Lion Selection Group

Annual Report 2025

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The Lion Story

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28 years
Veteran of three mining cycles

Lion Selection Group was founded in 1997 by Robin Widdup as a mining investment company that could combine specialist mining expertise with pooled, long-term capital and take a portfolio approach to investing in the very high growth micro-capitalisation resources sector. Lion has built a track record as a successful investor in mining assets and interpreter of the cycles of mining.

In a 28-year history, Lion has been an early shareholder and contributed to the success of a long list of successful mining companies. These include East African Gold Mines (the North Mara Mine which is now a substantial gold producer for Barrick in Tanzania), Consolidated Minerals, Independence Group (now known as IGO), Catalpa Resources (now known as Evolution Mining), MPI Mines, Redback Mining, Gallery Gold, EganStreet Resources, Indophil Resources and Platmin. Profitable exits have enabled Lion to make distributions to shareholders exceeding 343cps* which underpin Total Shareholder Return since 1997 well exceeding the ASX Small Resources Index*.

In 2021/2022 Lion exited two substantial Indonesian gold investments which resulted in a cash return to Lion of over $90M at the top of the mining cycle. $16.7M of this cash was distributed via dividends and an on-market buy-back, the remainder is available for investing in a market that has more than halved. Lion has established a strong portfolio of investments and is well funded to continue portfolio development.

Lion closely monitors the mining cycle via the Lion Mining Clock and aims to align investments and exits with mining busts and booms to take best advantage of weak markets to invest and strong markets to sell.

Lion has always backed people whose competency and integrity are high and aligned with our own.

Our sole focus is developing a commodity diverse portfolio of pre-production Australian mining assets that have strong investment cases. This positions Lion as a mid-tier sized mining house of the future, with high leverage to the long term strongly positive fundamentals for mineral commodities and the inevitable next mining boom, based on assets that have been accumulated through the current weak market.

EST.
1997
Melbourne • Australia

* see note on page 5

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Chairman's Letter

Buoyed by a doubling of the gold price over three years, 2025 has been a good year for Lion with an approximate doubling of share price and removal of its discount to NTA. I would like to thank shareholders for their support and welcome around 1,200 new shareholders.

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Lion's business of investment in emerging mining companies is high risk - high reward. It was recognised at inception in 1997 that a few simple rules could reduce these risks to provide a market advantage:

TIMING The mining sector is cyclic with 5-10 year cycles of boom and bust measurable over the last century or more. While it sounds simple to buy low and sell high, not all investors can tell the time and we use the Lion Clock to time our activity.

Volatility can also be high within cycles and so Lion takes a long term view measured in years to overcome short term variability, in contrast to mining speculators who are usually short term and partly responsible for this volatility.

PEOPLE The simple rule here is there needs to be a feeling of 'know, like and trust' existing both ways between investor and investee. Something that Lion has refined recently to avoid pitfalls seen in earlier years.

A dedicated investment team is also needed to understand the many facets of the mining world and to avoid areas that cannot be understood. Lion's team has been stable over three decades, providing a market advantage.

We needed to change geographic focus from global to Australia only and this has provided immediate benefits in both risk reduction and we can sleep at night, literally.

The original interest offshore was to follow Australian geologists and to back them when possible major discoveries were made. In the global world of the early 2000's this approach seemed sensible, but each potentially large offshore success has been blighted by political risk, usually a foreign group trying to expropriate the asset. A further recent problem has been the transition from a free global market to a polarised marked, west v east and further complicated by Trump Tariffs and the politics of critical metals.

Australia is not only a safe haven but is also blessed with geological abundance of most minerals and particularly gold in its ancient rocks, with the search for minerals usually restricted to the top 100 metres. Literally a scratch on the surface. Armed with greater data management ability, geophysical and geochemical tools geologists are finding new mineral deposits in all of our states. Great potential exists for the whole range of metals required for the energy transition underway, but not all states are as welcoming of mining as WA and discretion is needed.

Some big risks to Australia's industrial potential have become apparent over the last year with potential smelter and refining closures across the country in aluminium, lead, zinc, copper, nickel and steel. For example the once mighty Mt Isa faces an uncertain future and if it closes a major change will be forced upon the geologically rich Mt Isa - Cloncurry region, which could throw up opportunities amid the carnage.

As we contemplate the base of cycle on the Lion Clock, the 'funding tap' for exploration is being turned on providing opportunity and elevated valuation. Funding of large new mine developments has changed from historic sources, local pension funds dominantly invest offshore and in very large miners not developers and bank debt for emerging miners is restricted. The advent of governments entering the mining market with floor price schemes, tariffs and direct funding will further change how projects are funded.

One result of this tighter funding regime, cost inflation and an ever longer permitting process is to gift a strategic benefit to existing mineral processing facilities which are able to treat third party ore. Opportunity will exist in this changed marketplace.

Lion is well placed in these exciting times and as I clock over my 50th year in mining I have rarely seen a rosier outlook.

Robin Widdup
Chairman

Net Tangible Asset Backing
as at 30 September 2025

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As at 30 September 2025 Lion held $116.4M of equity investments and $47.2M of net cash and other assets, with a combined aggregate value of $156.2M (after tax), against a market capitalisation of $144.0M.

Lion advises that the unaudited net tangible asset backing of Lion at 30 September 2025 is 114.2 cents per share (before tax) and 109.1 cents per share (after tax).

	Unaudited NTA A$M
Net Cash and other assets	47.2
Portfolio – New Investments (Australia)	111.3
Portfolio – Legacy Investments	5.1
Less Tax	(7.4)
Net Tangible Assets – Post-tax	**$156.2M**
NTA per share – Post-tax	**109.1cps**

Notes to the NTA

The after-tax number relates to the provision for deferred tax on the unrealised gains in the Company's investment portfolio. The Company is a long-term investor and does not intend disposing of its total long term investment portfolio. Under current Accounting Standards, the Company is required to provide for tax on any gains that may arise on such a theoretical disposal, after the utilisation of brought forward losses.

The NTA laid out above excludes $0.4M in contingent liabilities relating to Lion's acquisition of investments from African Lion 3. The contingent liabilities reduce over time and will become zero by 3 March 2026 if not crystallised by the sale of PhosCo prior.

The NTA contains the value of the component parts of Lion's assets as at the NTA date, which is a snapshot in time. The majority of this includes the value of cash at bank, and value of investments at their closing price on NTA date. The NTA is not an expression of the ultimate, realisable value of the investments, which in many cases may far exceed the value contained in the NTA.

Management Report

Lion has established a portfolio of mainly gold exploration and development opportunities, purchased in a weak market, that have performed strongly in 2025.

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Gold has electrified the market and looks to be reviving the mining sector which is showing signs of passing the turning point from the last stages of a bust to begin a new boom. Much of the rest of the commodity space, especially in the micro-capitalisation range, continues to offer attractive opportunities for the contrarian eye.

The allure of junior resources

Investors that target junior mineral resource stocks do so for the opportunity to be involved with high growth investment outcomes. Rapid and substantial value growth can be driven by:

- Commodity price appreciation.
- Mineral deposit discovery.
- The rising tide of a strong mining market.

However, many investors also acknowledge challenges that deter them:

- Jargon and lack of technical expertise stand in the way of their investment selection.
- Compounded by not knowing who to trust in a sector where there is a high.concentration of versatile entrepreneurs.
- And a wariness toward the boom-bust nature of mining investment.

Many investors are also frustrated at only seeing a small portion of deals that take place – such as access to discounted placements or early stage 'pre-IPO' companies.

Lion is a listed mining investor that provides access to the high growth sector for generalist investors and is intended to be a 'set-and-forget' exposure, where the stock selection and investing timing are managed by a specialist team that has access to high volume deal flow.

Lion is a listed mining investor that provides access to the high growth sector for generalist investors and is intended to be a 'set-and-forget' exposure ...

Lion Selection Group

Micro-Cap Resources Focussed Specialist

Leveraged to GOLD	• US$ Gold achieving record levels: **2.3x since September 2022** • Gold juniors ***only just* beginning to perform** • **Lion portfolio predominantly gold oriented**
Investment strategy PERFORMING	**+169%** performance of Lion's Australia focused Investing Strategy since January 2022
Strongly funded	**$47.2M cash** to follow investments/expand portfolio at targeting high growth/contrarian discounted opportunities
Mining boom YET TO COME	• Micro-Cap Resources strongly leveraged to the mining cycle, which can result in multiple returns • Liquidity/activity measures beginning to show signs of improvement/turnaround

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How Lion expects to generate value

Lion generates value from investing in high growth companies where there is a disproportionate upside between price and value potential, and acceptable risk profile. Lion aims to obtain a low-price entry, typically by aligning most investing with the late bust/early boom phase of the cycle and taking a sophisticated technical view. Value realisation is expected to be driven by a combination of company/project derisking and commodity price gain/cyclical uplift as the boom progresses.

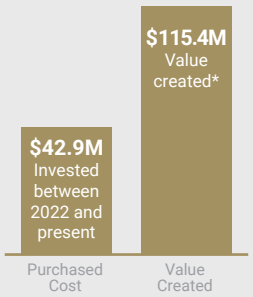
Lion Investing Objective: Targeting Multiples

2022-2025: So Far

Contrarian investing in opportunities depressed by the bust

+169%

performance on Australian Investing Strategy



Mining Boom: *To Come*

factors that drive returns in the boom

MARKET TIMING

Mining Cycle

The Mining boom benefits the entire sector as investors seek mining equities

Commodity appreciation

- Outstanding supply vs demand outlook – recent overall lack of investment in growth
- New drivers: Critical Minerals, Mineral Security, Rotation from USD treasuries to Gold

MARKET TIMING

Company Specific De-risking

- Unlock project value
- Enabled by investment

Metal Addition

- Strongest long-term value driver and the real source of deep/hidden value in a resources company
- Enabled by investment

Target: Realisation at cycle peak

Expectation: Multi-Year Boom Phase

Based on duration of historic mining booms

Exit Opportunities

- Higher liquidity in successful companies
- M&A outcomes which tend to be more numerous at mature boom stages

Target Outcomes

Stocks selected for price upside that is ***multiples*** greater than entry price

Lion is well funded with $47.2M cash to fund new and follow on investments

* Total Shareholder Return (TSR) for Lion Selection Group as at 30 September 2025 since inception in July 1997 was 10.6%pa, versus the ASX Small Resources Accumulation Index 5.6%pa. 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). Methodology for calculating total shareholder return is based on MorningStar (2006), which assumes reinvestment of distributions. Lion assumes all distributions are reinvested, with all non-cash distributions sold and the proceeds reinvested on the distribution pay date. Investment performance is pre-tax and ignores the potential value of franking credits on dividends that were partially or fully franked. Past performance is not a guide to future performance. Indices used for comparison are accumulation indices, which assume reinvestment of dividends. Data source: IRESS, Lion Manager.

2025: Year in Summary

2025 has been a year of accelerating deal flow and assessment, strong performance from the Australian portfolio, and a substantial reduction in the Legacy Portfolio via two divestments.

Substantial Portfolio Development

Lion has invested $21.8M in 2025, taking the total invested in the Australian focused investment portfolio to $42.9M since 2022. These investments are across ten companies of a targeted 10-20 company portfolio.

Strongly gold exposed

Gold companies offered the best risk assessed value to Lion between 2022 and 2024, and so a significant proportion of the investments Lion has made are companies with gold or gold dominated projects, which were initially bought with a contrarian mindset. These companies are well positioned against the backdrop of record gold prices and have performed strongly in 2025.

Share Price & NTA Performance

Lion's share price has almost doubled during FY2025, following strong NTA performance. Consequently, the discount to NTA that Lion has traded at, has decreased. Lion considers this to be the result of a combination of articulating a clear and strong investing strategy, the strategy performing, and benefiting from a vibrant investor relations presence that has been established over recent years.

Profitable divestments

Lion's Atlantic Tin shareholding was sold for net proceeds of $2.2M (cost $0.7M) into a takeover by Xingye Silver & Tin which was completed in July 2025. Lion's Erdene Resource Development Corp shareholding was sold in August 2025 for $12.3M (cost $2.8M) following the completion of the financial year. These divestments result in Lion's portfolio being almost entirely Australian focused, with PhosCo the only material investment remaining in the Legacy Portfolio. This represents a transformation in the risk profile of Lion's portfolio, which prior to 2021 consisted of over 90% of companies with projects outside of Australia and now has almost all of its investment in Australian focussed companies.

Dividend declared

A 2cps fully franked dividend was declared and paid following the completion of the financial year. Lion aims to pay sustainable dividends, from surplus investment proceeds, whilst balancing the investment requirements of the Company with market conditions and capital growth. Lion will consider supplementary special dividends, if a windfall that provides a cash surplus over and above supporting a sustainable dividend occurs.

Well funded

Lion's pro forma net cash balance at 31 July 2025 including proceeds from the Erdene and Atlantic transactions and payment of the 2cps dividend was approximately $47.2M (including term deposits and accrued interest), which provides a very strong base for continued portfolio development. The ability to fund investments in new opportunities or to follow on existing investments without having to contemplate raising funds or dilution means that Lion can act on the best opportunities when they arise.

Market conditions changing

Despite the strong performance of gold through 2024 and 2025, equity market conditions for most mining and exploration companies had remained subdued, and analogous to the last stages of the bust. These have recently begun to show signs of change, and conditions are now looking much more like the early stages of a new boom, which Lion is very well prepared for with an established portfolio and ability to add to/follow on from.

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Lion Investing Process

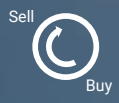
Lion has developed and refined its investing process over 28 years to suit the development and management of a focussed portfolio of high growth stocks that require specialist mining technical understanding and a blend of valuation and risk assessment.

Deal Flow
Listed and unlisted companies
1,000+ to assess and filter

People
Competence
Integrity

Valuation
Funding / dilution
Geological upside
Expectation: value to play out over long-term investment

Risk Assessment
Identify and avoid existential risks



Cycle Alignment
Establish shareholdings in depressed stages of the cycle
Aim to sell when cycle matures

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In the simplest sense, Lion aims to identify investments that have far more upside than downside, and a clear pathway for the upside to be unlocked and accessed.

The investment team and board of Lion have a long collective experience in mining and capital markets which enables the full investment appraisal and due diligence process to be performed in-house. We intend only to invest in a very small proportion of the available opportunities and target investment returns that are multiples on the amount invested with a detailed understanding of risk.

Avoiding existential risks and aligning investment timing with the cycle are especially important for Lion's expected multi-year hold period, and large percentage holdings it takes in companies that normally have very low liquidity. Individual investing requirements, such as backable people, attractive valuation and low project/company risk are frequently present individually but seldom in combination.

With so many opportunities available, especially when the market is weak, Lion can afford to be extremely selective where metrics are not suitable to support investment. Over a 28 year history Lion has become very well aware of the type of people and assets that we have had most success with in the past. It is better to wait for the right combination rather than to swing at something that is unsuitable.

Broad access to opportunities and deal flow

There are thousands of listed companies active globally in the micro-capitalisation resources sector, and a substantial number that are unlisted. This universe is impenetrable to many investors by its sheer size, which raises a dilemma – how can an investor feel they are investing in a quality opportunity when that judgement requires comparison against many others?

Lion experiences high deal flow across listed and unlisted markets, as a well identified investor with almost three decades investing in the micro-capitalisation resource space. Deal flow originates both directly from companies and also through stockbrokers. Since 2022 deal flow has been especially high as there have been few other sources of investor capital in the market. This enables Lion to establish a strong basis of comparison of opportunities and be confident in selecting those few that are considered the most optimal.

Typically, Lion invests the bulk of its capital via placements or other fund raising structures, which are generally priced at a discount to the prevailing market price.

Extensive networks to know and research people

Most investors acknowledge that backing competent and honest board and management is the crucial ingredient for generating investor returns in any company. Irresponsible management can destroy value in great assets, and likewise a high capability management team can extract returns from lesser quality assets. But there is no index of quality for people – the only measurement available is observation over many years. Whether Lion's investment results in close collaboration over several years or is passive, all investments need to satisfy the criteria that Lion would comfortably view the team we are backing as part of our own.

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Valuation – identifying the largest sources of upside

Valuation is a core feature of most investing and requires intuition and interpretation. Project value needs to be extremely compelling when investing from an early stage. And yet, assessment of this is made challenging by the lack of information to inform a valuation because of the stage of the investments Lion makes. A valuation must show fully diluted returns exceeding 10x the investing price.

Lion rarely invests at a stage where a project can't be value assessed, such as greenfield stage exploration. In order to invest where value is so highly speculative, Lion needs to see several crucial factors including:

1. The opportunity contains multiple opportunities to make discoveries, either because they have a strong geological concept for a new district and have licences that cover it, or across multiple promising projects.
2. Entry can be established at a very low price, limiting downside risk.

Avoiding terminal risks

Risk covers a range of factors that are often played down and likely overlooked by many investors. Some risks are worth taking with an educated view and others can be terminal. Lion seeks to avoid terminal risks and establish a portfolio that balances risk profile across it, as this provides the highest probability of investments achieving their inherent value.

Terminal risks most commonly arise from the jurisdiction a project is located in and the commodity product (usually relating to ability to process, saleability or payability).

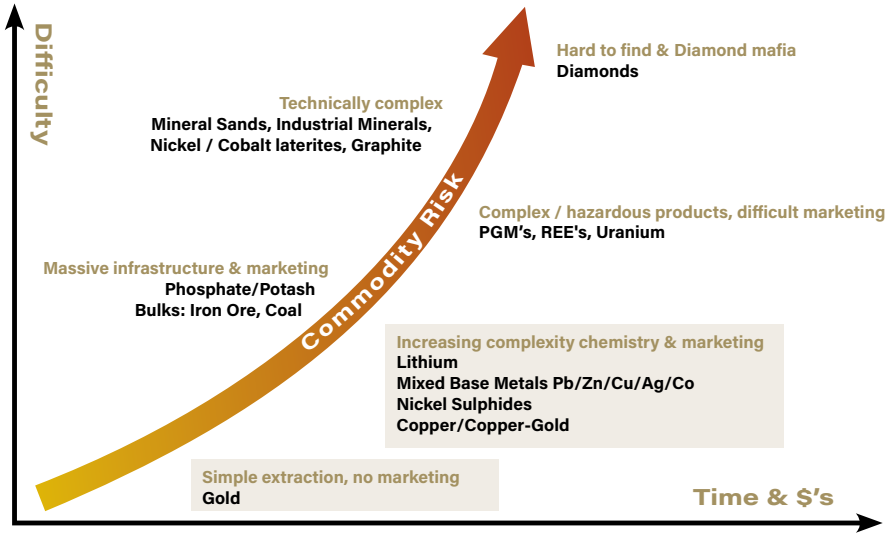
Because gold is a relatively simple commodity to separate from its ores and can be sold for high payability all around the globe, gold projects often have lower assessed risk levels (under Lion's risk assessment) than other commodity projects. This results in a high proportion of gold projects advancing in Lion's assessment processes.

Commodities

Degrees of difficulty

- Process risk
- Off-site capex requirements for transport infrastructure
- Transparency/liquidity of the commodity market

Lion target:
low risk commodities
Precious and base metals, strategic materials
other commodities by exception



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Investing aligned to the mining cycle

The single greatest influence on investing outcomes in the resources sector, and especially when targeting micro-capitalisation stocks, is the mining cycle. The boom phase of the mining cycle provides buoyant trading conditions that enable fund raising and share price appreciation, so the real secret to buying low and selling high is establishing a portfolio before, or early in the boom, and aiming to exit when liquidity and takeover activity is highest when the boom is mature.

Lion closely monitors the mining cycle via the Lion Mining Clock and takes a long-term view on the investments that it makes. Generally, the best time to purchase high percentage holdings in small companies is when entries can be predominantly via share placements at discounted prices, in a weak market.

Equity market conditions for most mining and exploration companies were subdued in 2024 and into 2025. This was despite strong gold price performances, which had only benefitted established gold producers. Liquidity and industry activity measures have recently begun to show signs of a change, and conditions are now looking much more like the early stages of a new boom. Lion is well prepared for the onset of the boom – with an established portfolio which is strongly gold exposed. Whilst junior gold companies have begun to achieve market recognition, a great many micro-capitalisation resources stocks, especially those focussed on out of vogue commodities still present similar contrarian opportunities as existed in gold in 2023 and 2024 so are still at or close to their cyclical lows.

Lion is focussed only on Australian opportunities for this cycle

Historically Lion has invested in a broad range of jurisdictions, mostly Australia, Africa and Asia. Many investments in these jurisdictions have resulted in attractive returns, but there have been a number of losses of capital that have resulted from issues that manifest in jurisdiction risk. The reason that a mining investor would venture overseas is typically to seek 'world class' geology under the notion that the best ore bodies will underpin the best returns. It is true that there are countries with very attractive geology that has been only lightly explored presenting some tantalising potential discoveries. The trade-off is that some of the world's least explored geology is overlain by some of the worst investing regimes and typically this only becomes evident after money is invested, when something goes wrong.

In Lion's 28 years of global investing experience, several factors have resulted in our Australian-only focus for new investments:

- Excellent returns can be made on good (but not world class) geology, or even mature projects, in jurisdictions that investors flock to because there is a deeper pool of investors willing to provide liquidity along the way.
- When a project is developed, that deep pool of liquidity ensures that full value will be received on exit.
- Australian geology is world class, with most states having pro mining regulations and open files of past exploration. It has been well explored, which is only to say some areas are mature, however there are still new and exciting frontiers as well as shallowly explored projects that present great opportunities. There is no reason to need to look elsewhere, and Lion's investment in Plutonic is an ideal example of this.
- The Lion team's relationships and networks are far better in Australia than anywhere else in the world, and for that reason can make far better judgements on people. This is a strong 'home ground advantage' and we would prefer to leverage.
- With a base in Melbourne, it is far cheaper for us to investigate and manage investments in Australia than anywhere else.
- The Australian commercial and legal system is transparent, with the rule of law protecting project interests.
- For all the criticisms that do exist that are detractions from Australia as a mining jurisdiction, there are many worse examples from elsewhere on every measure, and few better. Australia has an excellent record on personal safety, resolution of commercial disagreements, security of tenure and bankability which remains a rare combination.

At present there is more than adequate deal flow from within Australia which can be addressed with a small and focussed team, so there is no need to consider broadening this jurisdiction preference in the immediate future.

Lion closely monitors the mining cycle via the Lion Mining Clock and takes a long-term view on the investments that it makes.

Mining Market Review

Mining cycle rolling over…
Bust becoming Boom

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Mining cycle rolling over… Bust becoming Boom

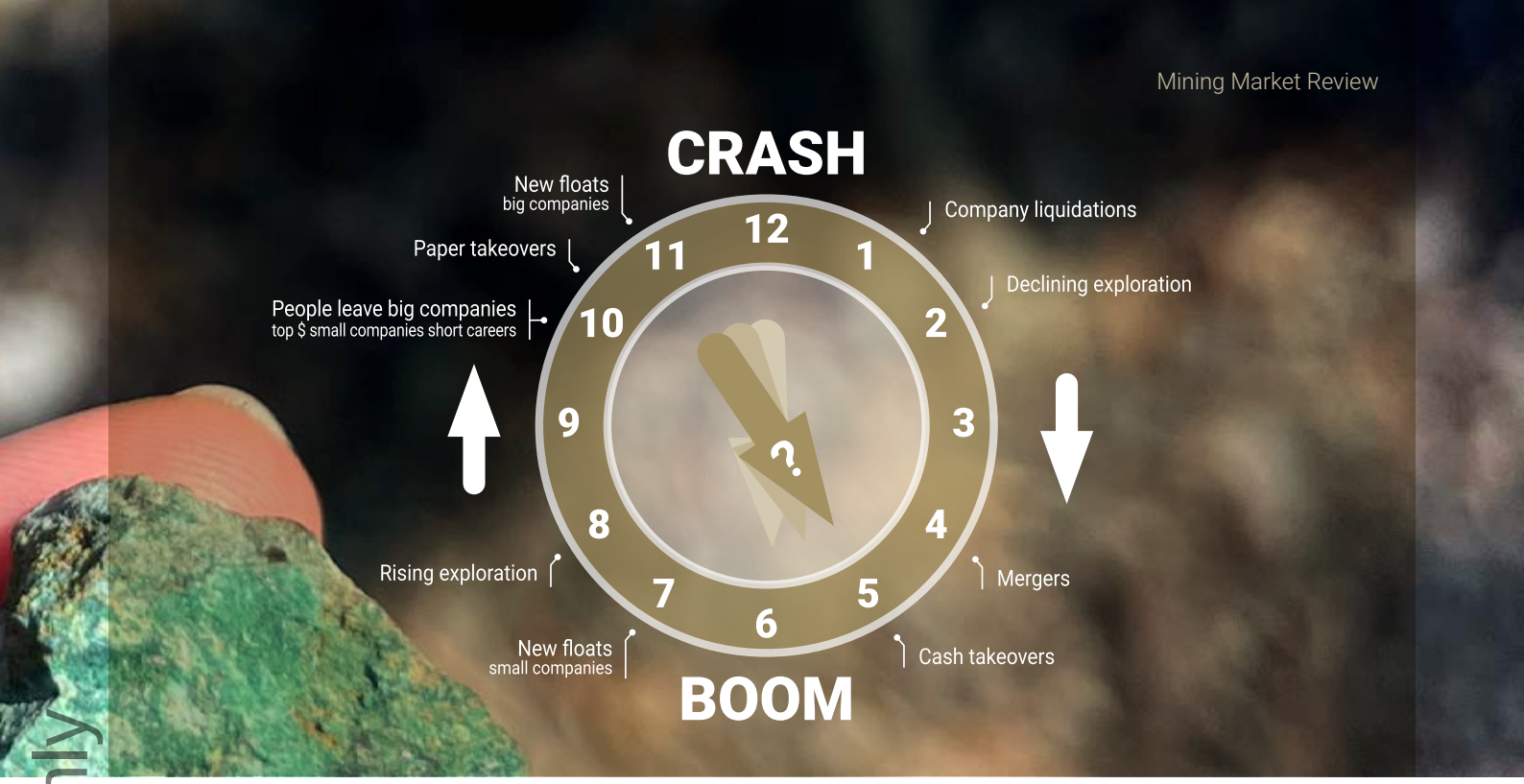
The mining cycle peaked somewhere between early 2021 and mid 2022 – this period saw peak prices for many mining equities and mineral commodities, and a noticeable declination since. This became more pronounced in 2024 as the rest of the market strengthened. The bust has been mild if measured by the ASX100 Resources index – which is bolstered by the two global majors BHP and Rito Tinto – it only fell by 33% from its peak (which was later than the rest of the mining sector, in January 2023) to its recent low. Other global major miners suffered more substantial falls – EG. Teck Resources fell 47%, Anglo American 58% and Glencore 60%.

The bust always manifests most severely in smaller capitalisation stocks, which has seen a double whammy with commodity price weakness providing a negative lead coinciding with a market that has shunned small caps across all sectors following interest rate increases in 2021 and 2022. The median price change for a basket of micro-capitalisation resources companies fell by 78% between January 2021 and its low in April 2025.

Many commodity prices and resources equities had their recent low in early April 2025. It is too early to claim that this was the bottom for the cycle, however this has also marked a change in sentiment and key liquidity indicators. There have been 12 new listings of resources companies onto ASX so far in 2025, which is approaching the 2024 total of 15. Several are compliance listings of existing companies either seeking an ASX secondary listing or were as a result of mergers. Nine of these were initial public offerings (IPOs) that raised funds to list, several raising multiples of tens of millions of dollars. All of these genuine IPOs occurred since the start of June and a majority of the new listings are trading above their issue price. This is a remarkable change from the conditions of early 2025 and prior, and is strong evidence of a change in sentiment.

If April 2025 was a turning point – and whilst the evidence is compelling, with only a few short months the trend requires a more sustained presence to be confirmed – it is aligned with the controversial US Trump administration tariffs brought into existence during 'Liberation week'. These have been a major component of the deglobalisation movement and had the effect of making many commodities more expensive if imported to the United States.

The Lion Clock was at 5 o'clock in May 2025, which was the last time the clock was updated. The hand is shown as shaded between 5 and 6 o'clock now, acknowledging the appearance of a change in sentiment but uncertainty as to exactly what point the cycle is at.



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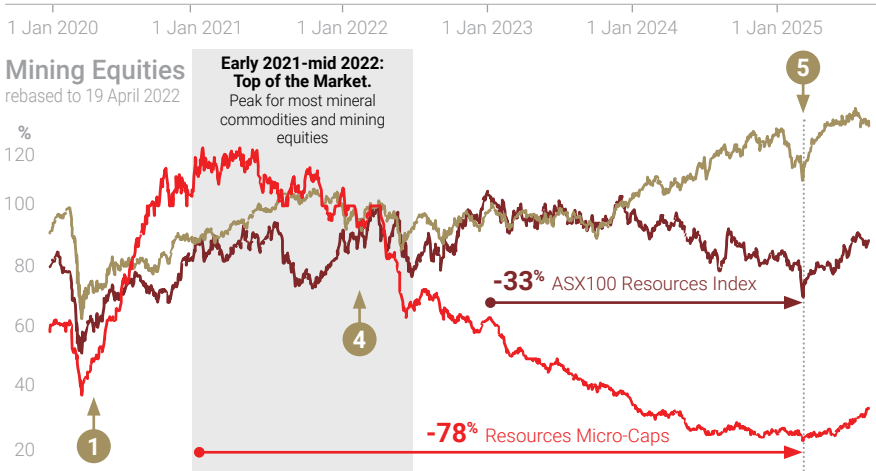
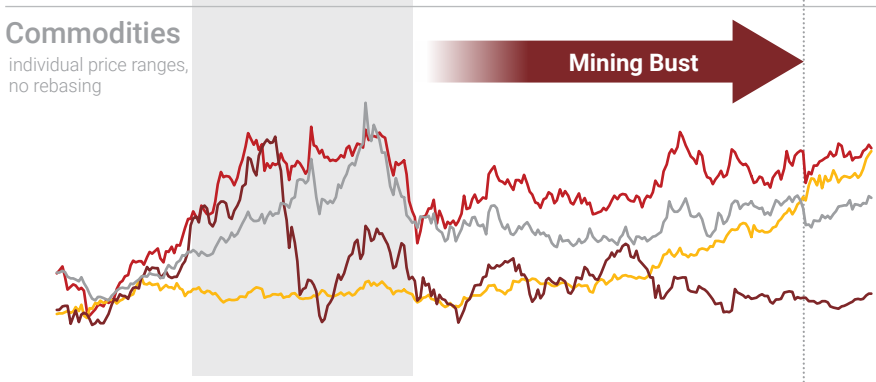


ASX100 Industrials Index has maintained an overall positive trajectory, which became pronounced in 2024 and 2025 highlighting the demise of the Resources index

-33% ASX100 Resources Index declined from the peak (early 2023, later than most global major miners and commodities peaked) to a low in April 2025.

-78% Median performance of a group 608 ASX listed companies with GICS classification Metals & Mining, that were capitalised at less than A$100M on 1 December 2023.



Most mineral commodities have weakened since their peaks in 2021 or 2022.

Copper, **Iron Ore**, **Aluminium** and **Gold** make up over 85% of the annual traded market of mineral commodities and so have a strong influence on the world's major miners equity prices.

Copper weakened in 2023, but with fundamentals that are tied to both traditional and 'new era' applications, and with persistent demand matched by limited new supply, price has remained close to ~20 year highs through the base of the bust.

Iron Ore and **Aluminium** have both weakened significantly since their highs in 2021 and 2022, with diminishing price volatility since 2024.

Gold is the clear exception, having strengthened since emerging from a flat trading period that ended in 2022. **Gold** has been an exceptionally strong performer in 2024 and 2025 achieving record highs.

1. COVID19 Pandemic strikes. Deepest and fastest equity market correction ever. Followed by stimulus, which had an inflationary effect and pushed commodities to their ultimate highs
2. Interest rates begin to appreciate, which began to gradually reduce risk appetite in the equity market.
3. Interest rates push through 2%pa, as sentiment flipped from "inflation isn't sticky" to "inflation is here to stay".
4. Russian invasion of Ukraine, which leads to the implementation of sanctions and throws global commodity supply chain into upheaval. The USD became a confiscatable asset. Inflation spiked and many commodities were drawn to their ultimate peaks.
5. April 2025 – Liberation Week in the US, a major milestone in deglobalisation. Tariffs that had been flagged on a broad range of materials (commodities) being sold to the US implemented. This week is evident in many equity, commodity and bond prices as a steep gradient or turning point. April 2025 was, for now, the lower turning point for mineral resource equity index prices and could represent a sentimental turning point toward commodities.

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Led by Gold

One of the most outstanding performances in financial markets through 2024 and 2025 has been gold, having almost doubled since January 2024. Gold producers have benefited massively from this with enhanced revenues, and strong share price performance.

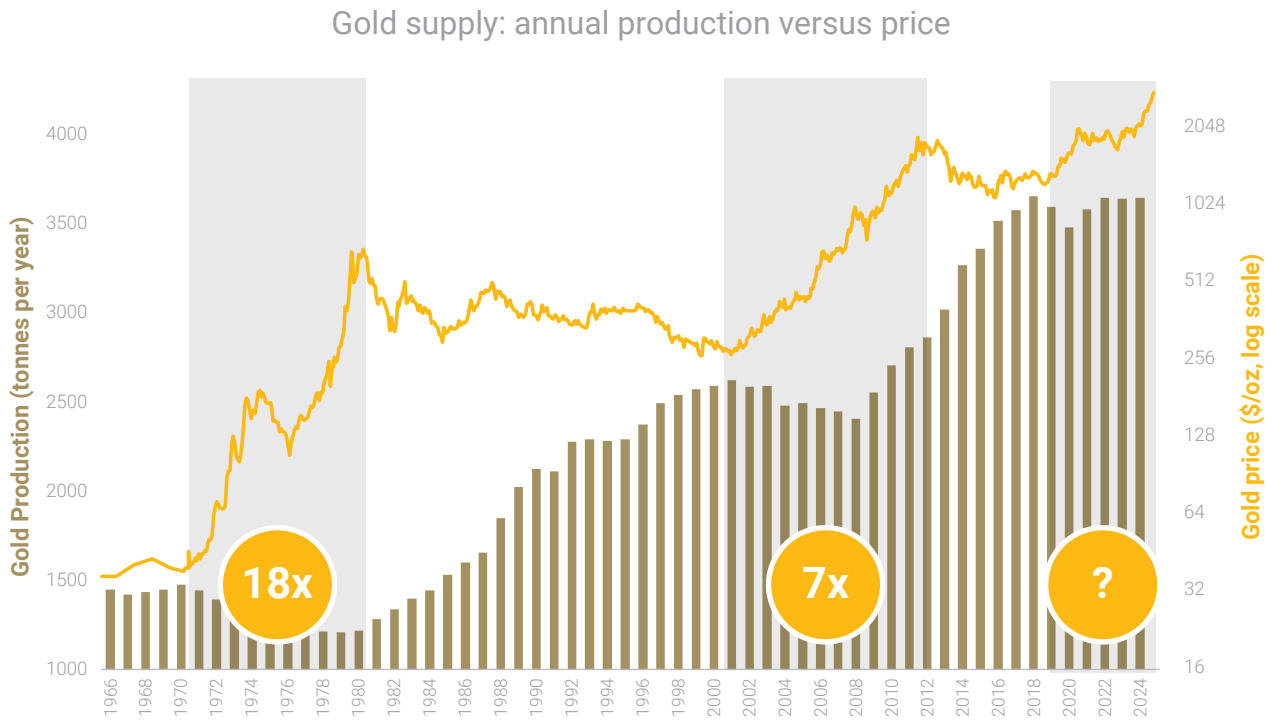
This change didn't immediately filter down into non-producing gold companies. However, gold explorers and developers have begun to attract investor interest, where there have been some strong share price performances in 2025. Funding liquidity has also improved, with increasing tempo and quantum of capital raisings that strongly feature gold companies. This is not yet across the board – the micro-capitalisation resources sector is extremely broad consisting of hundreds of listed companies, and many remain at depressed prices and struggling to raise money.

It is undeniable however that the gold price rise is intrinsic to the improvement in liquidity and aligned to the remarkable change in market conditions. The gold price rise has been underpinned by BRIC nation central bank buying, and a rotation from US dollar treasuries into gold which has seen gold's share of global international reserves rise sharply in 2025. This trend is impossible to extrapolate to determine how long it might last, which is consistent with gold's notorious difficulty to forecast. It is however a significant trend, which western investors have been slow to align with, and this suggests that there is more to play out.

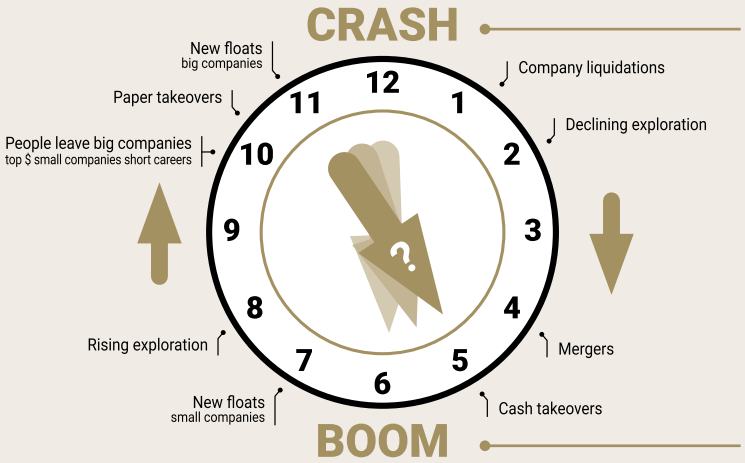
Historic gold bull markets have tended to last until a supply response met gold buying interest. In the 1970's, gold buyer interest was driven by high inflation and came off the back of shrinking gold production as South African annual production dwindled. Gold production eventually began to increase through the 1980s and 1990's, with annual supply rising by 2.3x as the Carbon in Leach/Carbon in Pulp processing revolution took hold and enabled economic production of gold from much lower grades. In the 00's gold buying was led by the gold industry, buying ounces to close out hedges at a time when the market was grappling with slowly rising inflation associated with the commodity price rises driven by Chinese consumption.

Global gold production increased by 50% in response to the price incentive and was aided by economies of scale afforded by large scale open pit mining and efficiency wins in underground mining.

Annual gold production growth has been flat now for almost a decade, and there are few clear sources that could underpin massively production increases. New project permitting time periods are generally increasing, and the tempo of new resource discovery has fallen, with average head grades reaching all time lows. This outlook generally supports a robust gold price environment.



Annual global gold production (LHS) versus gold price (RHS, log scale) between 1966 and [2024], showing the gold price return during previous gold bull markets: 18x between 1970 and 1980, 7x between 2000 and 2011.



How the bust unfolded	Lion actions
2021 & 2022 Top of the mining market	✔ $95M of asset sales to move to 90% cash
2022 – 2025 'The bust' • Major miners fell ~25-50% • Micro-cap explorers fell >75%	✔ Invested $42.9M ✔ This has produced $115.4M of value
2025 Bottom of cycle Liquidity and industry activity measures are showing signs of a turning point or improvement	✔ High level of assessment *continues*: contrarian eye for depressed assets

Expectations for the boom

New, significant commodity demand
Critical materials, driven by global energy transition, artificial intelligence, conflict

Mining M&A
Major miners **clear preference** is to buy rather than find

Investor money moving back to mining
Rotation out of premium priced sectors (tech, mega-cap ordinaries)

Increasing institutional participation in Resource Stocks
- Institutions have been generally underweight commodities
- As more resource companies grow to index inclusion size, weight of "index compelled" money will favour new entrants

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Expectation: Boom takes hold – good for mining equities

Lion is well positioned for a cyclical recovery and the next mining boom.

As discussed above, we may be experiencing the transition from the end of the bust into the early stages of a new boom. Gold has been a massive driver and gold equities are generally experiencing strong investor interest and growing liquidity. Whether this is the bottom or not, the next mining boom is inevitable as the cyclical behaviour is as old as markets and an intrinsic feature of the mining sector.All mining booms are similar in their cyclical nature but can vary in magnitude and duration, and there are several coinciding factors that provide a strong outlook for the next boom:

M&A

Major miners have shown an overwhelming preference to acquire rather than to find new sources of production. This coincides with a diminishing discovery trend and exploration expenditures, resulting in the global industry being collectively extremely under-invested in future supply, so the supply response to any rejuvenation of demand is expected to be slow. This is expected to result in consolidation and high likelihood of promising juniors being acquired, especially where they are either of a scale to offer a meaningful new production source or are strategically located with respect to established infrastructure.

Demand Growth

Commodity prices are expected to be influenced by the global energy transition, artificial intelligence and conflict, on top of existing demand patterns. This could play out over a multi-year cycle on a scale as significant as the entrance of China as a major commodity buyer.

Investors increasing weighting to mineral resources, mining and commodities

Share price performances through a boom result from greater investor interest in the sector. A feature of the current global market is some premium priced mega-capitalisation companies. History suggests that premium valuations tend to give way eventually, and this is expected to be a source of investor funding to apply to the resources space. With a strong demand theme (above), this could see commodity exposure move from a strongly underweight position to overweight.

Passive money

An increasing trend for investors to favour Exchange Traded Funds and Index funds has favoured large capitalisation companies. As the mining boom begins to re-rate prospective miners, more companies will move into indices and attract this passive money. This could be a feature of the market that provides surprising re-ratings through the boom for companies that achieve first time index inclusion.

Lion has successfully aligned its investing activities with the cycle, making major divestments in 2021 and 2022 at the top of the market, and then establishing a new portfolio largely within the depressed market of 2023 and 2024. Lion expects to add new investments where contrarian opportunities present and to follow many of its investments, targeting exits as the cycle reaches mature stages.

Portfolio Development

Lion has established a portfolio with a strong mixture of companies across a broad range of project stage and located in some of the premier mining districts of Australia. Because this portfolio is strongly weighted to gold, it has performed strongly in 2025.

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Lion sold a large proportion of its investment assets in 2021 and 2022, which was the top of the market for miners and especially explorers, and went to a position of mostly cash. This enabled payment of some dividends and operation of a buyback, but the majority of Lion's cash was available for investing. Share prices of explorers fell heavily between 2021 and 2025, within a weak environment for commodities and small cap stocks which was a double whammy. This produced some wonderful investment opportunities that Lion has been able to take advantage of, developing a portfolio of Australian focussed, mineral resource companies where Lion can see either strong embedded value or strong potential for value creation. Investments made by Lion between 2022 and 2025 have been in the latter stages of a mining bust, or the lull that precedes the commencement of a new boom.

Lion has made 11 new investments since 2022. One of them has been taken over but remains within Lion's portfolio (Brightstar Resources acquired Alto Metals, and Lion held both) which now numbers 10 Australian investments. The best opportunities that Lion saw, especially from assessments done in 2022 and 2023, were companies with gold projects which offered the best risk assessed value propositions to Lion – this was in an environment where gold had slowly stagnated after a run in 2020 owing to COVID but been directionless since. Gold projects typically offer low metallurgical and marketing risks, and so in the weak gold market of 2022 and 2023 gold opportunities were not only comparably low risk but also outstanding contrarian investments.

Gold rerated strongly in 2024 and 2025, providing for strong performance in Lion's portfolio which is strongly gold exposed. Lion has invested $42.9M since 2022, $20.6M of this in the last financial year. These investments have resulted in a total value of $115.4M (including realised investments) at 31 July 2025, a performance on the Australian focussed investing strategy of 89%. Even more impressively, Lion's Australian portfolio is up +169% as at 30 September 2025.

Lion's assessment of the mining cycle is discussed in greater detail below – but in summary we feel that the mining market is going through the bottom of the cycle: transitioning from the end of the last bust to the early stages of the new boom. There have already been notable performances in the market – for example many gold companies. We think that Lion's gold investments still exhibit attractive value, despite their strong performance, having been extremely discounted in 2022-2023 and given the uplift in gold price has substantially uplifted the value of their assets. If these investments progress as planned, Lion expects to follow its money in many investees as opportunity permits. From experience we expect that future investment will be skewed toward opportunities that reveal the best value and performance over time.

We also expect to add new names to the portfolio. An ideal portfolio composition, that Lion would expect to hold through the growth years of the boom that are yet to come, would be 10-20 companies. The contrarian lens now focusses mainly on base metal and critical material opportunities, as well as a smaller selection of bulk commodity opportunities.

Lion remains exceptionally well funded to continue to take advantage of opportunity flow, aiming for a portfolio of mineral resource growth companies that offer some commodity diversity, substantial upside price potential and a low overall risk profile. We are well progressed in this ambition.

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Lion has followed on many of its portfolio holdings during the year:

Antipa Minerals follow on investments	$3.0M
Brightstar Resources follow on investments	$7.6M
Critica follow on investment	$0.1M
Great Boulder Resources follow on investment	$0.3M
Koonenberry Gold follow on investments	$2.1M
PhosCo follow on investments	$1.3M
Saturn Metals follow on investment	$4.M
Sunshine Metals follow on investment	$0.5M

Added one new investment during the year:

- Medallion Metals investment and follow on investment: $3M.
- Investments in Peregrine and Caspin that are shown were made after the end of the financial year.

There have also been several divestments during the year:

- $4.1M proceeds following the exercise of Antipa options and sale of resulting shares.
- Alto Metals was acquired by Brightstar Resources in December 2024, and Lion received Brightstar shares as consideration
- Atlantic Tin takeover by Xingye Gold (Hong Kong) Mining Company Limited went unconditional during the year, with net proceeds of A$2.1M received in August 2025.

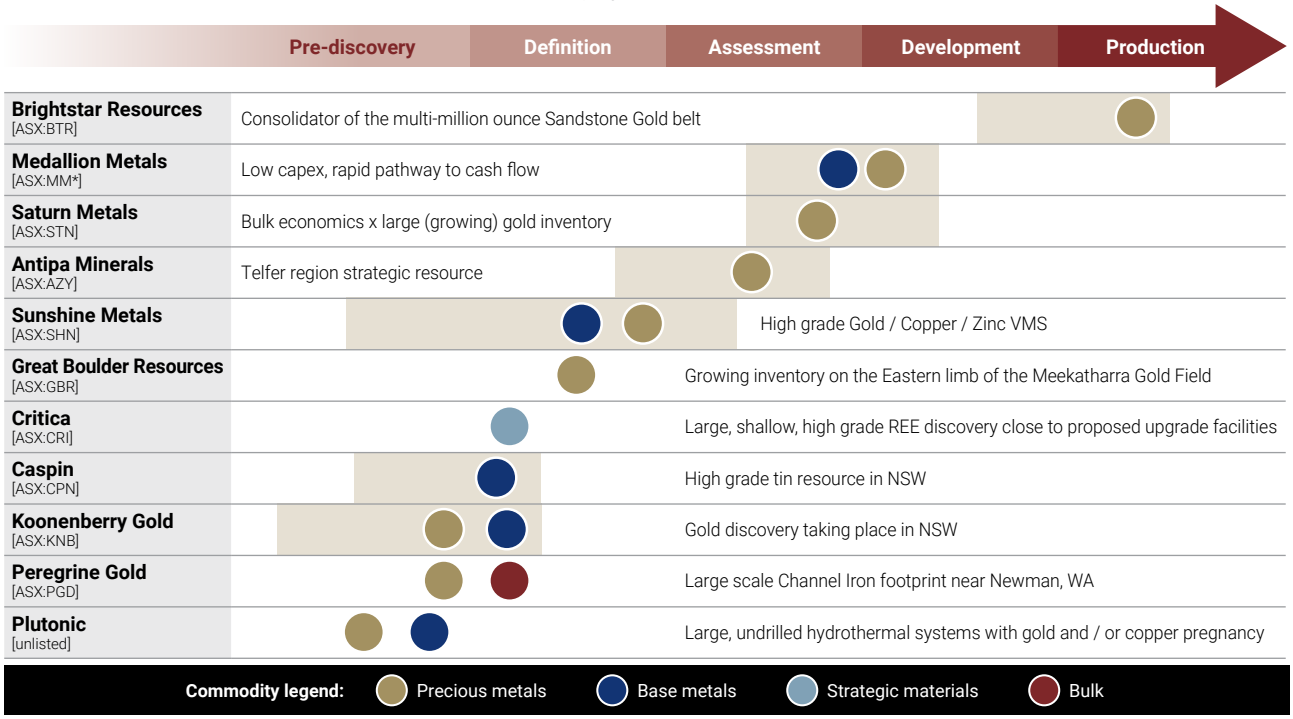
Erdene Resources Development Corp holding was exited as it had become a mature investment and liquidity emerged with monies (A$12.3M) received in September 2025.

Morocco and Mongolia, the jurisdictions in which Atlantic and Erdene have projects, are not regarded by Lion as high-risk jurisdictions. All the same, Lion's ability to monitor the investments that are outside Australia as closely as the Australian portfolio can be, was limited and resulted in an increased management burden. Both investments had reached a point of maturity in Lion's typical holding period. These exits resulted in profitable returns to Lion, materially reduced jurisdictional spread outside of Australia, and reduced the size of the Legacy portfolio to only one remaining material investment.

Targeting the highest growth potential companies, at the highest growth potential stage

Stage and location of Lion's Australian investment portfolio

Note that Lion's legacy investments are not shown.



Company	Outlook	Invested $M	Value $M	Value $M
	AUSTRALIA		31/07/25	30/09/25
Brightstar Resources [ASX:BTR]	**Gold in WA**. Brightstar is a small scale gold producer near Laverton in WA, with a multi-million ounce future development proposition at Sandstone. (includes the value invested directly into Brightstar as well as the holding in Brightstar received as consideration in the takeover of Alto)	10.6	11.6	15.5
Medallion Metals [ASX:MM8]	**Gold and copper in WA.** Medallion own the Ravensthorpe Gold Project, and proposes to truck ore to a process facility at Forrestania, which is to be acquired from IGO.	3.0	4.7	10.5
Saturn Metals [ASX:STN]	Gold in WA. Saturn's Apollo Hill project is a large, high-density accumulation of gold that is amenable to very low unit costs which presents strong economics. Development of Apollo Hill is expected to unlock a strategically sized gold project	12.0	31.0	50.3
Antipa Minerals [ASX:AZY]	**Gold in WA**. Established strategic gold resources at Minyari in the Paterson province which neighbours Telfer, Winu and Havieron. Corporate activity has begun to stir, and Antipa is well positioned to consider several potential pathways to commercialisation.	4.0	13.0	16.3
Sunshine Metals [ASX:SHN]	**Gold and base metals in Qld.** Sunshine is assessing the potential for small scale gold production from a high-grade gold zone within the Liontown project, and are exploring at Sybil, following up high grade historic gold results (including 907g/t and 262g/t gold surface rock chip samples).	1.2	1.9	5.7
Alto Metals [ASX:AME]	Alto was acquired by Brightstar Resources (also a Lion investee) in December 2024. Lion's $1.0M investment in Alto became 3.1M Brightstar shares, which now form $1.3M of the total Brightstar holding (above)			
Great Boulder Resources [ASX:GBR]	**Gold in WA**. Main focus is exploring the eastern limb of a regional scale fold, which contains the Meekatharra gold field on the western limb. In 2023 and 2024 permitting and ground acquisition has provided access to areas that have never been tested and Great Boulder work has defined a range of new targets. These are expected to lead to growth of gold Resources, in proximity to established gold process facilities.	1.0	0.9	1.3
Critica Minerals [ASX:CRI]	**REE's in WA**. Large, shallow, high grade REE discovery close to new upgrade facilities in WA. The reasonably unique mineralisation upgrades to a high grade pre-MREC concentrate via simple physical means, and is low in U/Th impurities, which provides for strong optionality in considering project development options.	1.0	0.8	1.2
Koonenberry Gold [ASX:KNB]	**Gold in NSW**. Koonenberry is progressing a discovery of thick, high tenor gold at Enmore in NE NSW, and has a portfolio of highly attractive exploration projects at different stages throughout NSW that are prospective for gold and copper.	2.4	4.7	4.4
Peregrine Gold [ASX:PGD]	**Iron ore and gold in WA**. KPeregrine has identified two large valley type channel iron deposit targets, which haven't been drilled but have returned surface sampling results consistent with other channel iron deposit projects in the Pilbara, which are well located with respect to infrastructure and offer attractive new resource discovery opportunities with scale potential.	0.5	N/A	0.7
Caspin Resources [ASX:CPN] New investment September 2025	**Tin and gold in NSW**. Caspin's Bygoo tin project demonstrates an attractive grade of shallow, potentially open pitable tin mineralisation that could be amenable to ore sorting technology. The belt scale land holding covering 1,180km2 hosting hundreds of historical tin workings – providing strong support for widespread tin mineralisation.	0.4 (0.75 committed)	N/A	0.5
Plutonic Limited [unlisted]	**Exploring for gold and copper in NT and Qld**. NNever-before considered mineral systems over large areas: district scale discovery potential. The Champion project (NT) contains very large targets with alteration expressions that outline large hydrothermal systems which contain low-level surface anomalism for gold and copper. Plutonic awaits results from first drilling of a 7km long surface gold trend at Georgetown (Qld).	4.8	4.8	4.8

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Company	Outlook	Invested $M	Value $M	Value $M
	LEGACY		31/07/25	30/09/25
Erdene Resource Devt Corp [TSX:ERD]	**Gold Mongolia.** High grade open pit project development underway in Mongolia with first gold produced in August 2025. Lion sold its holding in Erdene in August 2025, which was after the financial year end.	2.8	12.5	N/A
PhosCo Limited [ASX:PHO]	**Rock phosphate in Tunisia**. Progressing two large scale rock phosphate projects through drilling, mineral resource estimation and economic studies.	4.5	5.2	4.8
Atlantic Tin [unlisted]	**Divested in 2025**. The cost of the investment to Lion was $0.7M and total realised value in August 2025 was $2.1M.	N/A	N/A	N/A
Kin Gin [unlisted]	**Gold in Japan**. A licence portfolio containing defined epithermal gold deposits and historic mines assembled for very low cost.	0.1	0.1	0

Performance includes realised gains as well as the value of portfolio holdings

In 2025, Lion's portfolio has grown through new and follow on investments, become more Australia focussed through two key and profitable exits from the Legacy Portfolio, and appreciated strongly mainly tracking the gold price.

Principal Risks and Uncertainties

The activities of Lion are subject to risks that can adversely impact its business and financial condition. The risks and uncertainties described below are not the only ones that Lion may face. There may be additional risks unknown to Lion and other risks, currently believed to be immaterial, which could turn out to become material.

Risk Factor	Nature
Investment in resource companies	Lion has investments in a range of resource companies whose exploration, development and mining activities are at varying stages. Lion's investees are subject to operating risks that are inherent to mining and exploration activities, and may influence the financial performance and share price of the investees. The value of Lion's investments in these companies, and in turn the financial performance of Lion itself, will continue to be influenced by a variety of factors including: • general investment, economic and market conditions as outlined above, which can affect the investee's performance and share price; • exploration is a speculative endeavour which may not result in investees finding economic deposits capable of being successfully exploited; • mining operations may be affected by a variety of factors which may or may not be within the control of the investee. Whether or not income will result from exploration and development programs depends on the successful establishment of mining operations. Factors including costs, integrity of mineralisation, consistency and reliability of ore grades, metallurgical recoveries, and commodity prices affect successful project development and mining operations; • depending on the location of its exploration and/or mining activities, an investee may be subject to political and other uncertainties, including risk of civil rebellion, expropriation, nationalisation, regulatory changes (including environmental, social, taxation and royalties) and renegotiation or nullification of existing contracts, mining licences and permits or other agreements; • reliance on the performance of key management of Lion and investees; • investees may enter into hedging transactions to fix the commodity price for a portion of production and there is a risk that the investee may not be able to deliver into these hedges if, for example, there is a production shortage at their mining operations, which could adversely affect the investee's operating performance if the commodity price moves unfavourably; • investees that borrow money are potentially exposed to adverse interest rate movements that may affect their cost of borrowing, which in turn would impact on their earnings and increase the financial risk inherent in their businesses. In this situation there is also risk that an investee may not be able to repay its debts and may be at risk of bankruptcy; • resource nationalisation, politicial unrest, war or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region, which could impact adversely on the business, financial condition and financial performance of the investee; • there is a risk that investees may lose title to mining tenements if conditions attached to licences are changed or not complied with. Further, it is possible that tenements in which Lion's investees have an interest may be subject to misappropriation or legal challenge in jurisdictions without well-established legal systems. • a form of native title reflecting the rights and entitlements of indigenous inhabitants to traditional lands may exist on investee's tenements, such that exploration and/or mining restrictions may be imposed or claims for compensation forthcoming; and • the high initial funding requirements of emerging exploration and mining companies can result in delays in developing projects and a lack of liquidity, which may affect Lion's ability to invest or divest.
Market Movements	The performance of Lion and the prices at which its shares may trade on ASX can be expected to fluctuate depending on a range of factors including movements in inflation, interest rates, exchange rates, general economic conditions and outlooks, changes in government, fiscal, monetary and regulatory policies, prices of commodities, global geo-political events and hostilities and acts of terrorism. Certain of these factors could affect the trading price of Lion's shares, regardless of operating performance. Lion attempts to mitigate these factors by implementing appropriate safeguards and commercial actions but these factors are largely beyond Lion's control. The underlying value of Lion's investments in its investees also may not be fully reflected in Lion's share price.
Reliance on key personnel	A number of key management and personnel is important to attaining the respective business goals of Lion. One or more of Lion's key employees could leave their employment, and this may adversely affect the ability of Lion to conduct its business and, accordingly, affect the financial performance and share price of Lion. Further, the success of Lion in part depends on the ability of Lion to attract and retain additional highly qualified management and personnel.
Litigation Risk	Civil or criminal actions may be taken against the Company. Proceedings brought against the Company could divert management resources, cause reputational risk, and require legal expense. In January 2025, PT Prima, a company associated with the wife of Stephen Walters (former Managing Director of One Asia Resources Limited), issued proceedings against One Asia Resources, Lion and Lion Officers (Craig Smyth and Robin Widdup) seeking an unspecified amount of damages. Lion and its officers deny the allegations made in PT Prima's statement claim and have retained legal counsel to vigorously defend the matter. Further information about these proceedings is contained on page 60 at note 16 to the Financial Statements for the Year ended 31 July 2025.

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Corporate Governance Statement

As a professional investor in junior miners, Lion is particularly focussed on the corporate governance of its investee companies. Lion's approach is based on experience through multiple resource cycles and reflects its view that in corporate governance one size does not fit all and careful consideration must be given for smaller mining companies, notably a material sub-set of ASX listed companies. Three key departures are relevant, in particular for pre-production mining companies:

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(1)

Because the mineral resource/ore reserve usually has both greater value and risk than purely financial assets, a company's internal controls and processes surrounding establishing and announcing these are one of the most material aspects for pre-production mining companies. This extends to studies that seek to establish parameters around how a mining operation might operate. This area continues to be overlooked in the ASX guidelines and consideration should be given for how mining companies approve such releases, and having geological and mining expertise at board level to understand the issues and provide formal approval. Regulatory debate in 2016 focussed on scoping study disclosure and restricting release of this information which is vital to investor comprehension and proper functioning of the ASX as a funding mechanism. Lion continues to oppose any restriction on disclosure of feasibility work.

(2)

The ASX Corporate Governance Council requires listed firms to adopt a majority of 'independent' board members without links to management or substantial shareholders (ie 5% or greater shareholding), or explain 'if not, why not'. The concept is that such directors should be more dispassionate and less biased in favour of either management or significant shareholders. We note that there is limited empirical research supporting that such boards add value to a company, and in Lion's experience this structure can be detrimental for junior mining companies. Lion concurs that it is essential that a board operates as an effective check on management, however a non-executive director with a significant shareholding is often better placed to fulfil this role, and has interests closely aligned with the general shareholder register.

Junior mining companies often have many challenges to be overcome to develop their projects, and need the necessary entrepreneurial drive to achieve this. In a crisis, an ASX-defined independent director risks being disinterested, overly conservative, or may lack the fortitude to see the task through when their personal incentives are limited to on-going director's fees.

(3)

The ASX guidelines provide that non-executive directors should not receive options with performance hurdles or performance rights as part of their remuneration which may lead to bias in their decision making and compromise their objectivity. Lion notes that pre-production mining companies almost all have limited cash, and issuing appropriately structured options both reduces the cash burden on the company and provides greater alignment with the interests of shareholders.

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Introduction

The Board of Directors of Lion Selection Group Limited (Lion or the Company) is committed to high standards of corporate governance. The Company recognises that it has responsibilities to its shareholders and personnel, as well as to the communities in which it invests.

As required by the ASX Listing Rules, this statement discloses the extent to which the Company follows the 4th Edition of the ASX Corporate Governance Principles and Recommendations released in February 2019 by the ASX Corporate Governance Council (ASX Recommendations). Except where otherwise explained, the Company follows all of the ASX Recommendations.

This Corporate Governance Statement has been approved by the Board of Directors of Lion Selection Group Limited.

PRINCIPLE 1: Lay solid foundations for management and oversight

Recommendation 1.1

A listed entity should have and disclose a board charter setting out:

(a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.

The Board

The Company has adopted a Board Charter that sets out the role and functions of the Board, the Chair and management and includes a description of those matters expressly reserved to the Board and those delegated to management. A copy of the Company's Board Charter is available on the Company's website.

The Board of directors monitors the progress and performance of Lion on behalf of its shareholders, by whom it is elected and to whom it is accountable. The Board Charter seeks to ensure that the Board discharges its responsibilities in an effective and capable manner.

The Board's primary responsibility is to satisfy the expectations and be a custodian for the interests of its shareholders. In addition, the Board seeks to fulfil its broader ethical and statutory obligations, and ensure that Lion operates in accordance with these standards. The Board is also responsible for identifying areas of risk and opportunity, and responding appropriately.

Responsibility for the administration and functioning of Lion is delegated by the Board to the Managing Director and the Chief Financial Officer ('Executive Management'). Through monitoring the performance of the Executive Management at least annually by way of performance evaluations, the Board ensures that Lion is appropriately administered and managed. Lion's Board reviews the management's performance internally through reports, processes and presentations. The Board monitors the management's staffing and processes.

In addition, the Board guides strategic planning and ensures it adheres to the interests and expectations of Lion's shareholders, manages risks and opportunities, and monitors company progress, expenditure, significant business investments and transactions, key performance indicators and financial and other reporting.

Management

Executive Management implement the Company's investment strategy and manage its investments. This includes all steps of the investment selection process and the making of recommendations to the Board.

Executive Management are at liberty to engage specialists and consultants as appropriate to assist in the investment assessment process and provide a regular flow of information to Lion's directors. Lion's Board retains the power to make the final investment decision on the basis of this information and advice. This retention of final investment decision allows the Board to effectively review the function and proficiency of the Executive Management and of the investment selection processes.

Recommendation 1.2

A listed entity should:

(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Lion ensures that all candidates for directorship and senior executives are well known to the company. In addition, all appropriate checks and due diligence are undertaken by the Lion Board prior to nominating a director for election or appointment of a senior executive.

Information about candidates who are standing for election or re-election as a director including biographical details, qualifications, experience and other directorships is provided to shareholders to enable them to make an informed decision.

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Recommendation 1.3

A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms on which the directors and senior executives are appointed is set out in the written agreement between the Company and the individual. This establishes the roles and responsibilities of each person, their duties and accountabilities.

Recommendation 1.4

The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary is responsible for co-ordination of all Board business, including agendas, Board papers, minutes, communication with regulatory bodies and ASX and all statutory and other filings.

Through the Chairman, the Company Secretary is accountable directly to the Board on all matters to do with the proper functioning of the Board.

Recommendation 1.5

A listed entity should:

(a) have and disclose a diversity policy;
(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
(c) disclose in relation to each reporting period:
    1. the measurable objectives set for that period to achieve gender diversity;
    2. the entity's progress towards achieving those objectives; and
    3. either:
        (A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
        (B) if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators', as defined in and published under that Act.16

If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.

The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives.

In accordance with all matters set out in the Diversity Policy, given the size of the Company, Lion has formed the view that it would not, at this time, be appropriate or practical to establish measurable objectives for achieving gender diversity.

The Board did not set measurable gender diversity objectives for the past financial year with respect to recommendation 1.5(c). Lion does not at this time intend to comply with this recommendation. However, this position will be reviewed annually by the Board.

Recommendation 1.6

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that reporting period.

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

The small scale of the Board and the nature of the Company's activities make the formal establishment of a performance evaluation strategy unnecessary. Performance evaluation is managed by the Board. The Board assesses performance of the Executive Management on an annual basis. This process includes one-on-one and collective meetings.

Senior executives are appointed by the Board and their Key Performance Indicators (KPI's) contain specific financial and non-financial objectives. These KPI's are reviewed annually by the Board. The performance of each senior executive against these objectives is evaluated annually. A senior executive review was not undertaken during the period to 31 July 2024 due to the recent employment of Executive Management on 1 July 2024. However, the company intends to conduct a senior executive review in 2025.

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PRINCIPLE 2: Structure the board to be effective and add value

Recommendation 2.1

The board of a listed entity should:

(a) have a nomination committee which:
1. has at least three members, a majority of whom are independent directors; and
2. is chaired by an independent director, and disclose:
3. the charter of the committee;
4. the members of the committee; and
5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Lion recognises that Recommendation 2.1 of the Principles and Recommendations of the ASX Corporate Governance Council suggests the establishment of a Nomination Committee and associated Charter. However, in view of the small size of Lion's Board, the Board in its entirety, acts effectively as Nomination Committee and there is no need to further subdivide it. As such, a Nomination Committee is an unnecessary measure for Lion.

The Lion Board as a whole reviews the size, structure and composition of the Board including competencies and diversity, in addition to reviewing Board succession plans and continuing development.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

It is a policy of Lion that the Board comprises individuals with a range of knowledge, skills and experience which are appropriate to its objectives.

Recommendation 2.3

A listed entity should disclose:

(a) the names of the directors considered by the board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and

(c) the length of service of each director.

It is a policy of Lion that the Board comprises individuals with a range of knowledge, skills and experience which are appropriate to its objectives. A summary of the Lion directors' skills and experience is set out below:

Skills and Experience	No. of Lion Directors
Leadership and Governance	
Leadership	4
Corporate Governance	4
Strategy	4
Operations	
Geology & Exploration	2
Infrastructure	2
Engineering	1
Project Delivery	4
Finance & Risk	
Accounting	2
Finance	4
Acquisitions	4
Risk Management	4
Mining Investment	**4**

Lion's Constitution provides that the number of directors is to be determined by the Board and shall not be less than three. At present, the Company has four directors – two independent non-executive directors, being Chris Melloy and Peter Maloney, together with executive director, Robin Widdup who was appointed Executive Chairman on 1 February 2024 and Hedley Widdup who was appointed Managing Director on 28 November 2024.

While Robin Widdup and Hedley Widdup are related and therefore considered to have close personal ties under the ASX Principles of Corporate Governance, the Independent Directors of the Board have assessed the materiality of this relationship and determined that the positions held by Robin Widdup and Hedley Widdup are in the best interests of the Company as a whole.

The relevant skills, experience and expertise of each director as well as the period of office held by each director are described in the Company's Annual Report.

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Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

The independent and objective judgment of Lion's directors is of paramount importance to the effective operation of the Board. Independence is defined for the purposes of the directors as he/she being independent of any business relations, whether managerial or otherwise, with Lion or its actual or potential investments which might interfere with their ability to make sound, unfettered, objective judgments, and act in the best interest of Lion and its shareholders. The directors' independence is regularly assessed by the Board.

Whilst not in line with the ASX recommendation that a majority of directors be independent, the Board considers the current mix of independent and non-independent Directors to be appropriate, bringing a range of skills and knowledge to the Board.

The Company has taken appropriate steps to ensure the Board's decision-making will reflect the best interests of the entity as a whole, and not be biased towards the interests of management or any other person or group.

Directors are not involved in decisions where they have, or could be perceived to have, a conflict of interest or a material personal interest. Any director who considers they may have a conflict of interest or a material personal interest in any matter must declare it immediately.

The two independent non-executive directors periodically confer separately without senior executives present.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Mr Robin Widdup is the Executive Chair of the Company who is not an independent Director. The Board considers that Robin Widdup best serves the office of Chair due to his extensive industry experience, skills, expertise and reputation. The Company does not have a Chief Executive Officer.

Hedley Widdup is the Managing Director of the Company and, due to his extensive experience and knowledge working with Lion, his appointment is considered in the best interests of the Company.

The Company believes that an independent Chairman does not necessarily improve the function of the Board. Accordingly, the Company believes that while the Chairman is a significant driver behind the business, it adds value to the Company and all shareholders benefit. Additionally, despite the non-independent status of the Chair, and the close personal relationship between the Executive Chair and the Managing Director, robust oversight mechanisms are in place to manage potential conflicts of interest.

Recommendation 2.6

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

The directors of the Board are specifically and individually selected for their diverse skills and knowledge already acquired through their education, professions, experience, positions held and ongoing exposure to industry.

In accordance with the Company's Board Charter:

- new Board appointees will undertake an induction program to ensure effective and active participation at the earliest opportunity;
- the Board is responsible for procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to effectively perform their role as Directors.

PRINCIPLE 3: Instil a culture of acting lawfully, ethically and responsibly

Recommendation 3.1

A listed entity should have and disclose its values.

The Company is committed to conducting all of its business activities fairly, honestly, with the highest level of integrity and professionalism and in compliance with all applicable laws, rules and regulations. The Board is dedicated to the highest ethical standards and recognises and supports the Company's commitment to compliance with these standards.

A statement of the Company's core values is available on its website.

Recommendation 3.2

A listed entity should:

(a) have and disclose a code of conduct for its directors, senior executives and employees; and

(b) ensure that the board or a committee of the board is informed of any material breaches of that code.

The Company's Code of Conduct applies to the directors, senior executives and employees of the Company.

The Company's Code of Conduct is available on the Company's website. Any material breach of the Code of Conduct is reported to the Board.

All directors and employees of the Company must preserve the highest standards of integrity, accountability and honesty in their dealings, operating in strict adherence to statutory and ethical obligations. All such individuals are to be mindful and respectful of relevant policies and

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responsibilities, must avoid all conflicts of interest or, where a conflict is able to be managed, must speak with the Chairman about how the conflict should be managed (who will consult with the board of directors if necessary). Where there is uncertainty about whether a conflict exists, all directors and employees are encouraged to discuss the relevant circumstances with the Chairman. All concerns about a breach of the Code of Conduct are to be reported to the Chairman (who will in turn consult with the board).

The Company's practices are to be stringently monitored by the Board, while the Board itself must adhere to the principles of its charter and uphold a high standard of independence, objectivity and openness in its dealings and relationship with shareholders and the management team.

In addition to its Code of Conduct, the Company's Shareholder Communications Policy, Securities Trading Policy and Continuous Disclosure Policy, collectively form a solid ethical foundation for company practices and must be complied with at all times..

Ethical Policies

Lion's policies on indigenous communities, the environment and social governance are as follows:

Local Indigenous Communities

Lion's policy is that developments of investees are not exploitative of local and indigenous communities and must assist local communities such through symbiotic project development. Investees are to have a focus on health, education and employment of indigenous people near to investee companies' development projects.

Environment

Lion's policy is that the environmental impact of developments be in line with country/international standards and not adversely impact local communities' geology/economy.

Statement of Social Governance

It is the Company's objective to achieve sustainable economic and social benefits to the communities in which mineral activity takes place by:

- recognising local realities and concerns;
- promoting dialogue and participation;
- building social and economic capital; and
- integrating activities locally and regionally.

To achieve its social governance objectives, the Company considers the following areas of activity:

- Exploration/access to land and resources.
- Project development and governance of mining and processing activity.
- Rent (royalty, tax etc) capture and distribution.
- Stewardship of water, biodiversity and energy use.
- Waste management.
- Social and environmental aspects of mine closure.

Subsequent stages of metals trade, smelting and refining may often be beyond the influence of the Company.

Recommendation 3.3

A listed entity should:

(a) have and disclose a whistleblower policy; and
(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.

Disclosures of wrongdoing are of importance to the Company's risk management and corporate governance framework.

The Company encourages a culture of 'speaking up' to raise concerns about possible unlawful, unethical or socially irresponsible behaviour or other improprieties without fear of retaliation or otherwise being disadvantaged.

The Company's Whistleblower Policy is available on the Company's website. Under the Whistleblower policy, all Disclosable Matters are reported to the Board or a committee of the Board.

Recommendation 3.4

A listed entity should:

(a) have and disclose an anti-bribery and corruption policy; and
(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

(a) The Company's Anti-Bribery and Corruption Policy is available on the Company's website.
(b) Any material breaches of the Anti-Bribery and Corruption Policy are to be reported to the Board or a committee of the Board.

PRINCIPLE 4: Safeguard the integrity of corporate reports

Recommendation 4.1

The board of a listed entity should:

(a) have an audit committee which:
    1. has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
    2. is chaired by an independent director, who is not the chair of the board, and disclose:
    3. the charter of the committee;
    4. the relevant qualifications and experience of the members of the committee; and
    5. in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

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The Company has an Audit Committee all of whom are independent non-executive directors. The Audit Committee is chaired by an independent director who is not chair of the Board.

The Charter of the Lion Audit Committee and the relevant qualifications of the committee's members is available on the Company's website.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Prior to approval of any financial statement for a financial period, the Chief Financial Officer of Lion provides to the Lion Board a declaration in accordance with Section 295A of the Corporations Act which also accords with Recommendation 4.2.

Recommendation 4.3

A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

The Company undertakes significant review of any information to verify its integrity prior to its release to the market. This includes separate reviews by the Company's Executive Management, Company Secretary and Directors as necessary. Where a release is to include matter of substance, the Company will seek additional input and guidance from its Auditors prior to the information being released to the market.

PRINCIPLE 5: Make timely and balanced disclosure

Recommendation 5.1

A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.

The Company's Continuous Disclosure Policy provides details of the Company's policies and procedures for compliance with its continuous disclosure obligations.

The Continuous Disclosure Policy is available on the Company's website.

Recommendation 5.2

A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.

The Board reviews and considers each material market announcement and provides its approval for release prior to any information being released to the market.

Recommendation 5.3

A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

All substantive investor or analyst presentations are released to the ASX Markets Announcements Platform ahead of any such presentations. Once released, the presentations are also published on the Company's website.

PRINCIPLE 6: Respect the rights of security holders

Recommendation 6.1

A listed entity should provide information about itself and its governance to investors via its website.

ASX announcements, quarterly reports, presentations, notices of meetings and explanatory material are posted to Lion's website regularly. Other information on the site includes details of Lion's investment portfolio, Lion's share price, information about the Company and its directors and management and also the Company's governance and policies. Information from the Annual General Meetings and regular updates to investors as well as links to the share registry and other sites of interest are also available on the Company's website.

Lion's website contains a specific corporate governance landing page where information regarding the Company's policies is easily accessible by shareholders.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

The Company's investor relations strategy and programs are reviewed annually by the Lion Board. The Lion Board and management are mindful of the importance of not only providing information, but also encouraging and enabling two-way communication between the Company and its shareholders.

The Company has adopted a Shareholder Communications Policy which outlines a range of ways information is communicated to shareholders. A copy of the Shareholder Communications Policy is available on the Company's website.

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Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Lion places great importance on the communication of accurate and timely information to its shareholders and market participants. Lion recognises that efficient and continuous contact between the Company and the interested public, and particularly with shareholders and their representatives, is an essential part of earning the trust and loyalty of shareholders, building shareholder value and allowing shareholders to make informed decisions regarding their investment in Lion. Lion encourages shareholder participation at general meetings and welcomes regular contact with its shareholders.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.

The Company will continue to comply with Recommendation 6.4 and ensure all substantive resolutions at a meeting of security holders will be decided on a poll rather than a show of hands.

Recommendation 6.5

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Lion's register of security holders is maintained by Computershare Investor Services Pty Limited.

Lion actively encourages security holders to communicate electronically with the company and Computershare. Security holders can elect to receive electronic communications from the Company via the Computershare Investor Centre. Lion has implemented online voting for general meetings via the Computershare Investor Centre to encourage higher voting participation from its security holders.

PRINCIPLE 7: Recognise and manage risk

Recommendation 7.1

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:
   1. has at least three members, a majority of whom are independent directors; and
   2. is chaired by an independent director, and disclose:
   3. the charter of the committee;
   4. the members of the committee; and
   5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Recommendation 7.2

The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

In view of the small size of Lion's Board, the Board in its entirety acts, effectively, as a committee to oversee risk and there is no need to further subdivide it.

Lion is a specialist investor in listed and unlisted mining and exploration companies and assets and its major business risk is the performance of these companies and assets. Risks associated with the exploration and mining industry include geological, technical, political, title and commodity pricing risks.

The main areas of business risk to the Company arise from:

- failure of an investee company due to one or a number of the above causes;
- downturn in the stock market; and
- changes to the law – corporations/taxation legislation.

Individual investments each have their own risks which relate to the mining industry generally. Under the guidance of the Lion Board, the Company's management has established procedures relating to investment and divestment decisions, and management of investments with emphasis on risk assessment. Management reports through monthly reports and at Board meetings on Lion's investments and related risk.

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The Board aims to reduce investment risk through diversifying investments and avoiding over dependence on a single commodity, investee company or country. In certain circumstances the Board may elect to have higher concentrations of the Company's portfolio in a particular commodity, investee company or country if the anticipated rewards merit this approach.

Recommendation 7.3

A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or
(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Lion has no internal audit function. The Lion Board and Audit Committee are responsible for establishing and maintaining an internal control structure. This structure is documented and periodically reviewed with the Chief Financial Officer.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.

The activities of Lion are subject to risks that can adversely impact its business and financial condition. Risks and uncertainties are described in the Company's Annual Report.

PRINCIPLE 8: Remunerate fairly and responsibly

Recommendation 8.1

The board of a listed entity should:

(a) have a remuneration committee which:
   1. has at least three members, a majority of whom are independent directors; and
   2. is chaired by an independent director, and disclose:
   3. the charter of the committee;
   4. the members of the committee; and
   5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Compensation Arrangements and Remuneration Committee

In June 2024, the Lion Board appointed a Remuneration Committee consisting of the full Lion board and chaired by Mr Chris Melloy.

The Company's remuneration policy in relation to directors and other key management personnel will be determined by the Remuneration Committee.

The objective of the Company's remuneration structure is to reward and incentivise key management personnel and employees to ensure alignment with the interests of shareholders. The remuneration structure also seeks to reward key management personnel and employees for their contribution to the Company in a manner that is appropriate for a company at this stage of its nature and size.

Emoluments of individual Board members and other key management personnel are determined on the basis of market conditions and the level of responsibility associated with their position. Executives and employees receive a base remuneration which is market related, and may be entitled to performance based remuneration which is determined on an annual basis. Overall remuneration policies are subject to the discretion of the Remuneration Committee and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Remuneration Committee having regard to the performance, relevant comparative information and expert advice.

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The Board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Company.

Lion's Constitution stipulates that the aggregate remuneration available for division amongst the non-executive directors is determined by the shareholders in general meeting. With shareholder approval, the aggregate was increased to $200,000 per annum commencing 1 August 2011. This amount, or some part of it, is divided among the non-executive directors as determined by the Board. At present the aggregate annual remuneration paid to non-executive directors is $120,000.

D&O Insurance and Indemnity

The Company maintains a Directors and Officers and Company Reimbursement Insurance Policy.

An indemnity agreement has been entered into between Lion and each of the directors of the Company and with the Company Secretary. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

Performance Evaluation

The small scale of the Board and the nature of the Company's activities make the formal establishment of a performance evaluation strategy unnecessary. Performance evaluation is managed by the Chairman. The Chairman assesses each Board member's performance, the Board as a whole and its committees on an annual basis. This process includes one-on-one and collective meetings.

The Board reviews Performance of Executive Management. As the Company's Managing Director is a child of the Executive Chairman, the Executive Chairman obstains from being involved with the Performance evaluation process for the Managing Director.

Lion does not have an equity based remuneration scheme.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

PRINCIPAL 9: Additional Recommendations that only apply in certain cases

Recommendation 9.1

A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.

Not applicable.

Recommendation 9.2

A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.

Not applicable.

Recommendation 9.3

A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Not applicable.

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Director's Report

The Directors of Lion Selection Group Limited ('Lion' or 'the Company') submit their report on the operations of the Company for the financial year ended 31 July 2025.

At 31 July 2025 Lion had 141,150,775 fully paid ordinary shares and 2,476,000 performance rights on issue.

Directors

The following persons were directors of Lion during the financial year and up to the date of this report:

- Robin Widdup – Director
  Executive Chairman from 1 February 2024
- Peter Maloney – Non-Executive Director
- Chris Melloy – Non-Executive Director
- Hedley Widdup – Managing Director
  Managing Director from 28 November 2024

Principal Activities

During the financial year the principal continuing activities of the Company were investment in mining and exploration companies.

Operating and Financial Review

This financial report is prepared in accordance with Australian Accounting Standards and therefore includes the result of the 'mark to market' of the Company's investment portfolio in both the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position.

The Company's profit after tax for the year was $39.2 million (2024: $1.1 million).

Lion made substantial asset sales in 2021 and 2022 at the top of the last boom to move to a high cash holding. The prices of micro-capitalisation resources companies then collapsed, and Lion has been investing the proceeds in a heavily discounted market. Lion has so far deployed $41.0 million (including $20.6 million this financial year) into Australian investments during this once-in-a-cycle opportunity, which has grown to $77.7 million of value (inclusive of equity holdings and realised investments) which is a performance of +89% as at 31 July 2025.

2025 has seen a strong performance from many of Lion's investments, resulting in a large increase in the value of the portfolio. The best of these performances combines positive company catalysts supported by gold sentiment which is only just beginning to lift selected gold juniors, who have strongly lagged the gold price and share prices of gold producing peers. The result for the year reflects a mark to market gain of $44.0 million with respect to investments, with key movements in the portfolio value outlined below:

- A mark to market increase of $16.9 million on Lion's investment in Saturn Metals benefiting from increasing gold prices, increases in the size and confidence of the Apollo Hill mineral resource estimate ('MRE') and improved metallurgical recoveries for the company's planned heap leach gold project.
- An increase in the value of Lion's investment in Antipa Minerals of $11.9 million with the share price benefiting from increasing gold prices, speculation of corporate interest following regional consolidation nearby, and improvements in the scale and confidence of the MRE for the company's Minyari Gold Project.
- A mark to market increase of $6.6 million in the valuation of Lion's investment in Erdene Development Corporation, with Erdene in the final stages of commissioning its Bayan Khundii Gold Project in Mongolia.
- An increase in the value of Lion's investment in PhosCo of $2.5 million following PhosCo having received the Gasaat Phosphate Project lease.
- An increase in the value of Lion's investment in Koonenberry of $2.2 million following news of a discovery at its Enmore Gold Project, with thick and high tenor gold drilling reported.

At 31 July 2025 the Company held investments valued at $91.2 million (2024: $31.8 million), and cash and term deposits of $39.0 million (2024: $55.9 million).

Dividends

No dividend was paid or declared during the period (2024: $2.1 million).

Compliance with Environmental Regulations

Lion has a policy that environmental impacts of developments of investees are in line with country/international standards and do not adversely impact local communities.

Lion has not been notified by any investee of any environmental breach by any government or other agency, and is not aware of any such breach.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company.

Significant Events after Balance Date

On 25 August 2025 Lion announced the successful sale of its shareholding of Erdene Resource Development Corp (TSX:ERD) for approximately $12.3 million, along with a 2¢ps fully franked special dividend payable on 17 September 2025 associated with the strong returns from the exit.

In August 2025 Lion issued 2,095,200 shares in relation to performance rights to employees, with the shares escrowed for 3 years (1/3 of shares), 4 years (1/3 of shares) and 5 years (1/3 of shares (see Note 21(a) for further details).

Other than the items above there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature which has or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

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Proceedings on Behalf of the Company

No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

Likely Developments and Future Results

The Company's future operating results will depend on the results of its investments. The Company's ability to sustain profits is dependent on future sales of investments which in turn are dependent on market opportunities and the performance of the Company's various investments, which are difficult to predict.

There are a wide variety of risks associated with the mining and exploration industry including market conditions, exploration, operational and political risk, tenure of tenements, liquidity and native title issues. Because of the vagaries of the mining and exploration industry and the long-term nature of most of Lion's investments, the directors are unable to predict future results.

Corporate Governance Statement

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Lion support the applicable principles of good corporate governance. The Company's corporate governance statement can be found in the Investor Section of our website www.lionselection.com.au.

Employees

At 31 July 2025 there was five permanent employees of the Company (2024: 5 employees).

Remuneration Report

All disclosures in this remuneration report have been audited. This remuneration report outlines the director and executive remuneration arrangements of the Company as required by section 308 (3C) of the Corporations Act 2001. For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director, and includes the executive employed by the Company considered to meet the definition of key management personnel.

Key Management Personnel Remuneration Framework

Remuneration policy

The remuneration policy in relation to directors is determined by the full Board. Remuneration of other key management personnel is determined by the directors of the Company.

The objective of the Company's remuneration structure is to reward and incentivise key management personnel and employees to ensure alignment with the interests of shareholders. The remuneration structure also seeks to reward key management personnel and employees for their contribution to the Company in a manner that is appropriate for a company at this stage of its nature and size.

Emoluments of individual Board members and other key management personnel are determined on the basis of market conditions and the level of responsibility associated with their position. Executives and employees receive a base remuneration which is market related, and may be entitled to performance based remuneration which is determined on an annual basis. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Company and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to the performance, relevant comparative information and expert advice.

The Board's remuneration policy reflects its obligation to align executive remuneration with shareholder interests and to retain appropriately qualified executive talent for the benefit of the Company.

Elements of remuneration

Fixed annual remuneration

Key management personnel receive their base pay and statutory benefits structured as a total fixed remuneration package.

Base pay for key management is reviewed annually to ensure the remuneration is competitive with the market and remains appropriate for the Company and its operations.

There are no guaranteed base pay increases included in any employment contracts.

Variable remuneration – Short-term incentive arrangements

The Company has adopted a Short-Term Incentive (STI) Scheme with the objective to link the achievement of the Company's short-term performance objectives with the remuneration received by senior management and employees charged with achieving those measures. STI payments are dependent on the extent to which performance measures, as set by the Board are achieved and are 'at risk'.

STI payments of $8,929 were made during the year (2024: nil).

Variable remuneration – Long term incentives

The Company has an Employee Incentive Plan (the Plan) including a Long-Term Incentive (LTI) Scheme. The Company on 1 July 2024 issued 2,476,000 performance rights to key management personnel, as approved by shareholders at an extraordinary shareholder meeting on 26 June 2024. See Note 21 and this Remuneration Report for further details.

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The executive remuneration framework

Component	Executive Chairman	Managing Director	Chief Financial Officer	Other Key Management Personnel
Fixed Remuneration	$230,000	$350,000	$350,000	$165,000 on a full time basis
Short term incentive (STI)	None	Company may invite the employee to participate at its sole discretion		
Long term incentive (LTI)	None	Company may invite the employee to participate at its sole discretion		
Contract duration	Ongoing contract	Ongoing contract	Ongoing contract	Ongoing contract
Notice by the individual/ company	6 months/ 3 months	3 months/ 12 months	3 months/ 12 months	3 months/ 3 months

The Group's summary key performance information

	Unit	2025	2024	2023	2022	2021
Total income	$'000	46,366	4,081	3,168	8,382	31
Profit/ (Loss) before income tax	$'000	43,914	1,486	760	6,152	(2,707)
Profit/ (Loss) after income tax	$'000	39,173	1,107	581	9,031	(5,865)
Share price at the start of the financial year	Cents per share	48.0	44.0	44.5	40.2	43.0
Share price at the end of the financial year	Cents per share	83.0	47.5	43.5	44.0	41.1
Basic earnings per share	Cents per share	27.8	0.8	0.4	6.0	(3.9)
Diluted earnings per share	Cents per share	27.3	0.8	0.4	6.0	(3.9)
Dividend per share	Cents per share	-	1.5	3.5	3.5	-

LTI's are anticipated to be issued annually to eligible employees.

Contractual arrangements for executive KMP

The executive remuneration framework is summarised in the table above.

Other key management personnel receive a base salary and superannuation contributions in accordance with Australian superannuation guarantee legislation.

Non-executive director arrangements

Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. As approved by shareholders at the Annual General Meeting held on 1 December 2011, the maximum aggregate amount, including superannuation contribution, that may be paid to non-executive directors of the Company as remuneration for their services is $200,000 for any financial year.

The remuneration policy of the Company with respect to directors and other key management personnel provides for Director's and Officer's (D&O) Insurance cover, but does not provide options, shares, loans or any other non-monetary benefits.

Link between remuneration and performance

Remuneration of executives consists of an un-risked element (base pay), STI, and LTI (performance rights) which vest upon the satisfaction of performance criteria, based on key strategic, market and non-financial measures linked to drivers of performance in future reporting periods.

The Group's summary key performance information, including earnings and movement in shareholder wealth for the five (5) years to 31 July 2025, is included above.

Voting and Comments at the Company's 2024 Annual General Meeting

The Company received more than 99% of 'yes' votes on its Remuneration Report for the previous financial year. The Company did not receive any specific feedback at the Company's 2024 Annual General Meeting on its remuneration practices.

Details of Remuneration

Details of remuneration paid/payable to directors and the other key management personnel of the Company are detailed in the following table.

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Key Management Personnel of the Company – Remuneration for year to 31 July 2025

2025		Fixed Remuneration			Variable Remuneration		
		Salaries/Fees	Leave Entitlements	Post-Employment Superannuation	Cash Bonus	Share Based Payments	Total
Name	**Notes**	**$**	**$**	**$**	**$**	**$**	**$**
Directors							
R A Widdup		205,000	1,391	25,000	-	-	**231,391**
P J Maloney		35,933	-	24,067	-	-	**60,000**
C Melloy		30,000	-	30,000	-	-	**60,000**
Other Key Management Personnel							
H J Widdup		320,000	(1,411)	30,000	-	176,544	**525,133**
C K Smyth		320,000	(16,232)	30,000	-	176,544	**510,312**
J M Rose		90,102	7,143	11,470	8,929	-	**117,644**
Total		**1,001,035**	**(9,109)**	**150,537**	**8,929**	**353,088**	**1,504,480**

2024		Fixed Remuneration			Variable Remuneration		
		Salaries/Fees	Leave Entitlements	Post-Employment Superannuation	Cash Bonus	Share Based Payments	Total
Name	**Notes**	**$**	**$**	**$**	**$**	**$**	**$**
Directors							
B J K Sullivan	(a)	56,306	-	6,194	-	-	**62,500**
P J Maloney		32,292	-	27,708	-	-	**60,000**
C Melloy		32,292	-	27,708	-	-	**60,000**
R A Widdup	(b)	102,500	32,673#	12,500	-	-	**147,673**
Other Key Management Personnel							
H J Widdup	(c)	26,667	68,149#	2,500	-	15,356	**112,672**
C K Smyth	(c)	26,667	88,347#	2,500	-	15,356	**132,870**
J M Rose		90,513	(6,907)	9,987	-	-	**93,593**
Total		**367,237**	**182,262**	**89,097**	**-**	**30,712**	**669,308**

Leave entitlements include recognition of provisions for annual and long service leave assumed by Lion in employing the employee directly.

(a) B J K Sullivan deceased 3 June 2024.

(b) R A Widdup was employed by Lion Manager Pty Ltd until 31 January 2024 and did not receive any remuneration from the Company. On 1 February 2024 R A Widdup was appointed Executive Chairman of Lion Selection Group. Leave entitlements include recognition of provisions for annual and long service leave assumed by Lion in employing the employee directly.

(c) H J Widdup and C K Smyth were employed by Lion Manager Pty Ltd until 30 June 2024 and did not receive any remuneration from the Company. On 1 July 2024 H J Widdup was appointed Chief Executive Officer and C K Smyth continued on in his role of Chief Financial Officer of Lion Selection Group. Leave entitlements include recognition of provisions for annual and long service leave assumed by Lion in employing each employee directly.

Key Management Personnel Shareholdings

At the date of this report the direct and indirect interests of the directors and other key management personnel in the ordinary shares and options of Lion are detailed below. No shares or options were issued as remuneration.

Shareholdings of Key Management Personnel of the Company

Name	Balance 1 August 2024	Shares issued as Remuneration	Other Changes	Closing Balance 31 July 2025
Directors				
P J Maloney	2,190,389	-	140,000	2,330,389
C Melloy	5,800,000	-	-	5,800,000
R A Widdup	16,717,277	-	-	16,717,277
Other Key Management Personnel				
H J Widdup	1,174,139	-	-	1,174,139
C K Smyth	1,505,137	-	-	1,505,137
J M Rose	-	-	-	-
Total	**27,386,942**	**-**	**140,000**	**27,526,942**

Name	Balance 1 August 2023	Shares issued as Remuneration	Ceasing to be a Director	Closing Balance 31 July 2024
Directors				
P J Maloney	2,190,389	-	-	2,190,389
C Melloy	5,800,000	-	-	5,800,000
R A Widdup	16,717,277	-	-	16,717,277
B J K Sullivan*	813,074	-	(813,074)	-
Other Key Management Personnel				
H J Widdup	1,174,139	-	-	1,174,139
C K Smyth	1,505,137	-	-	1,505,137
J M Rose	-	-	-	-
Total	**28,200,016**	**-**	**(813,074)**	**27,386,942**

* B J K Sullivan deceased 3 June 2024.

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Performance Shares

Lion issued performance rights to eligible Key Management Personnel under its Long-Term Incentive Plan on 1 July 2024. Each performance right will convert to one ordinary share in the Company during the performance period subject to the satisfaction of the performance conditions. The rights are not transferable.

These rights will constitute a share-based payment transaction for accounting purposes. Refer Note 21 for further detail.

Name	Balance 1 August 2024	Performance Shares issued	Closing Balance 31 July 2025
H J Widdup	1,238,000	-	1,238,000
C K Smyth	1,238,000	-	1,238,000
Total	**2,476,000**	**-**	**2,476,000**

On 31 July 2025 (being the first measurement date for the performance rights) the vesting conditions of 2,095,200 Performance Rights issued pursuant to the Company's employee incentive plan were met. At this measurement date, these Performance Rights can be converted into fully paid ordinary shares in Lion at the election of the holder:

- 1,000,000 tranche 1 Performance Rights relating to Lion's highest 30-day volume weighted average price (VWAP) exceeding the maximum figure of 76¢ps.
- 1,000,000 tranche 2 Performance Rights relating to Lion's highest portfolio value exceeding the maximum figure of 83¢ps.
- 95,200 retention rights on first anniversary of the employment agreement.

The vesting of these performance rights represents outstanding unrealised gains from Lion's portfolio and its strongly re-rated share price over the last year. Due to the rapid performance of these measures, Lion has sought to extend the escrow for the shares being issued from 2 years originally approved to be 3 years (1/3 of shares), 4 years (1/3 of shares) and 5 years (1/3 of shares). The holders of these performance rights have agreed to this extension. The extended escrow ensures alignment of the Long-Term Incentive with Lion's long-term performance.

No performance rights were issued in the period ended 31 July 2025.

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Information on Directors

Robin Widdup

BSc (Hons) – Executive Chairman

Robin has almost 50 years' industry experience spanning work in large mines in Africa, UK and Australia, mining analysis for stockbroker J B Were and founding Lion Selection Group in 1997.

A number of directorships of listed and unlisted mining companies have been held over recent decades covering a variety of commodities.

Robin was appointed Executive Chairman of Lion on 1 February 2024 and previously was a non-executive director of Lion.

Peter Maloney

BComm, MBA (Roch) – Non-Executive Director

Peter Maloney has broad commercial, financial and management expertise and experience. He has been Chief Financial Officer of Lion and an executive director of Lion Manager. Prior to that he held senior executive positions with WMC Resources and a number of other companies.

Peter holds a Bachelor of Commerce from the University of Melbourne and an MBA from University of Rochester. He has also completed the Advanced Management Program at Harvard Business School.

Peter has been a non-executive adirector of Lion since December 2010, including serving as Chairman between 1 January 2012 and 24 February 2016. Peter is also Chairman of the Lion Audit Committee.

Chris Melloy

BE (Mining) (Hons), MEngSc, MAusIMM, F Fin
Non-Executive Director

Chris Melloy is a mining engineer with some 40 years' experience in the mining industry in operations, securities analysis and investment. He held senior positions in MIM and JB Were & Son prior to joining Lion.

Chris was an Executive Director of Lion Manager from its inception in 1997 through to 2011, becoming a non-executive director of Lion on 1 November 2012. Chris is also a member of the Lion Audit Committee.

Hedley Widdup

Bsc (Hons), MAusIMM – Managing Director

Hedley Widdup graduated as a geologist with first class honours from the University of Melbourne in 2000. Upon finishing his degree, Hedley joined WMC Resources as a geologist working at the Mt Keith Nickel Mine. Hedley has extensive experience as a mine geologist having worked at Olympic Dam, Mt Isa (Black Star open cut mine) and the St Ives Gold Mine where he was Senior Mine Geologist of the combined open pits. Hedley joined the Lion Manager team in July 2007 as an analyst.

Hedley is non-executive Chairman of Plutonic Limited (Unlisted) and a member of the Melbourne Mining Club Steering Committee. Hedley retired from his role as non-executive director of Erdene Resources Development Corporation (TSX.ERD) on 25 June 2025.

Other Key Management Personnel

Craig Smyth

BCA (Acctg), M App Fin, CA – Chief Financial Officer

Craig Smyth graduated from the Victoria University of Wellington with a Bachelor of Commerce and Administration, and has completed his Master of Applied Finance at the University of Melbourne. Craig's financial background includes Coopers & Lybrand, Credit Suisse First Boston (London) and ANZ Investment Bank. Craig is a member of the Institute of Chartered Accountants of Australia and New Zealand. Craig has 19 years resources experience since joining Lion in 2005 as Financial Controller, before becoming Chief Financial Officer in 2010.

Craig is the interim Chief Financial Officer of Lion investee PhosCo Ltd and has represented Lion on the Pani Joint Venture and within Nusantara Resources Limited.

Jane Rose

Investor Relations Manager & Company Secretary

Jane Rose commenced work in 1983 as a legal administrative assistant. During the following 12 years, Jane held senior administrative positions with Phillips Fox and Corrs Chambers Westgarth in Melbourne and Nabarro Nathanson in London.

On returning to Australia, Jane worked as Executive Assistant to the Managing Director of Acacia Resources Limited and AngloGold Ashanti Limited where she was also responsible for the management of various corporate initiatives, including marketing and co-ordination of investor relations activities. From 2002 to 2006, Jane worked for several Lion investees, including MPI Mines Ltd, Leviathan Resources and Indophil Resources. Jane worked with Lion in early 2007 to assist with the merger, and she subsequently joined the company in July 2007 as Corporate Relations Manager.

In November 2008 Jane was appointed Company Secretary.

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Directors' Meetings

During the year and up until the date of this report, the Company held eight directors' meetings. The table below reflects attendances of the directors at meetings of Lion's Board.

Board Of Directors		
	Attended	Max. Possible Attended
P J Maloney	8	8
R A Widdup	8	8
C P Melloy	8	8
H J Widdup	6	6

Audit Committee Meeting

During the year and up until the date of this report, the Company held two Audit Committee meetings. The table below reflects attendances of the Audit Committee meetings.

Audit Committee		
	Attended	Max. Possible Attended
P J Maloney	2	2
R A Widdup	1	1
C P Melloy	2	2

Directors' Benefits

Since the end of the preceding financial year, no director has received or become entitled to receive a benefit, other than benefits disclosed in this report as emoluments or the fixed salary of a full time employee of the Company or a related body corporate, by reason of a contract made by the Company or related body corporate with the director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest.

Indemnification of Directors and Officers

An indemnity agreement has been entered into between Lion and each of the Company's directors named earlier in this report and with the Company Secretary. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

Lion has paid an insurance premium of $83,705 in respect of a contract insuring each of the directors, previous directors of the Company, and other key management personnel, against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

Auditor Independence

We have obtained an independence declaration from our auditors, Nexia Melbourne Audit Pty Ltd, as required under section 307 of the *Corporations Act 2001*. A copy can be found on page 39 of this financial report.

Non-Audit Services

No fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2025. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Rounding of Amounts

The Company is of a kind referred to in ASIC Instrument 2016/191 relating to the 'rounding off' of amounts in the financial report and Directors' report. Amounts in the financial report and Directors' report have been rounded off in accordance with that Instrument to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the directors.

R A Widdup
Chairman

P J Maloney
Director
Melbourne

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Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

To the Directors of Lion Selection Group Limited

As lead partner for the audit of the financial statements of Lion Selected Group Limited for the financial year ended 31 July 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Nexia Melbourne Audit Pty Ltd
Melbourne

Richard Cen
Director

Dated this 11th day of September 2025

Advisory. Tax. Audit.

Registered Audit Company 291969

Nexia Melbourne Audit Pty Ltd (ABN 86 005 105 975) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com. au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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Lion Selection Group Limited
Directors' Declaration

In accordance with a resolution of the directors of Lion Selection Group Limited, we declare that:

1. In the opinion of the directors:

   (a) The financial statements, notes set out on pages 41 to 63 are in accordance with the *Corporations Act 2001* and other mandatory reporting requirements, including:

      (i) complying with the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

      (ii) giving a true and fair view of the financial position of the Company's position as at 31 July 2025 and its performance for the year ended on that date; and

   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   (c) The consolidated entity disclosure statement on page 64 is true and correct.

2. Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 31 July 2025.

4. The directors have been given the declaration by the chief executive officer required by section 295A of the *Corporations Act 2001*.

On behalf of the Board

R A Widdup
Chairman

P J Maloney
Director

Melbourne

Date: 11 September 2025

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Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 31 July 2025

	Notes	2025 $'000	2024 $'000
Gain/(loss) attributable to movement in fair value	4	43,990	694
Interest income		2,259	3,322
Other income		117	65
Management fees		-	(1,305)
Employee benefits	4	(1,715)	(733)
Other expenses	4	(737)	(557)
Profit/(loss) before income tax		**43,914**	**1,486**
Income tax (expense)/benefit	5	(4,741)	(379)
Net profit/(loss) after tax		**39,173**	**1,107**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**39,173**	**1,107**
Attributable to:			
Members		**39,173**	**1,107**

	Cents per share	Cents per share
Basic earnings/(loss) per share	**27.8**	0.8
Diluted earnings/(loss) per share	**27.3**	0.8

The above statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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Statement of Financial Position as at 31 July 2025

	Notes	2025 $'000	2024 $'000
Current Assets			
Cash and cash equivalents	14	8,947	11,640
Term deposits	3	30,101	44,240
Trade receivables and other assets	6	2,649	1,214
Total current assets		**41,697**	**57,094**
Non-Current Assets			
Financial assets	7	91,247	31,768
Property, plant and equipment	8	8	7
ROU Asset and Leasehold Improvements	9	105	196
Total non-current assets		**91,360**	**31,971**
Total Assets		**133,057**	**89,065**
Current Liabilities			
Trade and other payables	10	113	95
Tax payable		451	57
Employee Entitlements		252	250
Lease liabilities		105	97
Total current liabilities		**921**	**499**
Non-Current Liabilities			
Lease liabilities		18	123
Deferred tax liabilities	5 (b)	4,595	447
Total non-current liabilities		**4,613**	**570**
Total Liabilities		**5,534**	**1,069**
Net Assets		**127,523**	**87,996**
Equity			
Contributed equity	12	121,900	121,900
Reserves	13	385	31
Retained Earnings/(Accumulated losses)	11	5,238	(33,935)
Total Equity		**127,523**	**87,996**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the Year ended 31 July 2025

	Notes	2025 $'000	2024 $'000
Cash flows from operating activities			
Interest received		2,961	3,261
Other income received		69	65
Payments to suppliers and employees (including GST)		(1,998)	(2,193)
Interest paid		(8)	(14)
Income tax paid		(199)	(96)
Net cash inflow/(outflow) from operating activities	14(b)	**825**	**1,023**
Cash flows from investing activities			
Payments for investments		(21,832)	(17,971)
Payments for property, plant and equipment		(3)	-
Funds received from /(placed on) term deposit		14,139	23,260
Proceeds from investment sales		4,275	-
Net cash inflow/(outflow) from investing activities		**(3,421)**	**5,289**
Cash flows from financing activities			
Dividends paid		-	(2,117)
Payments for lease liability		(97)	(89)
Net cash inflow/(outflow) from financing activities		**(97)**	**(2,206)**
Net increase/(decrease) in cash and cash equivalents		**(2,693)**	**4,106**
Cash and cash equivalents at beginning of financial year		**11,640**	**7,534**
Effects of exchange rate changes on foreign currency denominated cash and cash equivalents		-	-
Cash and cash equivalents at end of financial year		**8,947**	**11,640**

The above statement of cash flows should be read in conjunction with the accompanying notes

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Statement of Changes in Equity for the Year ended 31 July 2025

	Issued Capital $'000	Reserves $'000	Retained Earnings/ Accumulated Losses $'000	Total $'000
Balance at 1 August 2024	**121,900**	**31**	**(33,935)**	**87,996**
Total comprehensive income/(loss)	-	-	39,173	39,173
Transactions with owners in their capacity as owners				
Share Based Payments – performance rights	-	354	-	354
Balance at 31 July 2025	**121,900**	**385**	**5,238**	**127,523**
Balance at 1 August 2023	**121,900**	**1,341**	**(34,266)**	**88,975**
Total comprehensive income/(loss)	-	-	**1,107**	**1,107**
Transactions with owners in their capacity as owners				
Dividends paid	-	-	(2,117)	(2,117)
Transfer from Share Based Payments Reserve – Expiry of Options unexercised	-	(1,341)	1,341	-
Issue of performance rights	-	31	-	31
Balance at 31 July 2024	**121,900**	**31**	**(33,935)**	**87,996**

The above statement of changes in equity should be read in conjunction with the accompanying notes

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 1. CORPORATE INFORMATION

The financial report of Lion Selection Group Limited ('Lion' or 'the Company') for the year ended 31 July 2025 was authorised for issue in accordance with a resolution of the directors on 11 September 2025. The directors have the power to amend and reissue the financial report.

Lion is a company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Company are described in the Directors' Report. The registered address of Lion is Level 2, 175 Flinders Lane, Melbourne.

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Comparative information is reclassified where appropriate to enhance comparability.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Lion is a for-profit entity for the purpose of preparing the financial statements.

The financial report complies with Australian Accounting Standards. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial report has been prepared on a historical cost basis, except for certain financial assets and financial liabilities that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to Lion under ASIC Instrument 2016/191. Lion is an entity to which the class order applies.

Lion meets the qualifying criteria under AASB 10 of an 'investment entity', and entities controlled by Lion do not provide investment related services to the Company. Accordingly, the Company has applied the exemption from consolidating these entities and continues to carry these investments at fair value.

(b) New accounting standards and interpretations

New standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Accounting standards issued but not yet effective

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Critical accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have an impact on the carrying amounts of certain assets and liabilities are:

(i) Fair value of investments and other financial assets

The Company carries its investments at fair value with changes in the fair values recognised in profit or loss. The fair value of investments and other financial assets that are not traded in an active market is determined based on either a recent sale price, or where not available, the market value of underlying investments. Determination of market value involves the Company's judgment to select a variety of methods and in making assumptions that are mainly based on market conditions existing at each balance sheet date. The key assumptions used in this determination are set out in note 2(j).

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(ii) Income taxes

Lion is subject to income taxes in Australia. Judgment is required in determining the provision for income taxes and deferred taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Lion recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that sufficient future taxable amounts will be available to utilise those temporary differences and losses. This involves judgment regarding the future financial performance and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognised which can result in a charge or credit in the period in which the change occurs.

(d) Other Income

Other income is recognised to the extent that it is probable that the economic benefits will flow to Lion and the other income can be reliably measured. The following specific recognition criteria must also be met before other income is recognised:

(i) Interest

Income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the fair value of the financial asset.

(ii) Dividends

Dividend income is recognised when the shareholders' right to receive the payment is established.

(e) Cash, cash equivalents and term deposits

For cash flow statement purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with maturities of three months or less or that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Other short-term, highly liquid investments with original maturities of more than three months are shown within term deposits on the balance sheet.

(f) Trade and other receivables

Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Company recognises a provision based on historical default rates, debtor analysis and the Company's monitoring of credit risk. Trade and other receivables are written off when there is no reasonable expectation of recovery.

(g) Foreign currency translation

Both the functional and presentation currency of Lion is Australian dollars (AUD).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(h) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity as part of other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Investments, other financial assets and Investments in associates

The Company classifies its financial assets into the following categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be held at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

Lion is a venture capital organisation and designates its investments as being fair value through profit or loss. The scope of AASB 128 Investments in Associates allows the Company to elect to measure that investment at fair value through profit or loss in accordance with AASB 9. After initial recognition, investments are measured at fair value, with gains or losses on fair value of investments being recognised in the Statement of Profit or Loss and Other Comprehensive Income. The fair value of assets is re-measured at each reporting date. This recognition is more relevant to shareholders and consistent with internal investment evaluation.

The fair value of financial assets traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial assets that are not traded in an active market are determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

All regular purchases and sales of financial assets are recognised on the trade date (i.e. the date that the Company commits to purchase the asset). Regular purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(k) Derecognition of financial assets and financial liabilities

(i) Financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Leases

Right-of-use assets and lease liabilities are established on the balance sheet for leases with an expected term greater than one year. The lease term is equal to the base contractual term and, where material, is adjusted for renewal or termination options that are reasonably certain to be exercised. Leases are recognised when the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of the outstanding lease payments, which mainly comprise fixed payments (including in-substance fixed payments) and variable lease payments that are based on an index or rate, plus if applicable any residual value guarantees, purchase options and termination payments less any lease incentive receivable. When material adjustments to variable lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset. The portion of fixed payments related to service costs is included in the calculation of lease liabilities. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the Company's incremental borrowing rate is used, being the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar environment with similar terms, security and conditions. The lease liability is subsequently measured at amortised cost using the effective interest method. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and any lease incentive received. Initial direct costs incurred are not considered to be significant and have been excluded from measurement of the right-of-use asset. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payments associated with short term leases (i.e. lease with a term of 12 months or less) and leases of low value assets are charged to expenditure as incurred over the duration of the lease. Variable payments under these lease agreements are not significant.

(m) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless Lion has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(o) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(p) Provisions and contingencies

Provisions are recognised when Lion has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When Lion expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

A contingent liability is disclosed when the Company has a:

(i) possible obligation arising from past events where it has yet to be confirmed whether the entity has a present obligation that could lead to an outflow of resources embodying economic benefits; or

(ii) present obligation that does not meet the recognition criteria of a provision (because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made).

(q) Employee benefits

Wages, salaries, annual leave and long service leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave that are expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave for which Lion has an unconditional right to defer settlement for at least 12 months after the balance sheet date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, performance rights or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is determined using the Monte Carlo, Binomial or Black-Scholes option pricing model as appropriate, taking into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(q) The cost of cash-settled transactions is initially, and at each reporting date until vested, determined using the Monte Carlo, Binomial or Black-Scholes option pricing model as appropriate, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period; and
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(r) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example, as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(t) Earnings per share

Basic earnings per share is calculated as net profit after tax, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the segments, has been identified as the Board.

Investments have similar characteristics and so segments are determined on a geographical basis. Lion invests only in small and medium mining and exploration companies with gold and base metal activities in Australia, Africa and Asia.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 3. FINANCIAL RISK MANAGEMENT

Lion's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. Lion's overall risk management program is carried out under policies approved by the Board of Directors, focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Board provides written principles for overall risk management, as well as policies covering specific areas. The Board reviews and agrees policies for managing each of these risks and they are summarised below. Lion also monitors the market price risk arising from all financial instruments.

Lion holds the following financial instruments:

	2025 $'000	2024 $'000
Financial assets		
Cash and cash equivalents	8,947	11,640
Term deposits	30,101	44,240
Financial assets	91,247	31,768
Trade receivables and other assets	2,649	1,214
	132,944	**88,862**
Financial liabilities		
Trade and other payables	113	95
Lease liabilities	123	220
	236	**315**

(a) Market risk

(i) Price risk

Lion is exposed to equity securities price risk, with many of the Company's equity investments being publicly traded. This arises from investments held by Lion and classified on the balance sheet as fair value through profit or loss.

To manage its price risk, including exposure to changes in commodity prices arising from investments in equity securities, the Company diversifies its portfolio. Diversification by way of different commodities and locations of the portfolio is done in accordance with the limits set by the Company, however from time to time the Company may seek to increase exposure to particular investments. Lion does not hedge its equities securities price risk. Based on the financial instruments held at the end of the period, if the value of equity securities had increased by 10%/decreased by 10% with all other variables held constant, the Company's post-tax profit for the year would have been $9,124,700 higher/lower (2024: $3,171,600 higher/lower) as a result of gains/losses on equity securities classified as fair value through profit or loss.

(ii) Interest rate risk exposures

Lion is exposed to interest rate risk through its primary financial assets. The interest rate risk exposures together with the effective interest rate for each class of financial assets and financial liabilities at balance date are summarised below. Most assets and liabilities are current, maturing within one year, with the exception of investments in securities, the value of which will be realised at the discretion of the Company.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

2025	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non Interest Bearing $'000	Total $'000	Average Interest Rate	
					Floating %	Fixed %
Financial assets						
Cash – AUD	8,932	-	-	8,932	4.9	-
Cash – USD	15	-	-	15	-	-
Term deposits	-	30,101	-	30,101	-	3.9
Investments in securities	-	-	91,247	91,247	-	-
Convertible securities	-	-	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	113	113	-	-
2024						
Financial assets						
Cash – AUD	11,625	-	-	11,625	5.0	-
Cash – USD	15	-	-	15	-	-
Term deposits	-	44,240	-	44,240	-	4.0
Investments in securities	-	-	31,716	31,716	-	-
Convertible securities	-	52		52	-	10.0
Financial liabilities						
Trade and other payables	-	-	95	95	-	-

(b) Credit risk

Lion is exposed to credit risk. Credit risk arises from cash and cash equivalents and deposits with banks as well as credit exposures to counterparties, including outstanding receivables and committed transactions. Lion has a policy of maintaining its cash and cash equivalents with the 'top 4' Australian Banks. For other counterparties, if there is no independent rating, management assesses the credit quality of the party, taking into account its financial position, past experience and other factors. The maximum exposure to credit risk approximates the carrying values as disclosed above.

Based on historical default rates, debtor analysis and the Group's monitoring of credit risk, no impairment allowance is considered necessary in respect of trade receivables not past due.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. Lion manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

(d) Fair value measurements

The Company carries its investments at fair value with changes in value recognised in profit or loss.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the reporting date.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

Recognised fair value measurements

The following tables present the Company's assets and liabilities measured and recognised at fair value for the periods ended 31 July 2025 and 31 July 2024.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 July 2025				
Assets				
Financial assets at fair value through profit or loss				
Investments	85,535	5,712	-	91,247
Total Assets	**85,535**	**5,712**	**-**	**91,247**
At 31 July 2024				
Assets				
Financial assets at fair value through profit or loss				
Investments	24,401	7,367	-	31,768
Total Assets	**24,401**	**7,367**	**-**	**31,768**

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on unobservable inputs. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are applied in accordance with the International Private Equity and Venture Capital Valuation Guidelines, including:

- Net assets, looking through to the underlying assets held through interposed investment vehicles;
- The fair value of unlisted option contracts is determined using a Black Scholes valuation at the reporting date;
- The use of quoted market prices or dealer quotes for similar instruments where available; and
- Other techniques, such as Monte Carlo option-pricing models and discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The price of a recent investment conducted in an orderly transaction between market participants generally represents fair value as of the transaction date. At subsequent measurement dates, the price of a recent investment may be an appropriate reference point for estimating fair value subject to the current facts and circumstances including changes in market conditions or changes in the performance of the investee company that would impact a market participant's perspective of fair value.

Valuation processes

The Lion management team performs monthly valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. This team reports directly to the Lion Board. Discussions of valuation processes and results are held between Lion management and the Lion Board at least once every six months in line with Lion's half-yearly reporting dates, including changes in level 2 and 3 fair values.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 4. INCOME AND EXPENSES

	2025 $'000	2024 $'000
Gain/(loss) attributable to movement in fair value of investments		
Mark to Market adjustment for year – investments realised during year	3,342	-
Mark to Market adjustment for year – investments held at end of year	40,648	694
Gain/(loss) attributable to movement in fair value of investments as recorded in the Statement of Profit or Loss and Other Comprehensive Income	**43,990**	**694**

Lion is a long term investor and investment performance generally spans a number of financial periods. Measured on historic cost, gross profit/(loss) on investments realised during the year includes mark to market adjustments realised in the current year as well as mark to market adjustments recognised in the Statement of Profit or Loss and Other Comprehensive Income in prior years as set out in the table below.

	2025 $'000	2024 $'000
Results of investments realised during year		
Proceeds from sale of shares	6,406	-
Historical cost of investment sales	(1,671)	-
Gross profit/(loss) measured at historical cost on investments realised	**4,735**	**-**
Represented by:		
Mark to Market recognised in prior periods (including on acquisition)	1,393	-
Mark to Market recognised in current year	3,342	-
	4,735	**-**
Employment Expenses		
Salaries, Superannuation and Directors Fees	1,359	473
Leave provided	3	229
Share based shares expense	353	31
Total other expenses	**1,715**	**733**
The total profit/(loss) is after charging the following other expenses		
Investor relations	73	119
Directors and Officers insurance	84	95
Legal expenses	139	23
Depreciation	92	94
Corporate overheads	349	226
Total other expenses	**737**	**557**

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 5. INCOME TAX EXPENSE

	2025 $'000	2024 $'000
(a) Statement of Profit or Loss and Other Comprehensive Income		
Current income tax expense/(benefit)	591	100
Deferred income tax expense/(benefit)	4,148	226
Under/over tax expense/(benefit)	2	53
Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income	**4,741**	**379**
Reconciliation of income tax expense		
Profit/(loss) from ordinary activities before income tax	43,914	1,486
Prima facie tax thereon at 30%	13,174	446
Tax effect of permanent and temporary differences:		
Other non-deductible or non-assessable amounts	107	2
Assessable income brought to revenue account	496	200
Tax losses utilised – revenue account	(9,038)	(322)
Under/Over tax expense	2	53
Total income tax (expense/(benefit)	**4,741**	**379**
(b) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Unrealised investments – revenue account	13,315	1,042
Accrued interest income	127	342
Other temporary differences	5	7
	13,447	**1,391**
Set-off of deferred tax assets pursuant to set-off provisions		
Tax losses available – revenue account	(8,762)	(852)
Other temporary differences	(90)	(92)
Net deferred tax liabilities	**4,595**	**447**
(c) Unrecognised temporary differences		
A deferred tax asset has not been recognised in the Statement of Financial Position as the benefits will only be realised if the conditions for deductibility and/or recognition set out in Note 2(h) occur.		
Unrecognised temporary differences at 31 July relate to the following:		
Tax losses available – revenue account	23,051	53,176
Unrecognised tax losses and temporary differences at 31 July	23,051	53,176
Potential tax benefit at 30%	**6,915**	**15,953**

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 6. TRADE RECEIVABLES AND OTHER ASSETS

	2025 $'000	2024 $'000
Share Sales Receivable	2,131	-
Interest Receivable	425	1,140
Prepayments	28	35
Security deposits	37	36
Sundry debtors	28	3
Total trade receivables and other assets, net	**2,649**	**1,214**

NOTE 7. FINANCIAL ASSETS

Listed investments (at fair value)	85,535	24,401
Unlisted investments (at fair value)	5,712	7,367
Total financial assets	**91,247**	**31,768**

With the exception of $1,200,000 of shares that are escrowed until 28 November 2025, all listed shares are readily saleable with no fixed terms.

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment – Cost	57	54
Accumulated depreciation	(49)	(47)
Total property, plant and equipment	**8**	**7**

NOTE 9. RIGHT OF USE ASSET

Right of Use Asset – Cost	452	452
Accumulated depreciation	(347)	(256)
Total right of use asset	**105**	**196**

NOTE 10. TRADE AND OTHER PAYABLES

Sundry creditors and accruals	113	95
Total trade and other payables	**113**	**95**

NOTE 11. RETAINED EARNINGS/ (ACCUMULATED LOSSES)

Movements in retained earnings/ (accumulated losses) were as follows:		
Accumulated losses at the beginning of the financial year	(33,935)	(34,266)
Net profit/(loss) for period	39,173	1,107
Transfer from Share Based Payments Reserve – Expiry of Options Unexercised	-	1,341
Dividends paid	-	(2,117)
Retained Earnings/ (Accumulated losses) at the end of the financial year	**5,238**	**(33,935)**

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 12. CONTRIBUTED EQUITY

	2025 $'000	2024 $'000
Issued and paid up capital (fully paid)		
Opening balance	121,900	121,900
Issued and paid up capital (fully paid)	**121,900**	**121,900**

	2025 Shares	2024 Shares
Share capital		
Issued and paid up capital (fully paid)		
Opening balance	141,150,775	141,150,775
Issued and paid up capital (fully paid)	**141,150,775**	**141,150,775**

Capital Risk Management

Lion's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders. In order to maintain or adjust the capital structure, Lion may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

NOTE 13. SHARE BASED PAYMENT RESERVE

	2025 $'000	2024 $'000
Opening balance	31	1,341
Transfer to Retained Earnings – Options expired unexercised#	-	(1,341)
Share based payments – Performance Rights (refer Note 21)	354	31
Share Based Payment Reserve	**385**	**31**

The reserve balance at 1 August 2023 relates to historical options that were issued under the terms of Lion's acquisition of One Asia Resources Limited's interest in the Pani gold project. These options expired on 12 April 2020.

NOTE 14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purpose of the Statement of Financial Position and Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, term deposits, cash managed by third parties and other bank securities which can be liquidated at short notice (less than three months), net of outstanding bank overdrafts if applicable.

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related item in the Statement of Financial Position as follows:

Cash on hand and at bank	**8,947**	**11,640**

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 14. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

	2025 $'000	2024 $'000
(b) Reconciliation of net profit/(loss) after income tax to net cash inflow/ (outflow) from operating activities		
Net profit/(loss) after income tax	39,173	1,107
Adjustments for non-cash income and expense items:		
Movement in fair value of investments (increase)/decrease in assets	(43,990)	(694)
Other non-cash (income)/expenses	384	123
Decrease/(increase) in assets:		
Other receivables	697	(45)
(Decrease)/increase in liabilities:		
Current income tax liabilities	394	57
Deferred tax liabilities	4,148	226
Payables	19	249
Net cash inflow/(outflow) from operating activities	**825**	**1,023**

NOTE 15. EARNINGS PER SHARE

(a) Profit/(loss) used in calculating earnings per share	**39,173**	**1,107**

	2025 Number	2024 Number
(b) Weighted average number of ordinary shares for basic earnings per share	141,150,775	141,150,775
Weighted average number of ordinary shares for diluted earnings per share	**143,626,775**	**141,361,065**

The 2,476,000 Performance Rights granted on 1 July 2024 under the Employee Incentive Plan are considered to be potential ordinary shares. They have been included from the date of issue in the determination of diluted earnings per share as if the required hurdles would have been met at the reporting date. Details relating to the Performance Rights are set out in Note 21.

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES

Superannuation Commitments

Lion does not have its own superannuation plan. The only commitment to superannuation is with respect to statutory commitments. At balance date, the Company was contributing to various approved superannuation funds at the choice of employees at a minimum rate of 12% of salaries paid. Employees are able to make additional contributions to their chosen superannuation funds by way of salary sacrifice up to the age based deductible limits for taxation purposes.

Contingent Liabilities

Lion has a potential liability for contingent consideration that may be payable if Lion sells its investment in PhosCo. This obligation arises following Lion agreeing to purchase the shares it did not own in African Lion 3 Ltd to consolidate ownership (with the exception of Lion Manager Pty Ltd who opted to hold its investment). The transaction involved Lion agreeing to pay contingent consideration in certain circumstances for up to 5 years ending 3 March 2026. The value of the contingent consideration depends on the ultimate exit price for PhosCo, how long Lion holds the investment, and how much additional investment is made. The decision to sell the investment in PhosCo is entirely at Lion's discretion.

Based on a theoretical sale at the carrying value for PhosCo at 31 July 2025, contingent consideration of $0.4 million would arise.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

On 28 January 2025 Lion was served with a Statement of Claim filed in the Supreme Court of Victoria by Indonesian company, PT Prima Mineralindo Nusantara (PT Prima). PT Prima is a company associated with the wife of Mr Stephen Walters (former managing director and chief executive officer of One Asia). The Statement of Claim is issued against One Asia Resources Limited (One Asia), Lion and Lion officers (Craig Smyth and Robin Widdup) and seeks an unspecified amount of damages. The Statement of Claim asserts that Lion induced One Asia to breach agreements with Indonesian company PT Prima in December 2017, relating to the Pani Gold Project, which at that time Lion had no control over. This allegation is denied. Lion and its officers have retained legal counsel and the Court has ordered:

- the plaintiff give security for costs in the proceeding (up to and including mediation) in the sum of $350,000 by way of payment into the court on or before 15 December 2025;
- the proceeding is stayed pending payment of the security for costs; and
- if the plaintiff does not comply with the Order, the proceeding is dismissed; and
- if the proceeding is dismissed, the plaintiff will pay the costs of the defendants.

The proceeding will be vigorously defended.

NOTE 17. REMUNERATION OF AUDITORS

	2025 $	2024 $
(a) Audit services		
Audit and review of financial reports		
PricewaterhouseCoopers	-	5,253
Nexia Melbourne Audit Pty Ltd	69,783	64,252
Total remuneration for audit services	**69,783**	**69,505**

(b) Non-audit services

No fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2025 (2024: Nil).

NOTE 18. RELATED PARTY DISCLOSURES

(a) Directors and Key Management Personnel

The directors and key management personnel in office during the financial year and up until the date of this report are as follows:

Robin Widdup	(Executive Chairman)
Peter Maloney	(Non-Executive Director)
Chris Melloy	(Non-Executive Director)
Hedley Widdup	(Managing Director from 28 November 2024)
Craig Smyth	(Chief Financial Officer)
Jane Rose	(Company Secretary)

(b) Subsidiaries and Associates

Lion meets the qualifying criteria under AASB 10 of an 'investment entity'. Accordingly, the scope of AASB 128 Investments in Associates allows the Company to elect to measure that investment at fair value through profit or loss in accordance with AASB 9.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 18. RELATED PARTY DISCLOSURES (continued)

	2025 $	2024 $
(c) Key Management Personnel Remuneration		
Short term employee benefits	1,001,035	367,237
Leave entitlements	(9,109)	182,262
Post-employment benefits	150,537	89,097
Bonus	8,929	-
Share based payments	382,512	30,712
	1,533,904	**669,308**

(d) Lion Manager Contract

Prior to 1 July 2024, Lion had a Management Agreement with Lion Manager, under which Lion Manager provided the Company with management and investment services. These arrangements were approved by shareholders at Lion's AGM on 5 December 2012, with management fees of 1.5% p.a. based on the direct investments under management. There was also an incentive applicable which would apply where Lion's performance outperforms a benchmark (no incentive fee had accrued with respect to the Lion Manager contract during the year).

Effective 1 July 2024 the Company and Lion Manager completed an agreement under which the existing Management Agreement was terminated and the Company's investment team employed directly by Lion. Lion also acquired the plant and equipment items from Lion Manager and assumed responsibility for employee entitlement for no consideration.

NOTE 19. MATERIAL INVESTMENTS

	Carrying Amount		Entity Ownership	
	2025 $'000	2024 $'000	2025 %	2024 %
The Company had direct and indirect ownership of the following material investments at year end:				
Saturn Metals	**30,986**	10,046	**16**	19
Antipa Minerals	**12,960**	2,200	**4**	4
Erdene Resource Development	**12,458**	5,920	**3**	4
Brightstar Resources	**11,640**	2,143	**5**	3
PhosCo Ltd	**5,151**	1,096	**16**	15
Plutonic Limited	**4,800**	4,800	**41**	42
Medallion Metals	**4,685**	-	**4**	-
Koonenberry Gold	**4,747**	268	**9**	6
Atlantic Tin	**-**	2,013	**-**	4

Each of the above companies is involved in the mining and exploration industry.

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 20. SEGMENT INFORMATION

Management has determined the Company's segments based on the internal reporting reviewed by the Board to make strategic decisions. The Company provides patient equity capital to carefully selected small and medium mining enterprises. Investments have similar characteristics and so segments are determined on a geographical basis. Lion invests only in mining and exploration companies and projects with gold and base metal activities in Australia, Africa, and Asia. Information with respect to geographical segments is set out below.

	Australia		Legacy Investments		
2025	**Investment $'000**	**Corporate $'000**	**Africa $'000**	**Asia $'000**	**Total $'000**
Mark to Market adjustment	34,714	-	2,908	6,368	43,990
Segment Income	**34,714**	**2,327**	**2,908**	**6,417**	**46,366**
Segment Expense	-	(2,452)	-	-	(2,452)
Segment Result Before Tax	**34,714**	**(125)**	**2,908**	**6,417**	**43,914**
Segment assets	73,515	41,810	5,151	12,581	133,057
Segment liabilities	-	5,534	-	-	5,534
Other Segment Information					
Assets acquired during the period	20,582	3	1,264	49	21,898
Cash Flow Information					
Net cash flow from operating activities	-	825	-	-	825
Net cash flow from investing activities	(16,440)	14,136	(1,250)	133	(3,421)
Net cash inflow from financing activities	-	(97)	-	-	(97)

	Australia		Legacy Investments		
2024	**Investment $'000**	**Corporate $'000**	**Africa $'000**	**Asia $'000**	**Total $'000**
Mark to Market adjustment	2,032	-	(2,030)	692	694
Segment Income	**2,032**	**3,385**	**(2,030)**	**694**	**4,081**
Segment Expense	-	(2,595)	-	-	(2,595)
Segment Result Before Tax	**2,032**	**790**	**(2,030)**	**694**	**1,486**
Segment assets	22,361	57,297	3,110	6,297	89,065
Segment liabilities	-	1,069	-	-	1,069
Other Segment Information					
Assets acquired during the period	17,921	-	-	50	17,971
Cash Flow Information					
Net cash flow from operating activities	-	1,023	-	-	1,023
Net cash flow from investing activities	(17,921)	23,260	-	(50)	5,289
Net cash inflow from financing activities	-	(2,206)	-	-	(2,206)

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Notes to the Financial Statements for the Year ended 31 July 2025

NOTE 21. SHARE BASED PAYMENTS

(a) Performance rights

During the period ended 31 July 2024, 2,476,000 performance rights over fully paid ordinary shares in the Company were granted to employees of the Company. These performance rights have a number of performance hurdles and service conditions, the successful achievement of which enables the holder to exercise their performance rights.

On 31 July 2025 (being the first measurement date for the performance rights) the vesting conditions of 2,095,200 Performance Rights issued pursuant to the Company's employee incentive plan were met. At this measurement date, these Performance Rights can be converted into fully paid ordinary shares in Lion at the election of the holder:

- 1,000,000 tranche 1 Performance Rights relating to Lion's highest 30-day volume weighted average price (VWAP) exceeding the maximum figure of 76¢ps.
- 1,000,000 tranche 2 Performance Rights relating to Lion's highest portfolio value exceeding the maximum figure of 83¢ps.
- 95,200 retention rights on first anniversary of the employment agreement.

The vesting of these performance rights represents outstanding unrealised gains from Lion's portfolio and its strongly re-rated share price over the last year. Due to the rapid performance of these measures, Lion has sought to extend the escrow for the shares being issued from 2 years originally approved to be 3 years (1/3 of shares), 4 years (1/3 of shares) and 5 years (1/3 of shares). The holders of these performance rights have agreed to this extension. The extended escrow ensures alignment of the Long-Term Incentive with Lion's long-term performance.

No performance rights were issued in the period ended 31 July 2025.

(b) Expenses arising from Share Based Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2025 $'000	2024 $'000
Share Based Payments		
Short term employee benefits	353,088	30,712
	353,088	**30,712**

NOTE 22. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 25 August 2025 Lion announced the successful sale of its shareholding of Erdene Resource Development Corp (TSX:ERD) for approximately $12.3 million, along with a 2¢ps fully franked special dividend payable on 17 September 2025 associated with the strong returns from the exit.

In August 2025 Lion issued 2,095,200 shares in relation to performance rights to employees, with the shares escrowed for 3 years (1/3 of shares), 4 years (1/3 of shares) and 5 years (1/3 of shares (see Note 21(a) for further details).

Other than the items above, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material or unusual nature which has or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

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Consolidated Entity Disclosure Statement

Lion Selection Group Limited is not required by the Australian Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A) of the *Corporations Act 2001* does not apply to the entity.

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Independent Auditor's Report to the Members of Lion Selection Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Lion Selection Group Limited (the Company), which comprises the statement of financial position as at 31 July 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Lion Selection Group Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 July 2025 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Advisory. Tax. Audit.

Registered Audit Company 291969

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Key audit matter	How our audit addressed the key audit matter
Fair Value of Financial Assets **Refer to notes 3(d) and 7.** At 31 July 2025, the Company held investments in listed entities totalling $85.5m and investments in unlisted entities totalling $5.7m. These financial assets are classified as fair value through profit or loss in accordance with *AASB 9 Financial Instruments.* The investments in listed entities are measured using Level 1 inputs, while investments in unlisted entities are measured using Level 2 inputs, in accordance with *AASB 13 Fair Value Measurement*. This is a key audit matter due to the significant impact that any movement in the fair value could have on the net assets as at 31 July 2025 and the operating result for the year.	We obtained the Company's investment schedule as at 31 July 2025, which includes a listing of each investment held, and compared the total of the investment schedule to the amount recorded in the financial statements. We assessed whether the investment valuation techniques used by the Company were in accordance with Australian Accounting Standards. We performed the following procedures, amongst others, on the fair value of these investments: • For a sample of listed and unlisted investments, we compared the number of shares held to supporting evidence such as holding statements. • For a sample of listed and unlisted investments, we assessed the fair value with reference to quoted market prices or market observable data, if available. Where that information was unavailable, we considered other observable financial information in assessing the fair value.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 31 July 2025 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

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for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 2 to 6 of the Directors' Report for the year ended 31 July 2025.

In our opinion, the Remuneration Report of Lion Selection Group Limited for the year ended 31 July 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia Melbourne Audit Pty Ltd
Melbourne

Richard Cen
Director

Dated this 11th day of September 2025

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Shareholder Information

Top 20 holders of Ordinary Fully Paid Shares – 30 September 2025

Rank	Name	No. of Shares	% of Units
1	Rojana Hero Pty Ltd	7,483,653	5.22
2	Mr Robin Anthony Widdup + Mrs Janet Widdup <Widdup Super Fund A/C>	7,319,369	5.11
3	BNP Paribas Noms Pty Ltd	5,154,829	3.60
4	Inconsultare Pty Ltd <Morrison Family S/F A/C>	4,745,000	3.31
5	Yandal Investments Pty Ltd	4,448,976	3.11
6	Mrs Pamela Julian Sargood	4,000,000	2.79
7	Brigstow Pty Ltd <MD & JL Brook Super Fund A/C>	3,791,841	2.65
8	CPAC Melloy Super Pty Ltd <Melloy Super Fund A/C>	3,382,259	2.36
9	Mr Thomas James Hudson + Mrs Carol Ann Hudson	2,611,307	1.82
10	Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	2,600,000	1.82
11	HSBC Custody Nominees (Australia) Limited	2,558,740	1.79
12	Liangrove Media Pty Limited	2,280,000	1.59
13	Scarlet Oaks Pty Ltd <Hedley & Lauri Family A/C>	2,056,280	1.44
14	Mr Dominic Paul Mccormick	1,951,609	1.36
15	Gliding Eagle Pty Ltd <The C & K Smyth Family A/C>	1,667,541	1.16
16	MR John Joseph Ryan	1,385,000	0.97
17	Netwealth Investments Limited <Wrap Services A/C>	1,257,162	0.88
18	Bnp Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	1,199,117	0.84
19	Majoli Pty Ltd	1,195,651	0.83
20	Branjee Farm Pty Ltd	1,181,642	0.82
Total Top 20 holders of Ordinary Fully Paid Shares		**62,269,976**	**43.47**
Total Remaining Holders Balance		**80,975,999**	**56.53**

Distribution of Shareholdings as at 30 September 2025

Size of Holding (Ordinary Fully Paid Shares)	Total holders	% of Units
1 – 1,000	533	0.20
1,001 – 5,000	1,448	2.61
5,001 –10,000	499	2.63
10,001 – 100,000	926	21.53
100,001 Over	168	73.03
Rounding		**0.00**
Total Shareholders	**3,574**	**100.00**
Number of ordinary shareholders with less than a marketable parcel	498	30,304

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Shareholder Information

Voting Rights

All ordinary shares issued by Lion Selection Group Limited carry one vote per share without restriction.

Substantial Shareholders as at 30 September 2025

The following information is extracted from notices received by the company.

Name	No. of Ordinary Shares
Robin Anthony Widdup	16,717,277
Chris Retzos	9,147,942

Lion Directors Holdings

As at 30 September 2025, the members of the Lion Board and management held shares directly and/or indirectly in Lion Selection Group Limited as follows:

Name	No. of Ordinary Shares
Peter Maloney	2,330,389
Chris Melloy	5,800,000
Robin Widdup	16,717,277
Craig Smyth	1,505,137
Hedley Widdup	1,174,139
Total	**27,526,942**

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Lion Selection Group Limited Registry

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You can gain access to your security holding information in a number of ways. The details are managed via our registrar, Computershare Investor Services, and can be accessed as outlined below.

Investorphone

InvestorPhone provides telephone access 24 hours a day 7 days a week.

STEP 1 Call **1300 850 505** (within Australia) or **61 3 9415 4000** (outside Australia)

STEP 2 Say **'Lion Selection Group Limited'**

STEP 3 Follow the prompts to gain secure, immediate access to your holding details, registration details and payment information.

Internet account access via Investor Centre

Securityholders can view their details online via Investor Centre:

STEP 1 Go to **www-au.computershare.com/Investor/**

STEP 2 Select 'Single Holding'.

STEP 3 Enter your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), postcode or country if outside Australia.

STEP 4 Enter **LSX** or **Lion Selection Group Limited.**

STEP 5 Type in the characters shown and click the 'Agree and Continue' button to accept the Terms and Conditons.

Alternatively, update your details or manage your portfolio by registering as a member of Investor Centre:

STEP 1 Go to **www-au.computershare.com/Investor/**

STEP 2 Click on 'Login' and enter your **User ID** and **follow the prompts** to login, or for new users click on the 'Register Now' link and follow the prompts to register.

Computershare Investor Services Pty Limited

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Registered and Principal Office

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Email	info@lsg.com.au
Website	www.lionselection.com.au

Directors
Robin Widdup – Executive Chairman
Peter Maloney – Non-Executive Director
Chris Melloy – Non-Executive Director

Chief Executive Officer
Hedley Widdup

Chief Financial Officer
Craig Smyth

Company Secretary
Jane Rose

Auditors
Nexia Melbourne Audit Pty Ltd

Share Registry

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