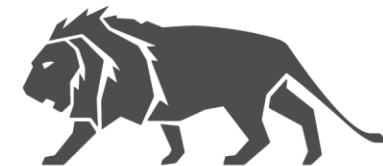




# Lion Selection Group

**RRS Summer Series**  
**February 2025**

[www.lionselection.com.au](http://www.lionselection.com.au)



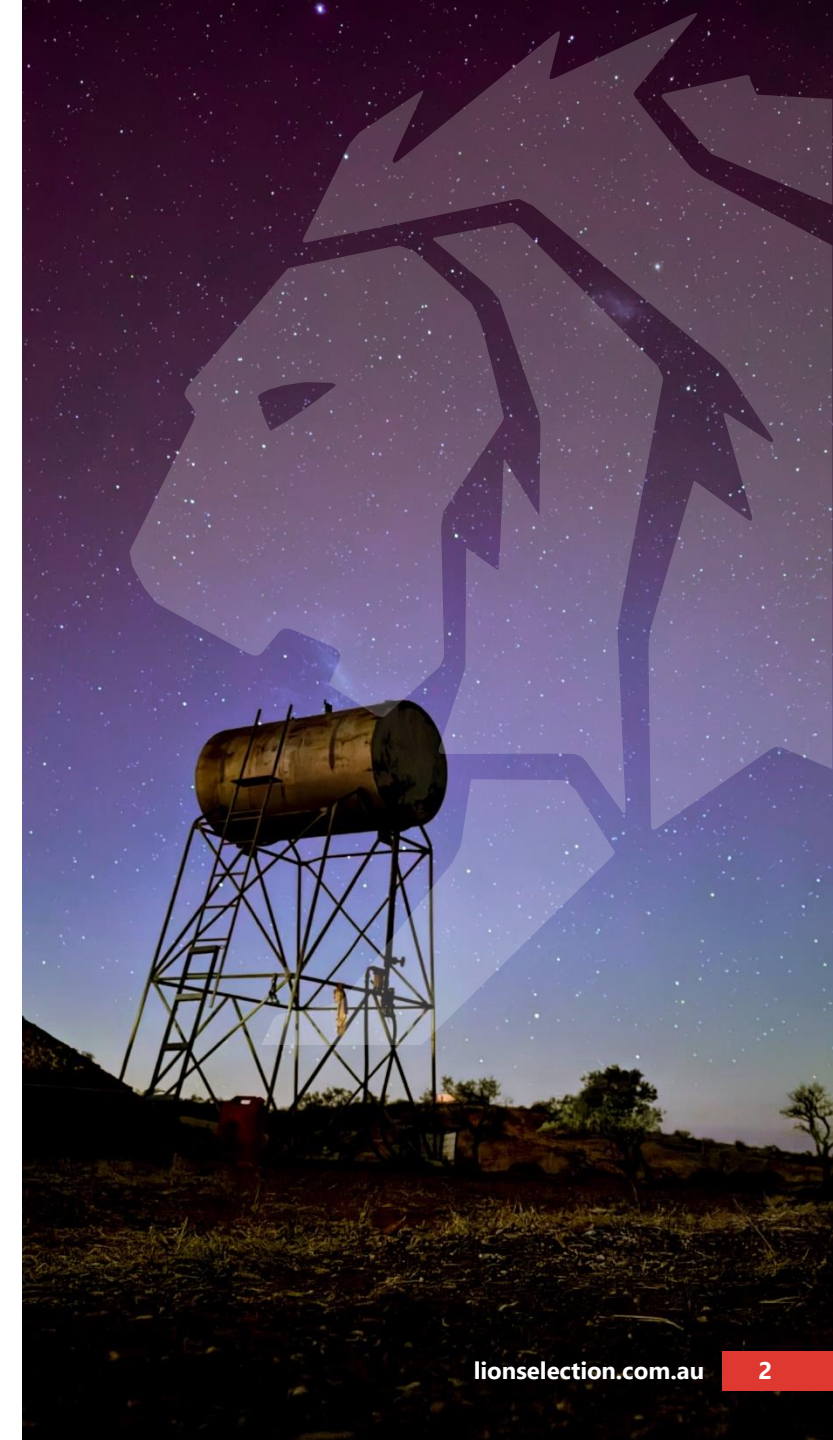
**Lion Selection Group**

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there's  
something  
about  
**micro-  
cap  
miners**



## ***Highest Growth Sector of the Market***

Value creation opportunity

- Discovery / project expansion
- De-risking
- Cyclical re-rating
- M&A



# Micro-Capitalisation Resources

## Lion's investing focus

**Many investors** are seriously disadvantaged by typical risks:

- Understanding technical information
- Ongoing funding
- Cyclical sensitivity
- People
- Only seeing a small portion of opportunities in a huge space

**Lion** has natural advantages to overcome each of these risks:

- Specialist team – mining knowledge
- Well funded
- Aligns investment and divestment to cycle
- Huge networks
- High volume deal flow

*Lion is well funded, experiencing high volume deal flow, filters on people and undertakes detailed technical assessment*

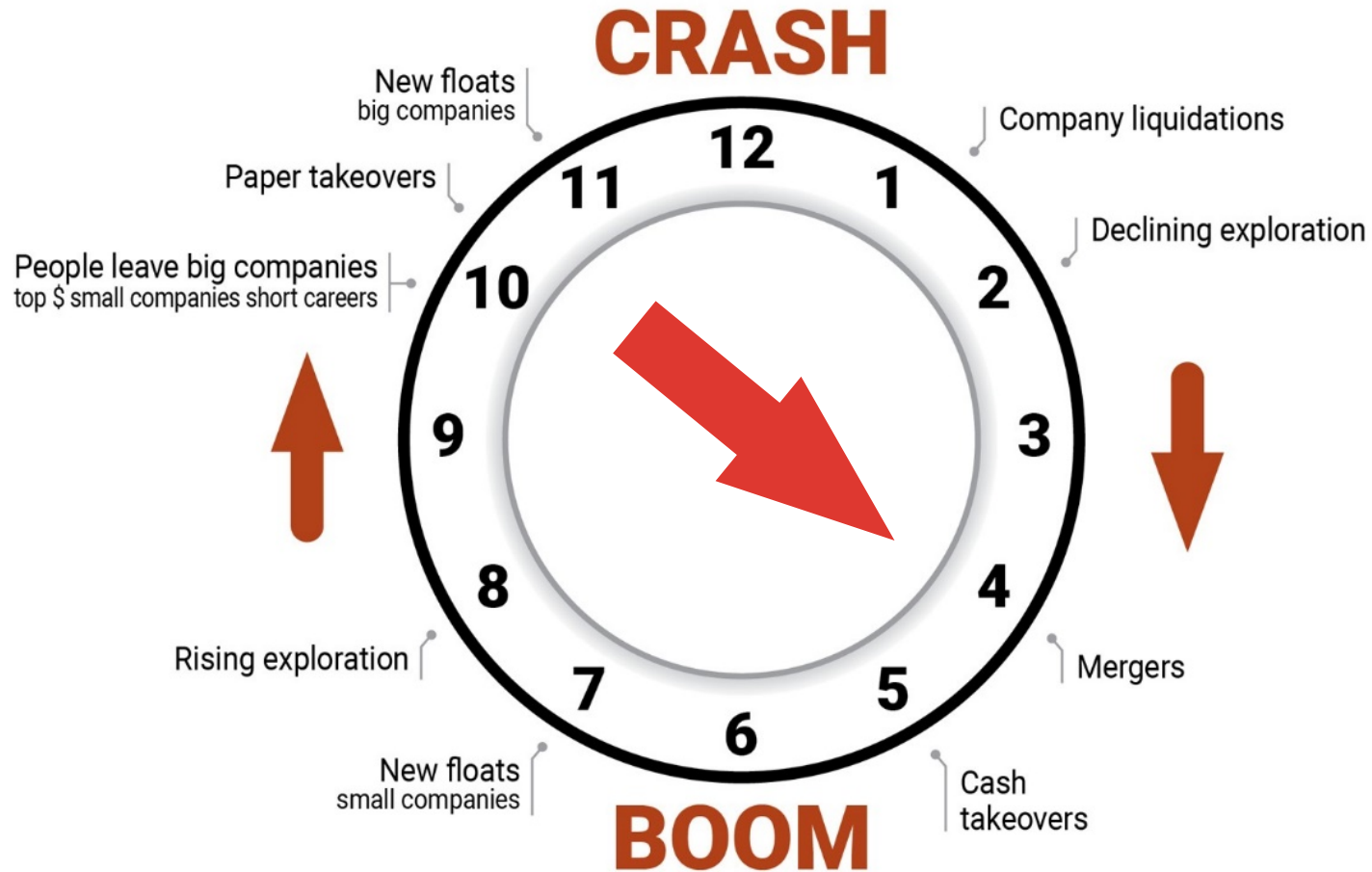
# \$46.4M

Cash <sup>1</sup>



# Cycle Timing: Crucial

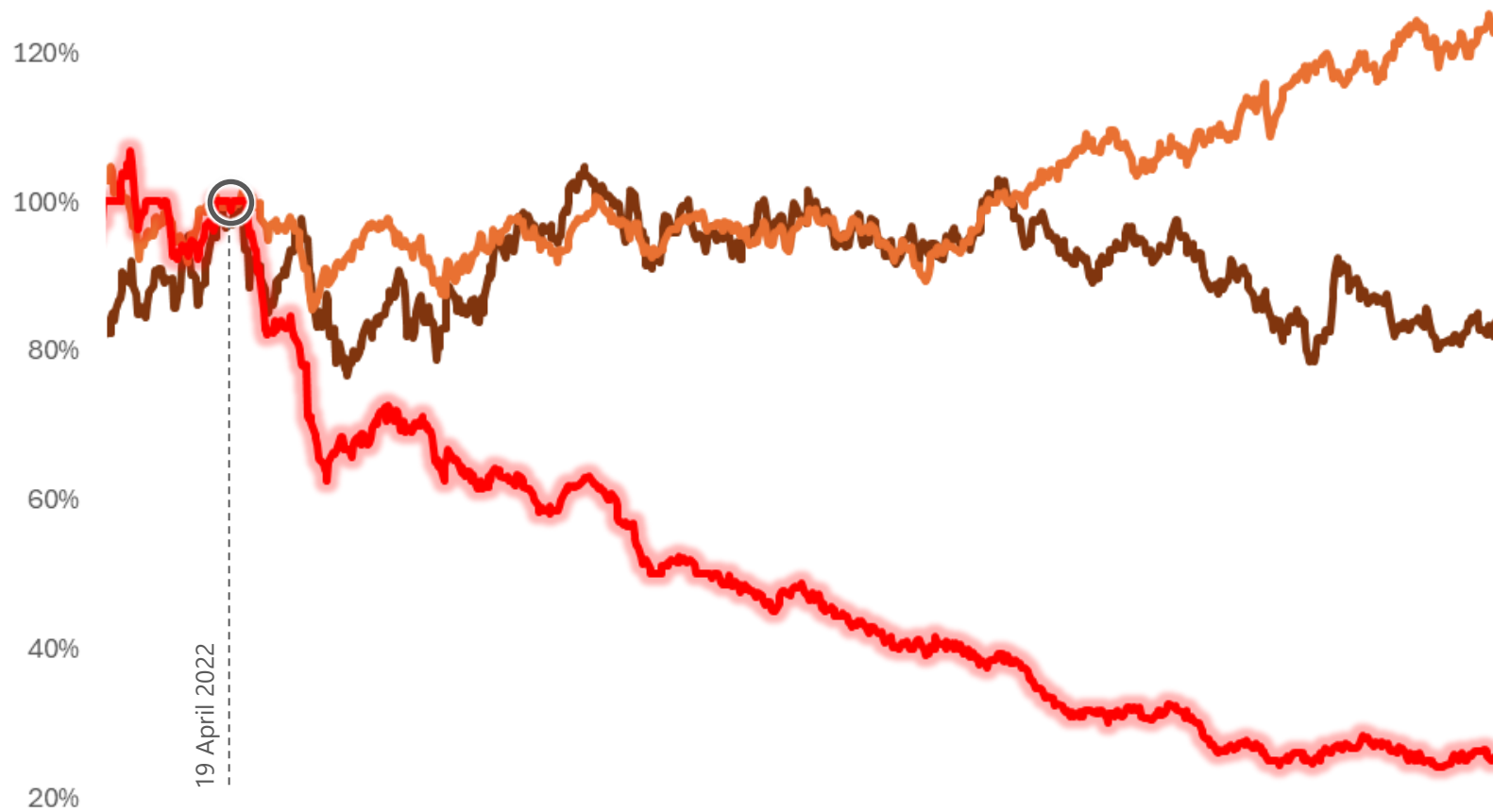
Central to Lion investment strategy



- Characteristic market patterns define cycles for resources stocks
- Cyclic volatility is particularly pronounced for micro-capitalisation stocks
- Lion aligns investment behaviours to the cycle

# Micro-Cap Resources

## Once-in-a-cycle opportunity



Jan 2022 – Present, rebased to 19 April 2022#

ASX100  
Industrials  
**+23%**

Much of the market is up  
(record highs)

ASX100  
Resources  
**-16%**

Large cap resources  
companies are following  
weakening commodities

Micro  
Resources\*  
**-75%**

Resources micro-caps  
have been **smashed**

# Long Term Fundamentals

## Commodities versus Equities

1. Expected rotation of the long-term Commodities / Equities ratio back to commodities

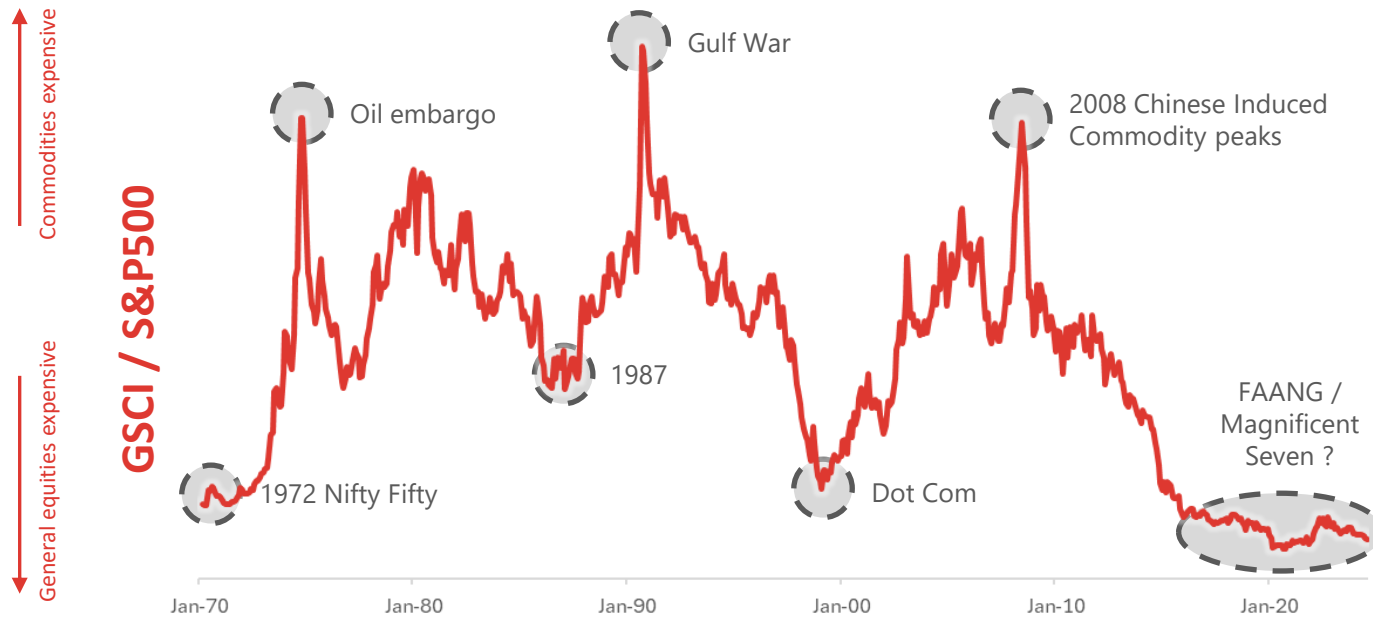
Historically, this has created the *most substantial* mining booms



# Commodities VS Equities

How will history describe the present...?

Probably as “*under-prepared*”



1. Expected rotation of the long-term Commodities / Equities ratio back to commodities

Historically, this has created the *most substantial* mining booms

2. Coincidence of strong commodity fundamentals

The mining industry is *extremely under invested in future supply*

Strong **Chinese and BRIC nation gold appetite**

Future demand patterns will reflect greater intensity of use for many critical / strategic materials under an **Energy Transition**

3. Cyclical recovery: the next mining boom

4. Recovery of market appetite for risk and micro-caps

Risk appetite connected to interest rates



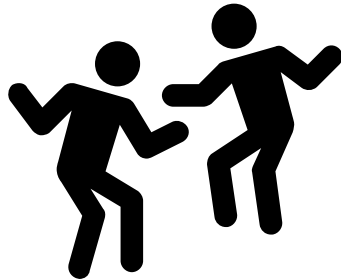
# Lion Investing Process

## Deal Flow



- Listed and unlisted companies
- 1,000+ to assess and filter

## People



- Competence
- Integrity

## Valuation



- Funding / dilution
- Geological upside

## Risk assessment



- Identify and avoid existential risks

# Lion's Pathway to Value

## Mining Market

Especially challenging for micro-caps

2021-2022

### Top of the market

- For non-producing resources companies
- And most mineral commodities

2023-2024

Micro-capitalisation  
resources sector  
*collapsed*

Collectively  
lost over  
**75%**

2025

### Bottom of the market [??]

- For non-producing resources companies
- Market remains extremely depressed

Future

### Expected recovery:

Mining boom, micro-cap recovery  
and individual stock derisking

## Lion Performance: Delivering

Sold at the top, now buying *heavily discounted* market

### Major asset sales

- Sold 2x large % interests in multi-million ounce gold projects
- Over \$90M proceeds

### \$30.8M invested

- New investments made focussing on Australian projects

### \$46.6M market value \*

- New investments made 2022-present

**66% return** from  
investing strategy  
since 2022\*

Target exits at multiples of investment price

# Investing at *cyclical low prices*

\$46.4M cash to invest <sup>1</sup>

Australia focus

Precious, base and strategic materials

Pre-development stage

*Underpins greatest value growth potential*



**Brightstar Resources**  
[ASX:BTR]

Low capex, cash flow funds growth, 3.0Moz / growing gold inventory



**Medallion Metals**  
[ASX:MM8]

**NEW**

Low capex, rapid pathway to cash flow



**Saturn Metals**  
[ASX:STN]

Low-cost heap leach economics x large gold inventory



**Antipa Minerals**  
[ASX:AZY]



Telfer region strategic resource

**Sunshine Metals**  
[ASX:SHN]



High grade Gold / Copper / Zinc VMS

**Alto Metals**  
[ASX:AME]

**ACQUIRED BY BRIGHTSTAR RESOURCES**

**Great Boulder**  
[ASX:GBR]



Defining the Eastern limb of the Meekatharra Gold Field

**Critica**  
[ASX:CRI]



Large, shallow, high grade REE discovery close to proposed upgrade facilities

**Koonenberry Gold**  
[ASX:KNB]



Multi-chance portfolio of exploration assets across NSW

**Plutonic**  
[unlisted]



Large, undrilled hydrothermal system with gold / copper pregnancy

Commodity legend:



Precious metals



Base metals



Strategic materials

Legacy investments (Erdene, PhosCo, Atlantic Tin, Kin Gin) not shown

# Valuation <sup>1</sup>

Sum of the parts



31 January 2025

Cash	\$46.4M	32.8cps
Legacy Investments	\$14.7M	
New Investments *	\$46.6M	43.4cps
Tax	-\$2.3M	
<b>Total Value</b>	<b>\$105.4M</b>	<b>74.7cps</b>
<b>Market Capitalisation</b>	<b>\$77.6M</b>	<b>55.0cps</b>

Lion's investment strategy since January 2022\*:

**\$30.8M**  
Invested  
(2022-present)



**\$46.6M**  
Value  
(31 Jan 2025)

**+66%**  
Return  
So far

\* Lion reset its investment strategy in 2022, having finalised major asset sales and underlying assets became a majority cash. New Investments (which are separate from the Legacy Investment Portfolio) are companies invested in by Lion for the first time after 1 January 2022, and are focussed completely on Australian projects.

# Investing in *high growth* Resources via Lion

1. Return profile from micro-cap Resources is outstanding.

**Can be the best in the market**, especially during a boom

2. **NOW** is a great time to be gathering assets in the micro-cap Resources space.

**BUT** – peak fear

3. Lion's investment strategy is performing in **THIS** market

***With the expected recovery / MINING BOOM yet to come***



# LSX:ASX

Lion Selection Group | Well funded | Investing at cyclical low  
Powerful contrarian play in a weakened market

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<http://www.lionselection.com.au>

**Level 2/175 Flinders Lane  
Melbourne VIC 3000**

**T +61 3 9614 8008**

**E [info@lsg.com.au](mailto:info@lsg.com.au)**



# Appendices

## References

1. Refer to Lion Selection Group announcement to ASX on 11 February 2025
2. Total Shareholder Return (TSR) for Lion Selection Group as at 31 January 2025 since inception in July 1997 was **8.4%pa**, versus the ASX Small Resources Accumulation Index **4.5%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 assume 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

