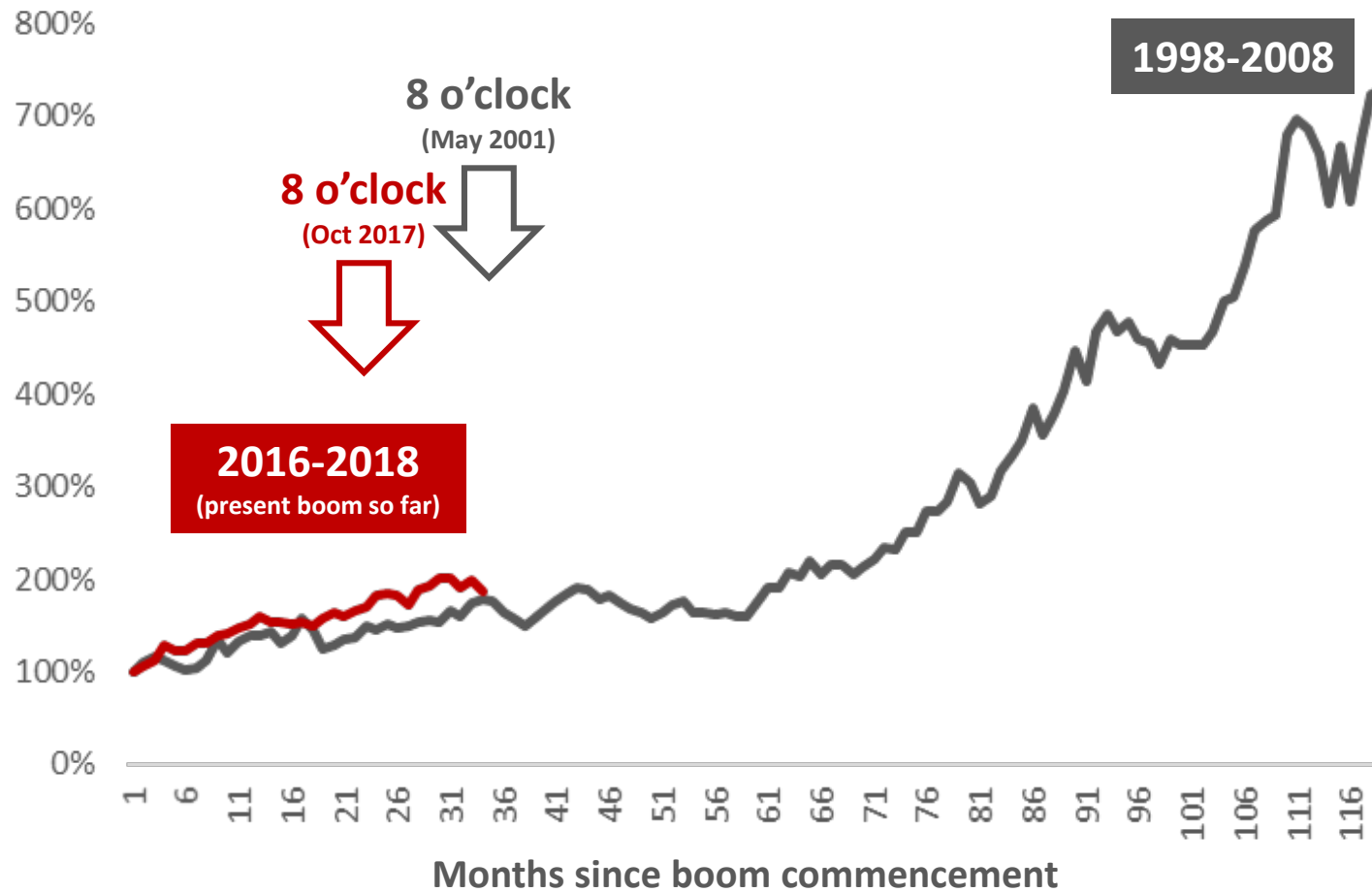


Metals & Mining Companies

Metals and Mining classified companies	Jan 16 – Jan 18			Jan 18 – Sep 18		
	Median %	# companies +ve performance	# companies -ve performance	Median %	# companies +ve performance	# companies -ve performance
ASX100 Resources	+111%	11	0	+2%	8	3
Small Resources	+160%	33	0	-12%	9	24
Sub-Index Micro-Caps	+54%	356	178	-30%	95	439



1998-2008 vs 2016-present



Boom compared with boom:

- › Equity performance in early phases is highly comparable (for large capitalisation miners)
- › Industry activity comparable (major miners – selling sub-scale businesses, investing in new business; exploration restarting)



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

