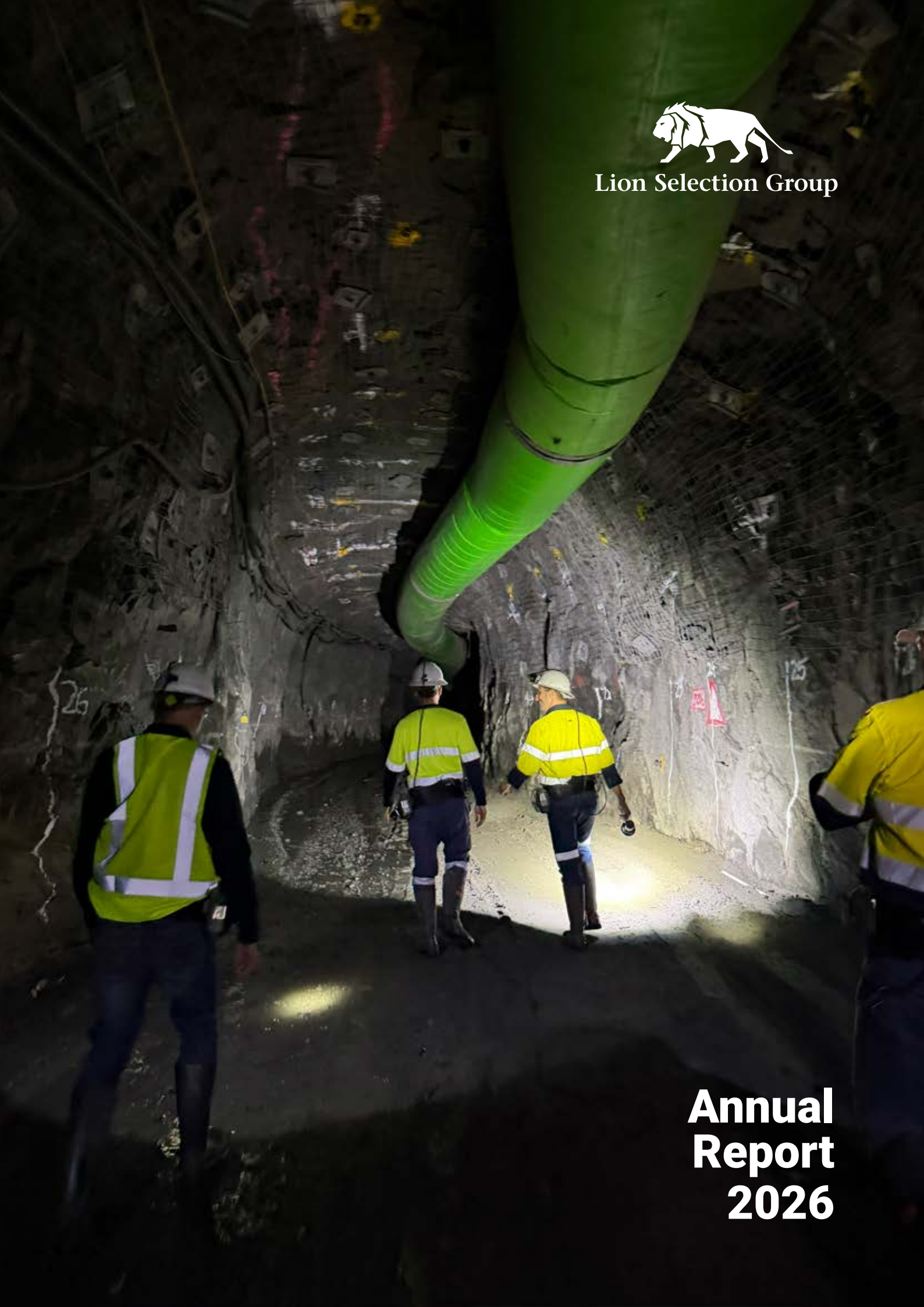

Lion Selection Group

Annual Report 2026

The Lion Story

29 years
Veteran of three mining cycles

Founded in 1997 by Robin Widdup, Lion Selection Group has built a track record as a successful investor in mining assets and interpreter of the cycles of mining.

In a 29-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, and being strongly re-capitalised Lion has been investing in the weak markets that followed.

Lion closely monitors the mining cycle via the Lion Mining Clock and takes a long-term view, then 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 mining boom which is in its early stages, based on assets that have been accumulated so far.

EST.
1997
Melbourne • Australia

* see note on page 18

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Lion has made aggressive investment under its Australian-focussed strategy in 2024, 2025 and 2026: prior to the boom commencing and then in episodes of weakness that followed. This enabled Lion to establish large holdings in most of its key investments well below current market prices and underpins strong return to date on Lion's Australian investment strategy.

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Chairman's Letter

The outlook for Australia's mining and exploration sector looks bright; the Lion clock is showing the sector at the stage where juniors can see multiple re-rating of share price.

Metal prices are strong, often double or triple production costs, exploration successes continue across all states, and the culture of our mining professionals is centred on productivity which generates the majority of Australian exports .

Reflecting on Lion's journey through three decades since formation in 1997, we have navigated three mining cycles and are now in our fourth. Lessons have been learned to enhance the Lion investment model, but the key areas remain unchanged. Our timing follows the Lion Clock, we invest in people we like and trust, take a long term view, have a specialist mining team and have a portfolio approach to minimise risk. We have seen big changes in the mining sector since 1997:

Metal prices

Copper, iron ore, uranium, tin, silver and gold prices have increased by a factor of 7-14 times. Other major metals 2-4 times and critical minerals, due to small markets sometimes down and some up massively, making that area difficult to assess. Luckily Australia contains globally significant resources of most metals and has exploration potential for much more.

Global mine production

Production of most metals has approximately doubled in the 29 years, but not always; gold is only up 50%, tin even less and nickel production has quadrupled due to Chinese development of lateritic projects in Indonesia, which now form two thirds of global output and has hurt Australian nickel sulphide producers. Earlier decades saw more rapid development of projects, keeping supply and demand more in balance and metal prices muted.

China

China's domestic mine production combined with processing of imported ores and smelting has grown from insignificance to dominate global metal supply. This growth generates an interesting question – *does government policy or do market forces control the outlook for the mining sector?*

Until recently many of the critical minerals, which are small markets, were controlled by China and Western producers were captive to non-market forces. Western governments are now selectively stepping in to provide funding for mine developments in order to guarantee supply. Whether this provides a stable outlook for critical minerals is unknown as governments will be tested in areas of tax, royalty and permitting, generating an uneven playing field. Fortunately gold and copper remain relatively free markets and Australia is home to great exploration potential in both.

Permitting and planning

Government bureaucracy has increased to protect health, safety, heritage and environment. Companies also take much longer in feasibility and financing. The combined effect on the time from discovery to production is ever increasing. We can only marvel at the legendary Sir Arvi Parbo and WMC taking 18 months from nickel discovery at Kambalda to production of first concentrate in 1967. Then wonder when development will occur at the giant Resolution copper project in Arizona discovered in 1995 and following $2 billion of investment by the RIO/BHP joint venture has still not crossed the starting line.

The growing time lag has interesting consequences. On one side it delays supply growth, promoting metal prices, but also opens a valuation gap between producers and developers. This may result in a coming period of M&A plus big rewards for developers of projects to unlock exceptional returns. Either way, a happy time for Lion shareholders as we sit with a collection of advanced development opportunities.

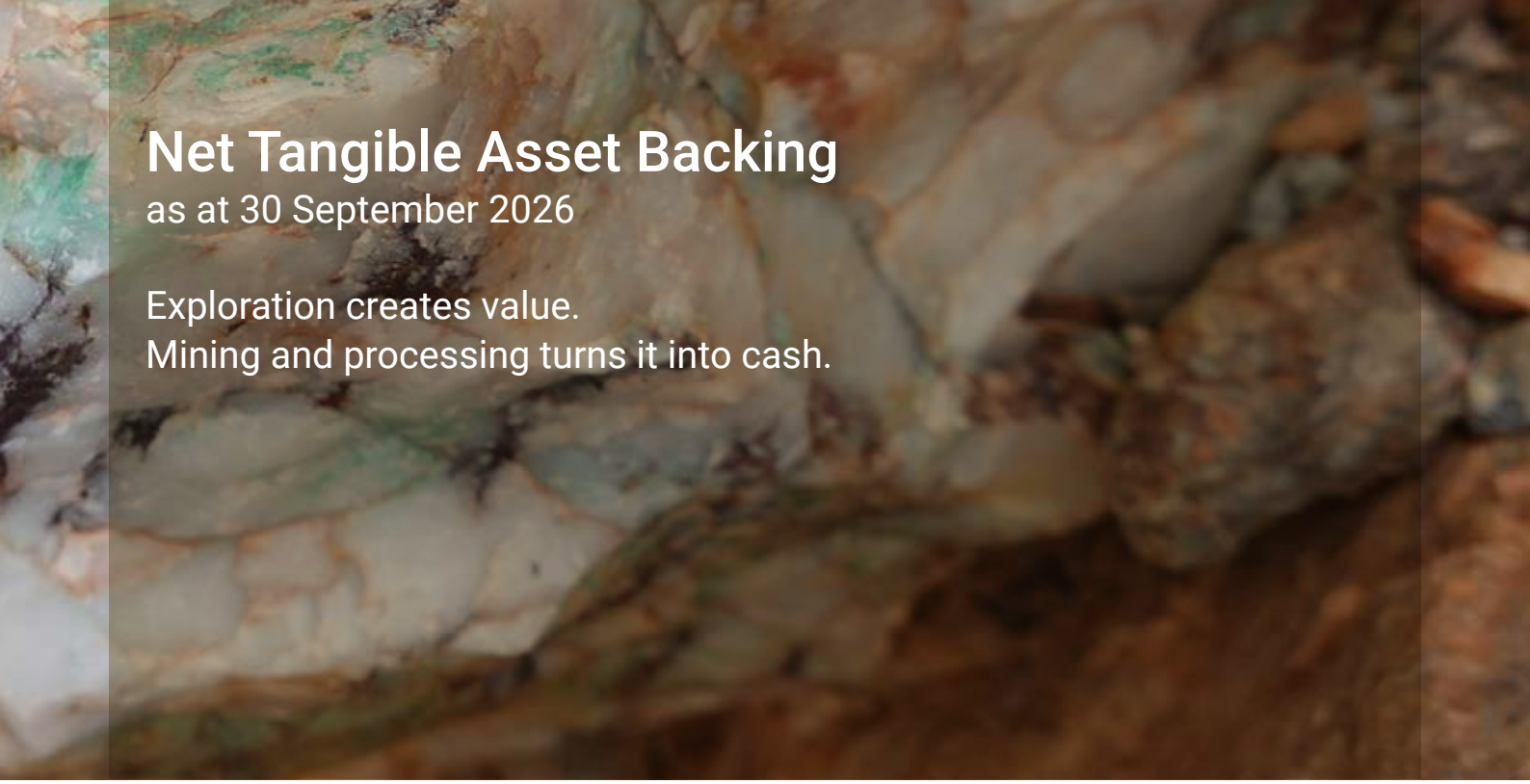
Investors

When Lion raised IPO funds in 1997 half of its shareholders were described as institutional investors and the other half private investors. Today our top 20 shareholders list is composed entirely of private investors and this appears typical of the junior resources sector – the instos have gone. Institutional investors in 2026 are dominantly giant Industry Funds, growing ever larger with inflow from superannuation, and these groups tend to invest at a much later stage, creating another trigger to multiple re-rating of mine developers.

All considered, the factors above provide me with long term optimism for Australia's mining industry, plus removal of the lag in performance of resources microcaps relative to ASX100 resources and hopefully a big jump up for Lion's collection of mine developers.

I thank the Lion team for putting us in this position and Lion shareholders for their support, particularly the ones providing ongoing advice and comment.

Robin Widdup
Chairman



Net Tangible Asset Backing

as at 30 September 2026

Exploration creates value.
Mining and processing turns it into cash.

As at 30 September 2026 Lion held $29.1M of net cash and $135.6M of equity investments with a combined aggregate value of $157.1M (after tax), against a market capitalisation of $129.0M.

Lion advises that the unaudited net tangible asset backing of Lion at 30 September 2026 is 114.9 cents per share (before tax) and 109.6 cents per share (after tax).

	Unaudited NTA A$M
Net Cash and other assets	29.1
Portfolio – New Investments (Australia)	123.0
Portfolio – Legacy Investments	12.6
Less Tax	(7.6)
Net Tangible Assets – Post-tax	**$157.1M**
NTA per share – Post-tax	**109.6cps**

Notes to the NTA

The NTA contains the value of the component parts of Lion's assets as at the NTA date, which is a snapshot in time. This includes listed investments, unlisted investments and net cash.

The value of listed investments are derived from their closing price on the NTA date.

The value of Lion's Plutonic investment (which is Lion's only unlisted investment which contributes to the NTA) is derived from the last capital raising price, which is currently 12cps following the successful capital raising executed by Plutonic during May 2026.

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.

Lion Selection Group

Managed/Passive Exposure to High-Growth Micro-Cap Resources
One Shareholding: High Growth Portfolio Exposure

Mining Boom	• Began in early 2025. • Outlook: years of improving mining market to come.
Lion investment strategy PERFORMING	• +102% performance of Lion's Australian focussed investment strategy since January 2022. • Strong Total Shareholder Returns over 29 years of mining investing.
Founder/Owner led	• Board and management make up 20.7% of shareholder register. • Investment team focussed on identifying assets with the best prospects for growth, lowest derisking impediments, and strong price/value at investing stages.

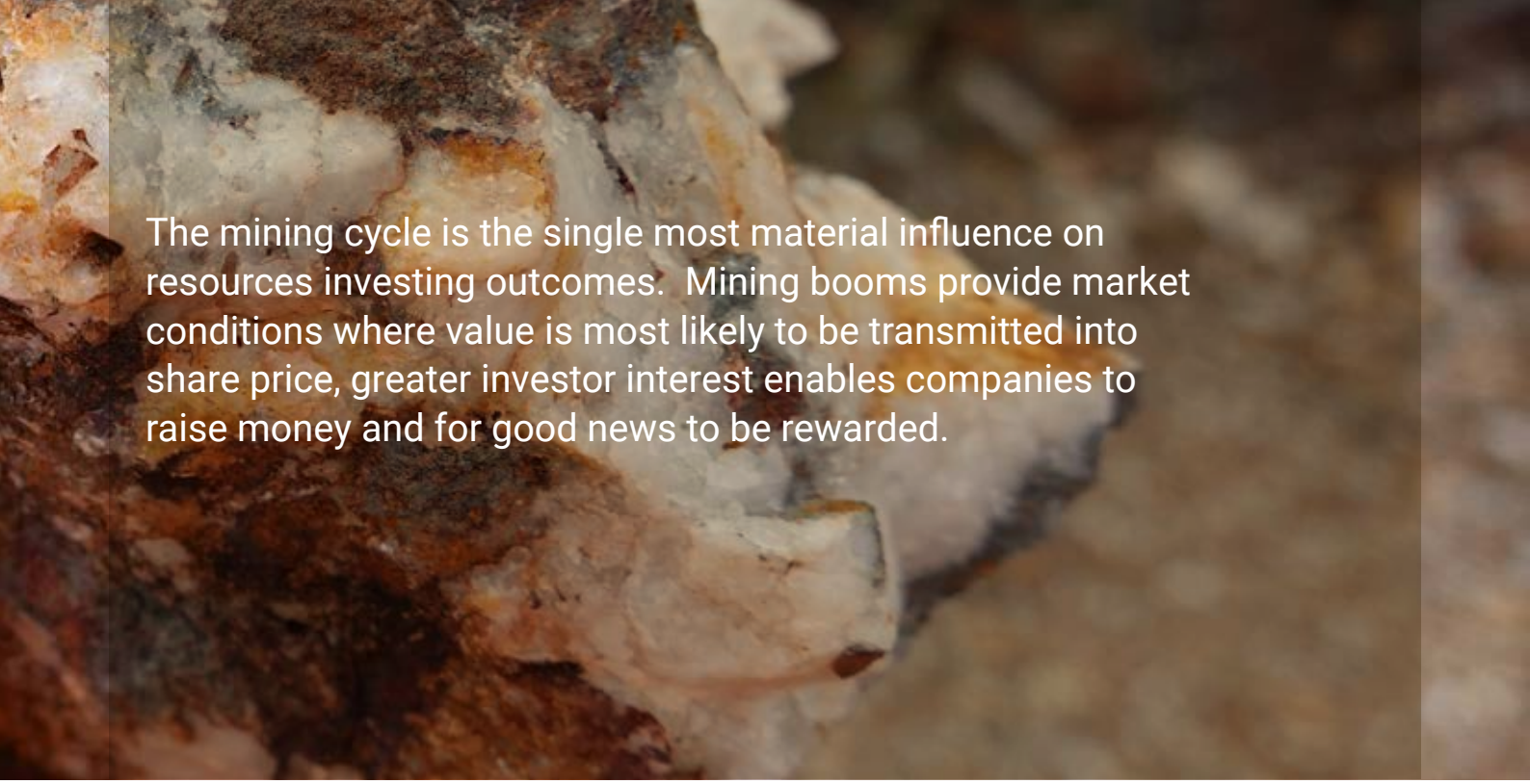
Natural mineral resources are essential to the modern economy. After decades of globalisation markets and supply chains became streamlined within a truly global commodity market. At its epitome, anyone could trade with anyone, and the true strategic nature of commodity supply began to be taken for granted, especially in the shadows of ultra-large capitalisation technology companies and values ascribed to Artificial Intelligence. But the world is leaning back toward multi-polarity, and the strategic importance of commodity supply is once again gaining recognition. With this realisation, investor attention is beginning to seek greater exposures to the natural resources sector, and this underpins the foundations of a mining boom.

The mining boom has started

The mining cycle is the single most material influence on resources investing outcomes. Mining booms provide market conditions where value is most likely to be transmitted into share price, greater investor interest enables companies to raise money and for good news to be rewarded.

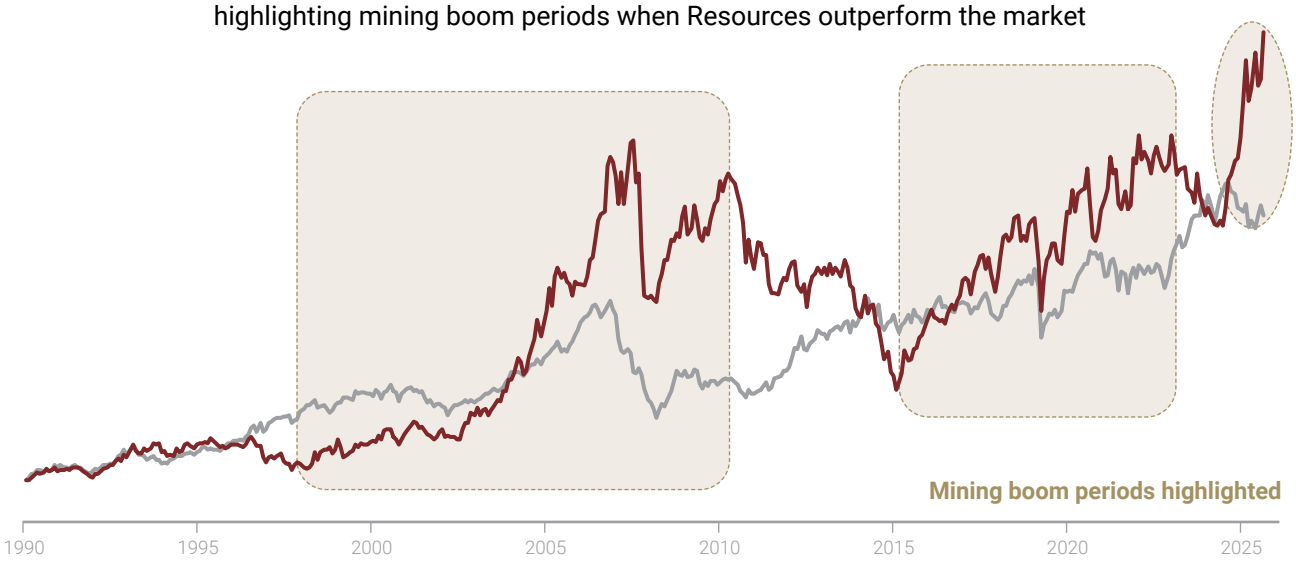
All mining booms are underpinned by rising mineral commodity prices, which feeds into mining equities and spurs growth interest which always involves large scale M&A. When a boom takes hold, mining equities outperform everything else.

The mining market transitioned into a boom in early 2025, after a long period of lacking relevance. There was a huge boom between 2000-2011 driven by the economic emergence of China which caught the mining industry by surprise, being unprepared for such a large amount of new demand – leading to 'need it now/at any cost' demand for commodities across the spectrum, pushing most mineral commodities into new trading ranges well above their historic patterns, and this incentivised large scale new mine development. China's growth flattened after the Global Financial Crisis and commodity prices weakened as many had become oversupplied, and investment in resources slowed. The world economy was awash with stimulus much of which flowed into US tech dominated market, and the mining boom between 2016 and 2021 operated in that shadow: it was a pretty muted boom.



The mining cycle is the single most material influence on resources investing outcomes. Mining booms provide market conditions where value is most likely to be transmitted into share price, greater investor interest enables companies to raise money and for good news to be rewarded.

ASX 100 Resources Index vs ASX 100 Industrials Index
highlighting mining boom periods when Resources outperform the market



Emerging global mega-trends have been brewing through a long period of the mining sector engaging in a bare minimum of investment in new sources of commodity supply, setting up another situation where the mining sector is under-prepared for new growing demand:

- A tectonic shift in trust of the US dollar by non-western central banks. This has its origins in the quantitative easing that followed the Global Financial Crisis and was stoked by weaponisation of access to the US dollar system as a measure to penalise Russia following its invasion of Ukraine in 2022. This has consequences for US dollar treasury demand and interest rates, and driven demand for gold as an alternative reserve asset.
- Electrification, battery technology and Artificial Intelligence are all new sources of demand for commodities.
- De-globalisation is a consequence of an ever more multi-polar world. This has already resulted in supply of certain critical materials being withheld by China. Western governments are beginning to invest to develop their own supplies and are likely to engage in stockpiling, leading to regionalisation of some markets.
- Rising and alarmingly persistent inflation points to the promise of hard assets and commodities which always perform strongly in such periods.

This is a strong construction for a boom which is only just beginning.

Mining boom duration has typically been in the order of five-ten years. The current boom drivers lead us to set our expectations toward the upper end of that historic range and suggest the potential for a magnitude similar to the China boom of the 2000's. With a starting point in early 2025, we would expect much of the duration is yet to come and along with that an improving market.

The Mining Boom has Started

Seeds of this boom sown over the last decade

2000–2011
China Boom

- Long /large boom driven by economic emergence of China
- Led to capex and M&A largesse/poor return on capital
- Interrupted by GFC, revived by stimulus and ultimately ended by oversupply

2011–2015
Long, deep bust

- Investors abandoned mining, frustrated with hubris from miners who had become reliant on ever-increasing commodity prices
- Mining sector cut back non-essential spending, exploration and much new project development

2016–2021
Last mining boom

- Small Boom: commodities remained within historic ranges
- Large miners maintained excellent financial health/discipline
- Muted capital expenditure/new project development

2020–2021
COVID-19

- Global Pandemic
- Economic stimulus pushed most commodities to their ultimate highs

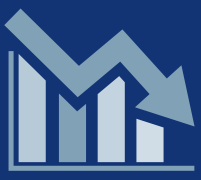
2022
Russia invades Ukraine

- USD becomes confiscatable'
- Inflation spiked (but regarded "not sticky")
- **Turning point for gold**

2021–2023
Top of the Mining Market

- Mining equities and mineral commodities (except for gold and gold producers) peaked between early 2021 and early 2023

2025
Mining downturn

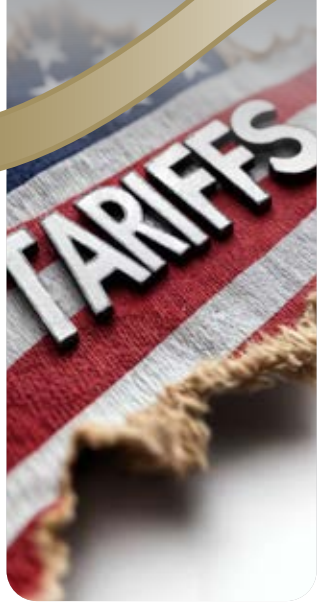


- Global major miners fell 30-50%

- Micro-cap resources companies slaughtered in downturn for commodities and low risk appetite market (with interest rates above 3%pa)

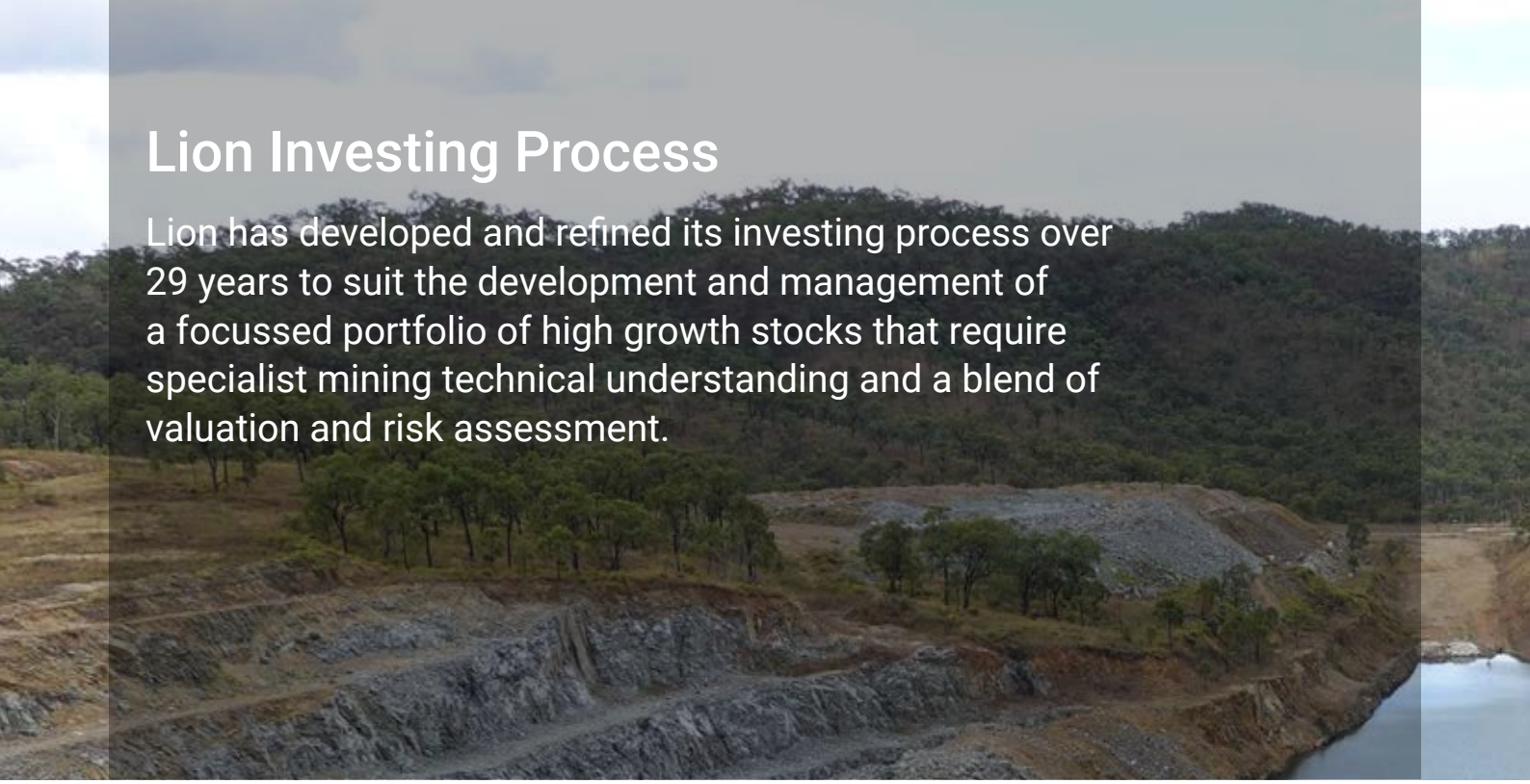
April 2025
Liberation Week

- Bottom of the market turning point for mineral commodities and mining equities



New Mining Boom

- **New/growing sources of demand**
- **Lack of available new supply/slow process to deliver new supply**



Lion Investing Process

Lion has developed and refined its investing process over 29 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.

Allure of junior resources

New sources of natural mineral resources supply can't be grown or manufactured – new deposits need to be found and mines developed. The burden of exploration and project assessment, over the last fifty years, has gradually shifted to the junior and micro-capitalisation sector. Small capitalisation companies, which are funded by equity market investors, now account for the largest proportion of exploration, make the most discoveries and for this reason will own most of the projects that are needed to be future supplies of gold, copper and other commodities.

There are numerous pathways for these projects to find their way into the larger companies that are the natural owners of operations and multiple profitable pathways for investors who are prepared to choose carefully and then ride the cycle.

> This provides one of the strongest outlooks we have had in Lion's history – for commodities, for mining equities, and for the essential role that junior companies play in preparing new sources of supply.

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:

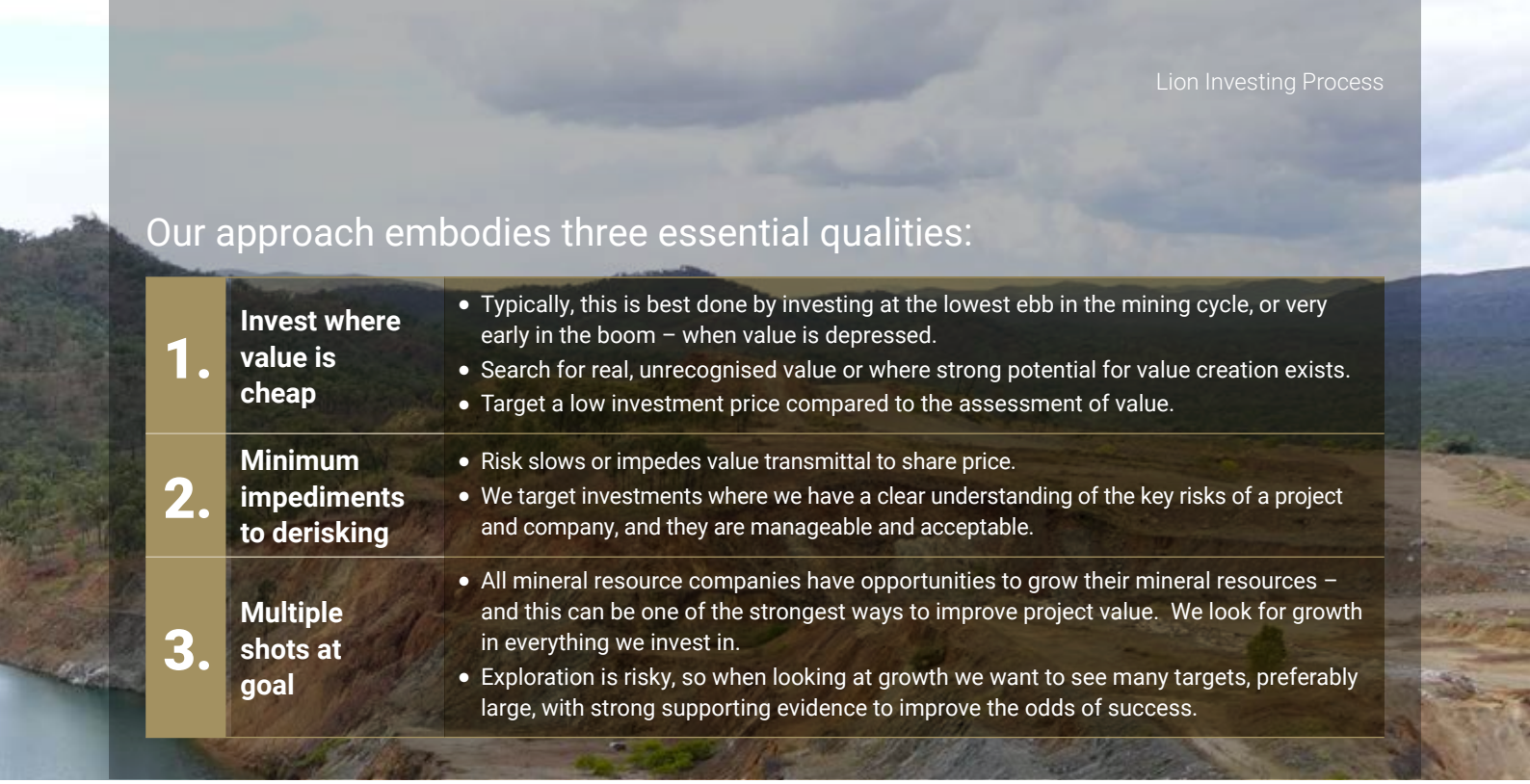
- Mineral deposit discovery.
- New mines being derisked and generating cash via mining and processing.
- Commodity price appreciation.

These themes are amplified by the rising tide of a strong mining market in a boom.

However, many investors also acknowledge challenges that deter them from making investments in small and micro-capitalisation resources companies:

- 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.
- Wariness toward the boom-bust nature of mining investment.
- And many investors are 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' or passive exposure for shareholders, where the stock selection and investing timing are managed by a specialist team that has access to high volume deal flow. One shareholding, which provides exposure to a high growth potential portfolio of resources investments.



Our approach embodies three essential qualities:

1.	**Invest where value is cheap**	• Typically, this is best done by investing at the lowest ebb in the mining cycle, or very early in the boom – when value is depressed. • Search for real, unrecognised value or where strong potential for value creation exists. • Target a low investment price compared to the assessment of value.
2.	**Minimum impediments to derisking**	• Risk slows or impedes value transmittal to share price. • We target investments where we have a clear understanding of the key risks of a project and company, and they are manageable and acceptable.
3.	**Multiple shots at goal**	• All mineral resource companies have opportunities to grow their mineral resources – and this can be one of the strongest ways to improve project value. We look for growth in everything we invest in. • Exploration is risky, so when looking at growth we want to see many targets, preferably large, with strong supporting evidence to improve the odds of success.

Lion Selection Group: targeting the best small names in a large sector

Lion's investing objectives are simple: aiming to capture high (multiple) returns that are available from investing in micro-capitalisation resources companies, enabling them to grow, and harvesting returns that are enhanced as a mining boom unfolds.

Lion's investing approach has been developed and honed over almost 30 years of investing in small companies in the mineral resources sector, which is capable of producing some of the strongest returns in the market. Lion is unique for its significant tenure, proven and successful investing process, and accessibility: it is one of the only listed portfolio exposures to the micro-capitalisation end of the mineral resources sector, and offers investors a managed/passive approach to investing in the sector for shareholders.

Highlights of the Lion investing process: secret sauce

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. The same people who talk to deal makers are monitoring the market and making investment decisions for Lion, which enables a rapid and efficient turnaround on opportunities and ability to choose the deals we want to be a part of.

Investing aligned to the mining cycle

The single greatest influence on investing outcomes in the resources sector 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, allowing the full force and duration of the boom to play out, 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.

Deal flow: assess lots, choose few

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?

As a well identified investor with almost three decades investing in the micro-capitalisation resource space, Lion experiences high deal flow across listed and unlisted markets. 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.

Targeting efficient investing costs

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 and there is no trading fee payable by the investor.

As an investment company, Lion's gains are taxed at realisation at the corporate tax rate, and Lion is able to offset losses against its gains prior to assessing a profit.

Working with people we want to work with

Most investors acknowledge that backing competent and honest board and management is the crucial ingredient for generating investor returns in any company. But there is no index of quality for people – the only measurement available is how people have performed or behaved over many years. Many of the best people downplay their history out of modesty! Lion makes its assessment of people based on its time investing and networks throughout the mining industry. We have always sought to back people whose competency and integrity are high, and values aligned with our own, as we need to be confident that we can work with them over a holding period of three to five years or more.

Location: a critical source of risk that can only be managed by targeting investable jurisdictions

One consequence of globalisation was that the entire world became 'investable'. Many countries that have poor legal-commercial protections for investors opened up to trade and with that, mine development and commodity export. These were enabled by metals traders facilitating offtake and development banks providing funding, and the success of new mines led to industries proliferating.

Once developed, a mine can't be moved and having trapped capital numerous of the once frontier mining jurisdictions are now exhibiting behaviours inconsistent with being 'bankable' jurisdictions. These include kidnapping, volatile corporate tax regimes and asset nationalisation.

Since 2022 we have chosen to focus our new investing completely into Australia. Australia's geology is world class, but because it now has a fairly long exploration history is regarded by some as being mature from a potential discovery perspective. This wealth of data is part of what helps to turn up new discoveries and also supports discovery around known deposits. Importantly, investors can take a long-term view on Australian resource investments largely because the jurisdiction is a known and trusted quantity, and this underpins greater certainty over time to await potentially world class returns.

Excellent returns can be made on good (even if 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. Australia has an excellent record on personal safety, resolution of commercial disagreements, security of tenure and bankability which remains a rare combination, so our Australian portfolio is protected from issues like nationalisation and security of personnel which removes considerable impediments to progress.

Additionally, Australia is the country we know best because it is where we live and have worked most of our careers. This gives us a strong home ground advantage.

Investing with a focus on Australian projects is a large part of our risk awareness – avoiding the impediment that many foreign mining jurisdictions can pose to development and the value rewards that come with derisking.

Lion provides portfolio exposure in one holding, assembling the best selection of pre-mining Australian growth opportunities in the resources space for investors who seek a passive exposure to the sector.

Cycle Alignment

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

Deal Flow

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

People

Competence
Integrity
Track record

Valuation

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

Risk Assessment

Avoid fatal flaws
Seek multiple commercialisation pathways
Closely monitor risk vs reward

Value, price and risk: sorting what we *want* from what we *watch*

Our due diligence is oriented to compiling our own assessment of value and we contrast that with a risk assessment: targeting minimal impediments to the true value being realised over time, and a high enough value (or prospects of value creation) to provide a strong return.

Value and price

Valuation is a core feature of investing and project value needs to be extremely compelling when investing from an early stage. To assess mining investment at an early stage requires experience and intuition in order to make use of the information that is available at an early stage of a mining business.

The biggest source of upside in a resource project valuation is not leverage to the commodity price – it is the potential to grow and add more of the commodity for a bigger or longer life project. For this reason, a large part of Lion's assessment is the quality of the geological understanding and the value upside this may contain.

Risks – avoiding impediments to derisking

Risks are impediments to realising value.

Risk covers a range of factors that are overlooked by many investors who often take a shorter-term trading approach which is common in this space: premised on near term catalysts for price. Some risks are worth taking with an educated view whilst others can be terminal.

As non-terminal risks fall away with completion of studies and financing and a project becomes a producing mine, typically share price can (and usually does) appreciate.

Our experience over almost 30 years of mining investing has taught us how important the right combination of value, risk and people are to be able to hold investments through to their full potential. We see plenty of opportunities to trade that have promising near term potential – but these tend to be based on judgement of how unknown future news could impact a share price, and outcomes tend to be subject to considerable volatility. We have found that the greatest certainty of achieving value is targeting the situations where there is a clear and compelling value argument, minimal risks to achieving that, and allowing the time for that to play out – with an improving market to amplify the outcome. It is better to wait for the right combination rather than to swing at something that is unsuitable.

Never put it all on black – taking a portfolio approach

Taking a portfolio approach to investing in the mineral resources space reduces the effect of stock specific risks on overall return and enables greater exposure to sources of upside blending exposure to a variety of commodities, and overlaying delivery of news and progress by numerous teams. Lion provides that portfolio exposure in one holding, assembling the best selection of pre-mining Australian growth opportunities in the resources space for investors who seek a passive exposure to the sector.

Lion's Portfolio

Built around the two key stages of share price appreciation: derisking and growth

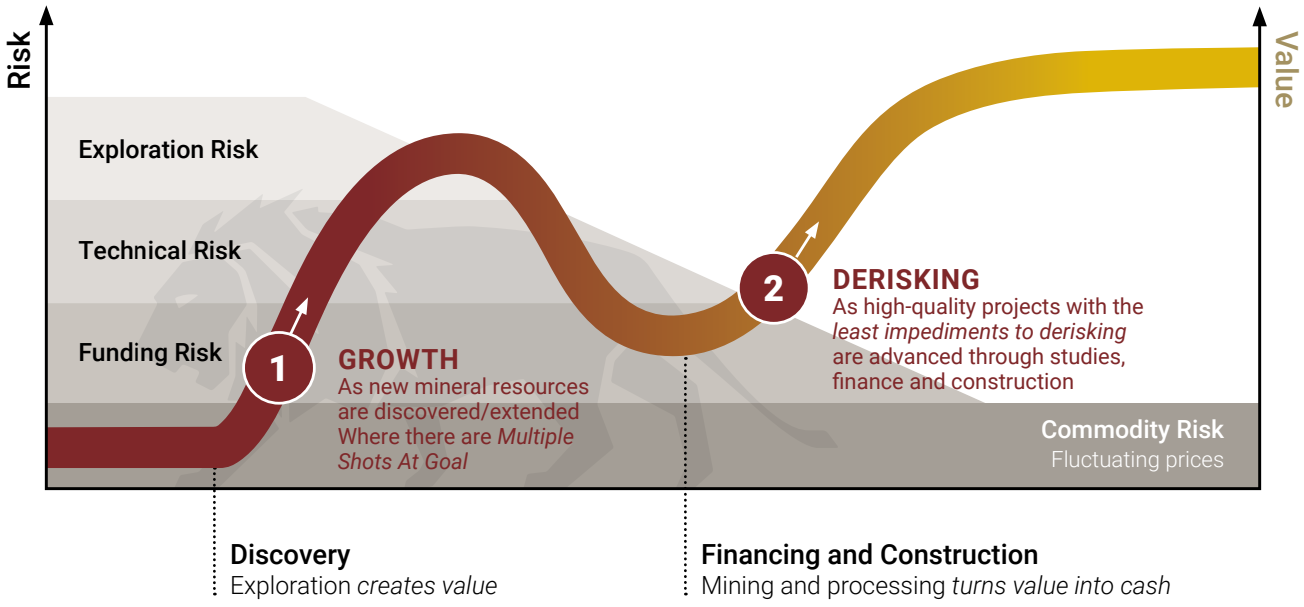
Leveraging the Lassonde Curve: directing investment to the phases of best expected company value appreciation

Pre-production or exploration stage resources companies can experience strong share price growth via two key drivers, and Lion has allocated capital with the aim of leveraging both to generate returns to Lion. These harness the key performance phases of the Lassonde Curve, a concept of company value evolution over the typical lifetime of a minerals project.

Workhorse of the portfolio: derisking to realise clear value in high-quality projects

Lion has made the bulk of its investment in companies with defined projects that are strong candidates to capture a value uplift as they derisk themselves and progress toward becoming producers.

Where Lion has made large investments, it is where the key project has a clear scope and development plan. This enables us to compile a detailed assessment of value and have a high degree of confidence in the return we expect



as a base case. We make investments in this part of the portfolio feeling confident of making 2x-4x returns based on our valuation work. We also compile valuation scenarios that include potential future growth (within the realistic confines of the geology we can observe) and require optimistic scenarios to show strong prospects of 10x returns on entry price as a key justification for investment.

We are seeing confirmation of our conviction, with strong returns so far from within the derisking portfolio. We have continued to follow on across this group, seeing ample incentive between price and our view of value.

Getting as many shots on goal as possible: investments to target pure growth

Delineating new mineral resources, either by discovery of new mineralisation or extension of a known deposit is the primary value driver of the resource industry. Where this occurs, we expect the potential for high returns, especially as the companies involved tend to be a small market capitalisation to start with. Exploration is inherently risky and it is impossible to value these plays – so we look to maximise chances of success, and seek investments that offer a high number of targets: by combining multiple explorers with high numbers of targets Lion generates a huge number of 'shots at goal' within its pure growth portfolio. Lion has only invested a small proportion of the portfolio in purely growth plays aiming to enhance the chance of a really big return on top of the more dependable returns of the derisking portfolio.

Whilst this section of the portfolio is more speculative, Lion requires a high degree of confidence in the presence of a mineral system to justify investment. All of the listed growth exposures have demonstrated the presence of a mineral system prior to Lion investing, the question is how large those mineral systems could become as drilling progresses.

The ability to grow mineral resources has been a key criterion for all investments Lion has made, so whilst Lion has developed exposure to pure growth plays, the larger investments in the portfolio also have strong potential growth opportunities.

The pure growth portion of Lion's portfolio operates like a conveyor belt – all of the Australian investments that Lion has made and subsequently exited have been from this section of the portfolio. These growth investments will be followed closely to monitor progress – if new risks emerge then Lion can sell, on the other hand if projects improve and advance, they can be invested in more heavily and promoted to the derisking portion of the portfolio (example: Sunshine Metals).

Plutonic occupies a special position within the portfolio for Lion shareholders. It is very much a pure play growth investment, premised on the potential for the discovery of a new mineral field at Champion where Plutonic has interpreted an overlooked tectonic setting amenable to generating intrusion related copper and gold systems. The work Plutonic is doing continues to improve the prospects of a discovery, however discoveries can take years to achieve and require follow on investment. The risk and timeframe may be unsuitable for many individual investors, but Plutonic sits wonderfully in Lion's portfolio as a vehicle Lion can work with actively. Lion shareholders have a strong exposure to a district scale gold-copper discovery opportunity of which Lion owns 42%.

All of the value drivers that are behind Lion's investment assessments have been assessed using static, spot price oriented macro-economic assumptions and are expected to be amplified by the progression of the mining boom and the strong outlook for most mineral commodities.

Lion's Portfolio

Since 2022 Lion has been assembling a portfolio of Australian resource investments. Of the 14 investments we have made in Australia, 3 have been sold and 1 has been taken over by another (Brightstar acquired Alto); so currently Lion has a portfolio of 10.

These are spread between a number of Australia's key mining areas and cover a range of commodities, with a strong exposure to gold (9 out of the 10 holdings are either pure play gold or have some portion of gold exposure), base metals and strategic materials (6 of the 10 holdings feature or include an exposure to copper, zinc, tin or silver) or bulk commodities (1 of the 10 holdings is focused on an iron ore project).

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 and a strong exposure to gold in the portfolio.

This section does not show Lion's legacy holding in PhosCo Limited.

We have found that the greatest certainty of achieving value is targeting the situations where there is a clear and compelling value argument, minimal risks to achieving that, and allowing the time for that to play out – with an improving market to amplify the outcome.

Lion's Australian Portfolio

Amongst some of Australia's key mining districts

Western Australia

Exposure to three world-class districts

Patterson
Province of BIG deposits. eg Telfer, Nifty, Havieron, Winu, Minyari

Pilbara
World's largest iron ore producing district

Yilgarn
One of the world's largest gold production jurisdictions

Northern Territory

Newly interpreted tectonic setting amenable to intrusion driven systems

Potential to define a new mineral/mining district

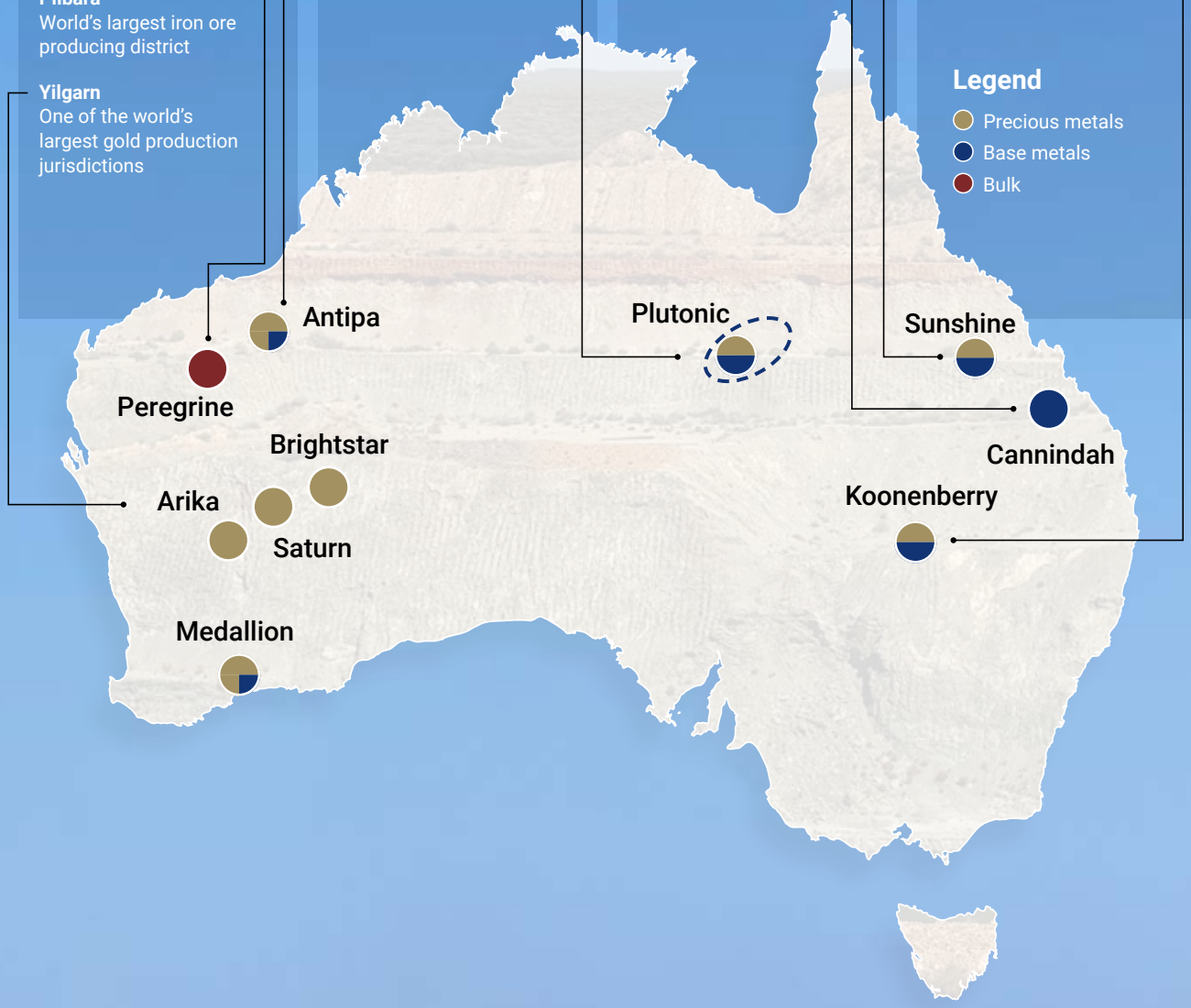
Queensland

Charters Towers
Long history of gold/base metals production (Sunshine)

Central Queensland
Proven epithermal-porphyry district

New South Wales

World-class copper-gold district
Macquarie Arc/Lachlan Fold Belt attracts global major miners



Derisking Portfolio

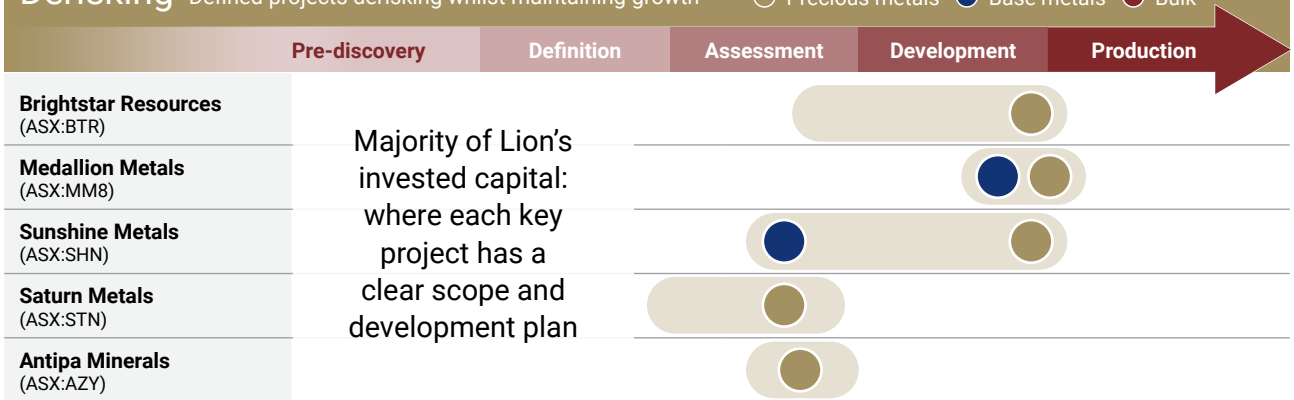
Company	Stage	Key Asset	Growth	Invested $M	Value $M 30/9/26
Brightstar Resources (ASX:BTR) Gold	Financed, and constructing. First gold June 2027[1]	Goldfields project. Process plant at Laverton, WA. 6 years x 75kozpa gold[2], with potential for mine life growth potential via ore purchase opportunities and conversion of Mineral Resources to Reserves.	Sandstone, WA. Brightstar owns an entire greenstone belt. 2.9Moz Mineral Resource grading 1.3g/t gold[3]. Major discovery taking place at Shillington/ Two Mile: recent intersection of 305m at 1.8g/t gold confirms large, mineralised body at depth[4].	10.6	19.2
Medallion Metals (ASX:MM8) Gold/Copper	Financed, and constructing. First gold late 2026[5]	New underground mine development underway at Ravensthorpe, WA. Ore to be trucked to an existing process facility (refurbishment underway) at Forrestania. 5.7 years x 77kozpa gold equivalent (gold and copper)[6].	Substantial extension opportunities identified at Ravensthorpe down dip of MRE lodes. *Discovery out of existing data:* Identification of new gold Mineral Resources at Forrestania based on historic exploration data, on the ground that was acquired with the Forrestania plant. Lounge Lizard: 20m at 4.44g/t gold from 79m[7].	10.0	20.0
Sunshine Metals (ASX:SHN) Gold/Silver (Zinc/Copper)	Refurbishing process plant. First gold mid 2027[8]	Open pit then underground ore mining on gold-silver feeder zone at Liontown, to be trucked to process facility at Mt Moss (refurbishment underway) both located in the Charters Towers region of North Queensland. 67koz gold and 661koz silver to be produced over 3 years[9].	Sybil: epithermal field located 20km west of Mt Moss with demonstrated high grade gold (4.4m at 57.5g/t gold from 23.6m)[10]. Liontown base metals: large remaining zinc/copper/gold will be unmined by the gold mining planned, but accessible by the installed underground access Mt Moss: copper and zinc drilled beneath historic magnetite mine. EG 19.9m @ 4.41% Cu & 12m @ 19.09% Zn[11].	5.3	12.5
Saturn Metals (ASX:STN) Gold	Definitive Feasibility Study expected late 2026[12]	Completing final economic studies and permitting for Apollo Hill, WA. Large, simple open pit/heap leach gold project. PFS contemplated 11 years x 120kozpa[13].	Along strike extension of Apollo Hill: 19m at 0.78g/t gold, 1km along strike of designed pit[14]. Aquarius: previously explored, 30km south-east of Apollo Hill. 36m at 1.25g/t gold from 102m[15].	17.0	42.7
Antipa Minerals (ASX:AZY) Gold/Copper	Pre-Feasibility Study expected late 2026	Progressing economic studies and permitting for Minyari, WA. Scoping study contemplated 10 years x 130kozpa gold[16].	Patterson Province exploration ground: 4,500km^2. Portfolio of targets ranging from conceptual to drilled, in a province that has turned up some of the largest new discoveries in the last 25 years (Havieron, Winu).	4.0	13.2

1. BTR 9 Sep 2026
2. BTR 29 Jan 2026
3. BTR 5 Aug 2026
4. BTR 3 Aug 2026
5. MM8 15 Jul 2026
6. MM8 12 Dec 2025
7. MM8 14 Aug 2026
8. SHN 21 Sep 2026
9. SHN 21 Sep 2026
10. SHN 3 Aug 2026
11. SHN 30 Apr 2026
12. STN 9 Sep 2026
13. STN 17 Dec 2025
14. STN 21 Sep 2026
15. STN 24 Jul 2026
16. AZY 24 Oct 2024

Derisking

Defined projects derisking whilst maintaining growth

○ Precious metals ● Base metals ● Bulk



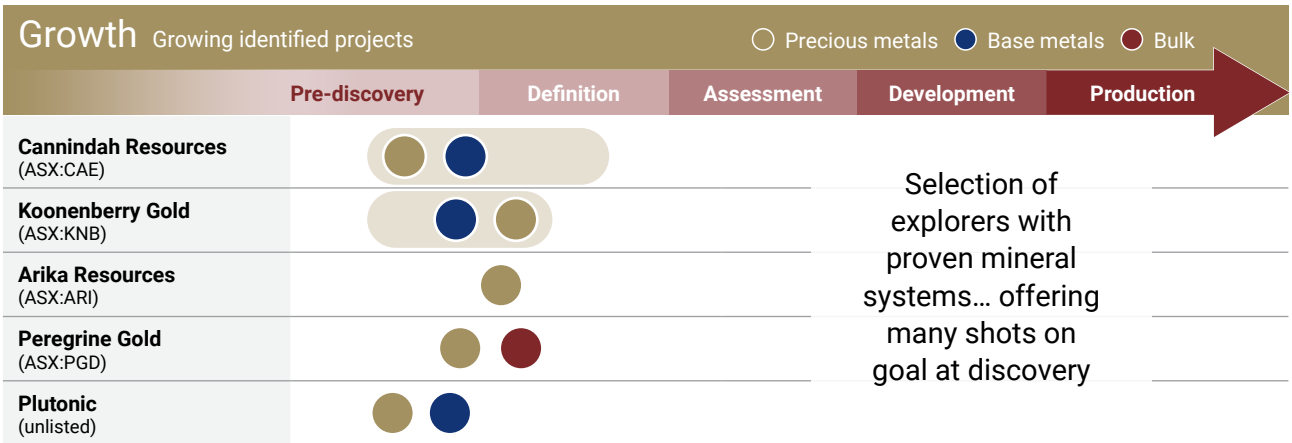
Growth Portfolio

Company	Stage	Key Asset	Invested $M	Value $M 30/9/26
Cannindah Resources (ASX:CAE) Copper/Gold	Drilling for Resource extension and new discovery	Mt Cannindah: Central Queensland. Extending existing Mineral Resource hosted in a breccia. 14.5MT at 1.09% Cu eq[17]. The trend that contains the Resource to the south has been ineffectually drilled because of topography. Target for extension is based on Induced Polarisation and surface observations[18]. Pencil porphyry discovery opportunity: broad anomalism in the Mt Cannindah area (inc Breccia Resource) are driven by a porphyry system. In 2026 Cannindah reported 28m at 1.15% Cu eq in feldspar porphyry intrusive rocks (from 298m)[19].	2.0	1.1
Koonenberry Gold (ASX:KNB) Gold/Copper	Multiple projects for extension or discovery drilling	Discovery stage portfolio spread across New South Wales, assembled by an expert team with Newmont backing. Acquired by Koonenberry 2024. Enmore: drilling for extensions and repetitions of Sunnyside which has returned drill hits such as 107m at 1.14g/t gold[20], 20km South of Armidale Numerous drill ready targets being tested in 2026.	3.0	2.9
Arika Resources (ASX:ARI) Gold	Drilling for discovery near/ under historically worked gold mines	Two projects located 150km north of Kalgoorlie, WA. Both extensively historically mined (pre-WW2), with very little modern work. Kookynie: Cosmopolitan 360koz gold produced[21]. Yundamindra: Intersection of 14m at 15.48g/t gold[22].	2.0	3.4
Peregrine Gold (ASX:PGD) Iron Ore	Drilling two large iron ore surface footprints	Two large scale surface expressions of iron ore located adjacent to BHP's Western Ridge iron ore development project in the Pilbara, WA.	0.5	0.4
Plutonic Limited (unlisted) Gold/Copper	First ever drill testing at potential new gold/copper district	Unlisted company targeting new / large scale mineral systems. Champion: was pegged based on interpretation of a tectonic setting that would be amenable to intrusion driven systems, located in the Eastern NT. Up to 0.3% copper and 2.23g/t gold in surface rock chip samples[23]. Georgetown: targeting intrusion-related/epithermal gold mineralisation, midway between the Georgetown and Croydon historic gold fields in North Queensland. 7km+ structure that features elevated gold and trace elements.	6.4	7.4

17. CAE 3 Jul 2024
18. CAE 16 Sep 2026
19. CAE 28 Jan 2026
20. KNB 23 Jun 2025
21. ARI 10 Sep 2026
22. ARI 8 Jul 2026
23. LSX 18 Aug 2026

Legacy Portfolio

Company	Stage	Key asset	Invested $M	Value $M 30/9/26
PhosCo (ASX:PHO) Rock Phosphate	Scoping study expected late 2026	Gasaat Rock Phosphate project located in Tunisia.	4.8	12.7



Lion's Investment Performance

Lion has made aggressive investment under its Australian-focussed strategy in 2024, 2025 and 2026: prior to the boom commencing and then in episodes of weakness that followed. This enabled Lion to establish large holdings in most of its key investments well below current market prices and underpins strong return to date on Lion's Australian investment strategy.

Lion also has a strong return profile based on total shareholder returns over a far longer timeframe.

Australian focussed investment return

absolute return of all funds invested since January 2022, up to 30 September 2026

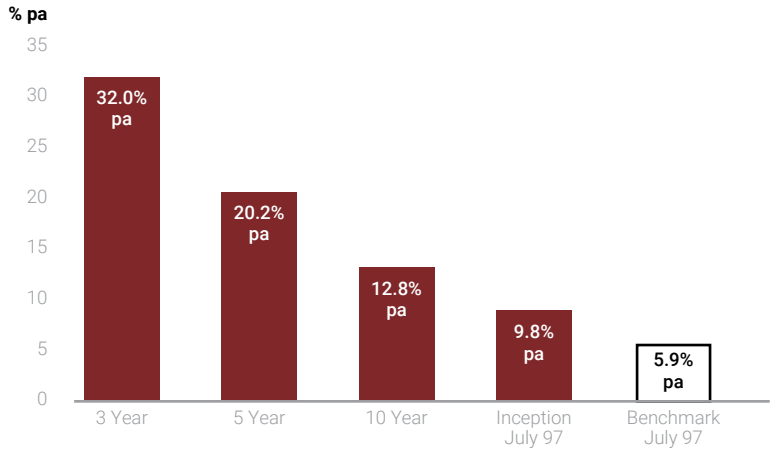
+102%

- **$65.2M** invested/**$131.9M** current value.
- This performance includes realised gains as well as value of portfolio holdings.
- This does not include any change in value of Legacy portfolio holdings (into which there has been investment of $0 since January 2022).

Total Shareholder Return (TSR):

29+ years of market beating performance

annualised return incorporating Lion share price capital returns and distributions to shareholders, up to 30 September 2026*



Dividends

- Dividends totaling 10.5cps paid between 2022 and 2025.
- Opportunity for dividends makes Lion one of the only yielding investment exposures to the Micro-Cap / Small-Cap Resources and Mining Sector.
- Lion aims to pay dividends from profitable exits.

* Total Shareholder Return (TSR) for Lion Selection Group as at 30 September 2026 since inception in July 1997 was 9.8%pa, versus the ASX Small Resources Accumulation Index 5.9%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.

Year in Review

Investing

Lion has had a strong year of investment deployment, following on into several existing portfolio holdings and establishing new investments.

Lion has announced a total of $21.95M of investment during the year (noting a difference with reported investing cashflow payments which reflects settlements made during the financial year), which includes following on six of Lion's existing holdings and four new investments.

Company		Date Announcement	Investment	Follow-on	New
Sunshine Metals	(ASX:SHN)	1 September 2025	$1,000k	●	
Peregrine Gold	(ASX:PGD)	4 September 2025	$500k		●
Caspin Resources	(ASX:CPN)	29 September 2025	$750k		●
Critica	(ASX:CRI)	17 November 2025	$500k	●	
Medallion Metals	(ASX:MM8)	15 December 2025	$5,000k	●	
Cannindah Res	(ASX:CAE)	3 February 2026	$2,000k		●
Plutonic	(unlisted)	27 April 2026	$1,600k	●	
Sunshine Metals	(ASX:SHN)	30 April 2026	$3,000k	●	
Koonenberry Gold	(ASX:KNB)	21 July 2026	$600k	●	
Arika Resources	(ASX:ARI)	27 July 2026	$2,000k		●
Saturn Metals	(ASX:STN)	29 July 2026	$5,000k	●	

Portfolio management – exited investments

This financial year has also seen Lion exit several investments, where Lion's assessment of risk and potential value fundamentally changed the thesis for remaining involved with these stocks. These were each from the growth portion of the portfolio, consistent with the 'conveyor belt' approach. Lion recovered all of its capital from each of the situations.

Company		Investment	Sale Proceeds	
Great Boulder Resources	(ASX:GBR)	$1,188k	$2,384k	
Caspin Resources	(ASX:CPN)	$750k	$780k	Lion retains 750,000 options exercisable at 15c before 1 December 2027
Critica	(ASX:CRI)	$1,500k	$1,637k	Lion retains 19,230,769 options exercisable at 4.3c before 22 January 2028

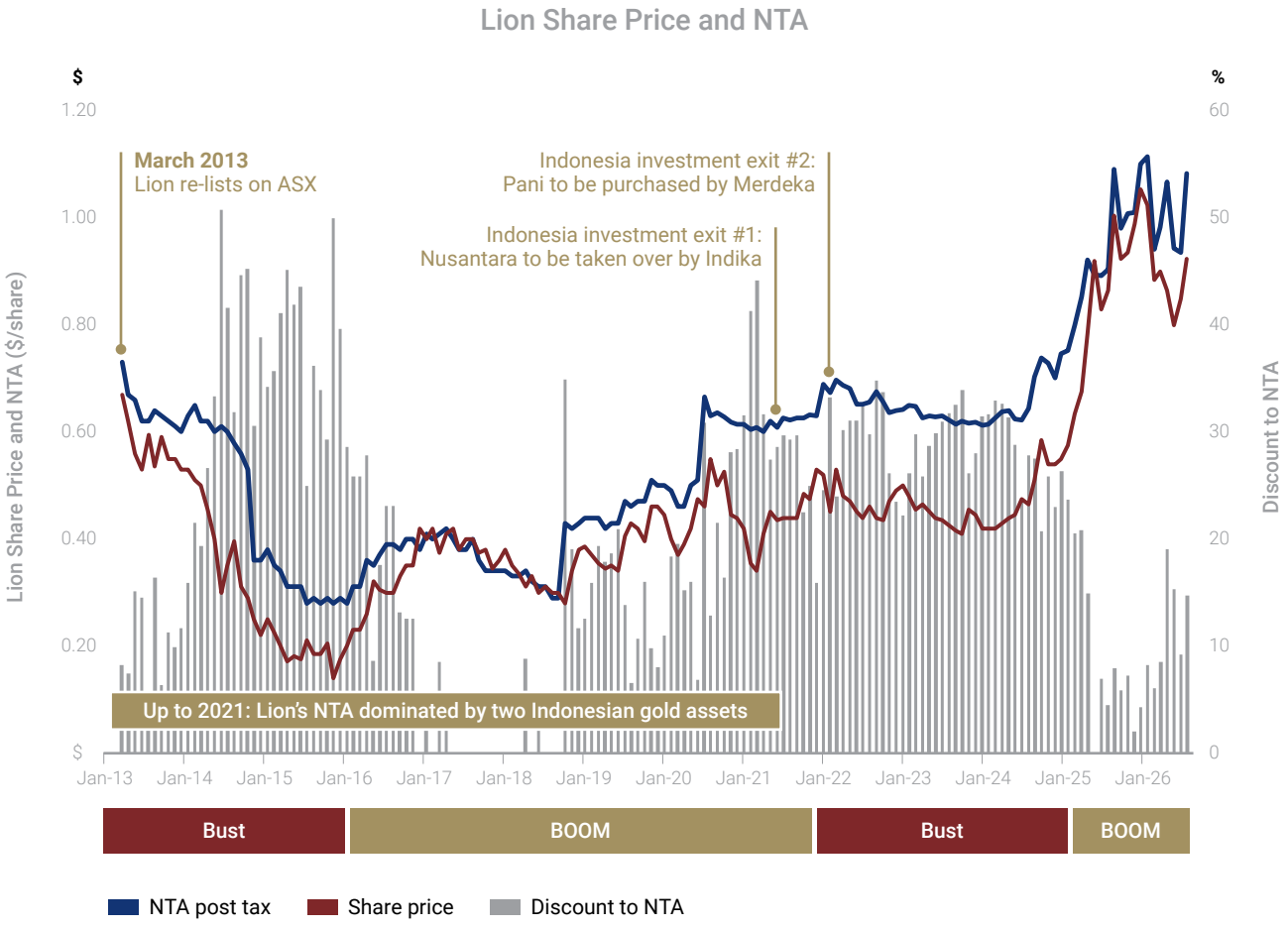
Price to NTA

Lion's portfolio performance can be monitored and assessed by shareholders via monthly publication of Net Tangible Asset backing (NTA). Lion's NTA reflects the see-through value of the company at that date and is a poor indication of what Lion feels the portfolio could be worth. Where Lion perceives that value realisation potential is diminished it will seek to exit. Lion has invested in each case following detailed assessments that have provided strong investment cases and potential for returns that are multiples on entry price.

Share prices of Listed Investment Companies (LICs) commonly trade at a discount to their NTA. Historically, Lion had experienced a deep discount to NTA – most recently (2021/2022) this was attributed to Lion's portfolio value being dominated by two gold investments in Indonesia.

This discount to NTA was reduced significantly as Lion successfully and profitably exited both the Pani Joint Venture and the ASX listed holding in Nusantara, established its investment strategy for the future (narrowing the investment focus to Australia) and implemented the strategy.

The share price discount to NTA became the smallest it has been for many years during mid to late 2025. This coincided with a rapid accretion of value within the Lion portfolio, and high-volume turnover in Lion's shares. We have observed a small discount re-emerge as Lion's share price followed the weakening market, softening by more than the NTA. Ultimately, we expect NTA performance to guide the share price in the long term and have a strong view of NTA performance to come based on the strength of the portfolio.



Market Review

The second half of calendar year 2025 was a fearsome rally in resources, especially for gold stocks. It led many generalists to conclude that this was just a rally, that ended with conflict in the Middle East which weakened the gold price and flowed into the resources market in early 2026.

The implication from the generalists is clear – the resources market went up then down but is otherwise unchanged – and this could not be further from the reality. This unmissable rally conceals in plain sight a market which has permanently changed direction and the beginning of a boom that is expected to last for years and be driven by strong, global mega-trend thematics.

As in many times of market weakness, the smallest stocks have pulled back the most. In this case, larger capitalisation miners have continued to prescribe the trajectory of the boom, whilst smaller stocks – for now – have been left behind.

Major miners leading the way

Whilst smaller companies in the resource space have given up some (in some cases – much) of their 2025 gains, the large capitalisation miners could not paint a more different picture. Major miners all weakened in March after the late February commencement of operation 'Epic Fury' in the Middle East. Despite the impact of this conflict, they have recovered strongly since, several moving to all-time high prices (which for many major miners were set in the 2007-2011 peaks of the China boom, making new highs above those levels all the more significant).

Micro-capitalisation resources companies have languished. The market became more risk averse when the Middle Eastern conflict began, which is always a dampener for small companies. Some of this weakness can be attributed to fiscal changes that only apply to individual Australian investors: sudden and unexpected changes to Australian capital gains tax handed down as part of the Australian Federal Budget on 12 May led to one of the most severe end of tax year selling events many market participants have seen. There has been a widening in the performance between micro-cap resources and the ASX100 Resources index since – with episodes of negativity far more pronounced for the micro-caps.

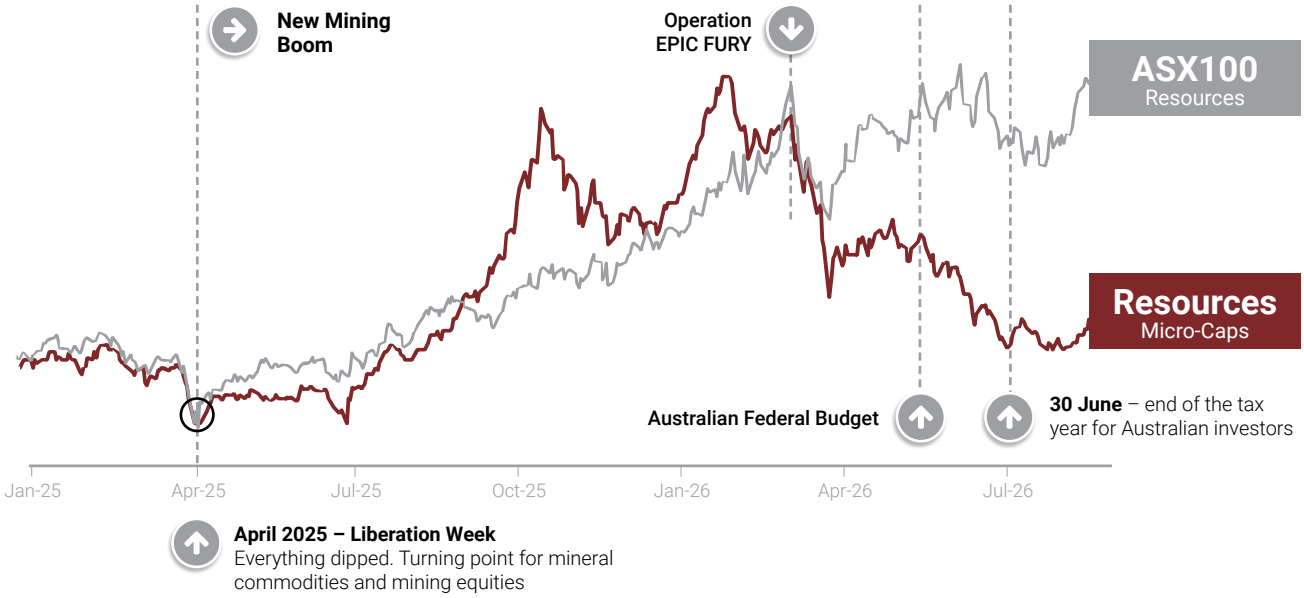
Small and micro-capitalisation companies always cop the brunt of risk averseness, so this underperformance of major miners should be expected to take a while to play out. Whilst conflict in the Middle East isn't a normal event, it is an example of the kinds of events that cause volatility and these are common.

From the perspective of a mining boom, the overall point is – *if a boom wasn't on, major miners would not have recovered so strongly and be making new highs – this clearly shows the progression of a boom taking place. This will eventually guide smaller resources stocks higher.*

... if a boom wasn't on, major miners would not have recovered so strongly and be making new highs – this clearly shows the progression of a boom taking place. This will eventually guide smaller resources stocks higher.

Tracking the early boom…

ASX100 Resources Index (Large Capitalisation) **vs** Resource Micro-Capitalisation companies in 2025 and 2026



Despite prices weakening, the small and micro-capitalisation resources sector is well funded

As noted, the small and micro-capitalisation part of the mining sector (which represents most of the companies in the space, by number) has given up a substantial portion of the 2025 price gains. Even so, between late 2025 and early 2026, this large group of small companies did capture a huge influx of liquidity, which sees them far better funded than they were in early 2025.

Financial services firm BDO tracks the aggregated quarterly cash flows of ASX listed junior resources companies.[1] According to BDO:[2]

- There was almost as much capital raised via new equity issuance for this group of companies in the September quarter of 2025, as in the whole first half of 2025.
- Capital raised by this group of companies in the December quarter of 2025 was the largest quarterly amount raised since BDO has been tracking the sector (back to 2014).
- These led to the strongest March 2026 quarter for capital raising for many years (March quarter is usually a low, owing to quiet market conditions in January and often into February).
- The June 2026 quarter capital raising remained at elevated levels, demonstrating that junior resources companies have continued to be able to raise money, despite the price weakness in the market.

Liquidity was not flowing into the sector in 2024, but it is now, even if prices have come back from a recent high.

Activity levels – the mining sector is investing, not resting

The litmus test of robustness of liquidity is activity levels in the sector. When the mining sector is not in a boom, it hibernates a lot of non-production activity, such as exploration. Australian Bureau of Statistics (ABS) tracks exploration expenditure, and whilst their figures are only relevant to activity within Australia, they tend to resemble the shape of global trends. ABS numbers show a positive trend in exploration activity in Australia through to the most recent measurement which was for the June quarter of 2026.[3]

Observations show us that this activity measure is not dropping. Drill rigs have become well utilised and are hard to book. This continued activity level strongly suggests that companies are confident of being able to raise more money.

Importantly, high activity levels generate high levels of news flow which will provide positive catalysts that promote growing investor interest.

The litmus test of robustness of liquidity is activity levels in the sector.

M&A – "what are you going to do with all of that cash…?"

The acquisition of Ausgold (ASX:AUC) by OceanaGold (TSX:OGC, NYSE:OGC) announced in August[4] is a departure from a long-held requirement for M&A to produce some kind of synergy as a result of the combination of businesses.

OceanaGold operates gold mines in New Zealand, the Philippines and the United States of America, and through the takeover of Ausgold will be taking on a development asset in Western Australia. There is no clear synergy to this deal for OceanaGold, rather it's a way to allow their "significant free cash flow to fund growth".[5] Assuming the deal completes, this will be a significant marker which may be an early indicator of a changing mood toward M&A in the gold space, which could easily spread to the broader mining sector. The OceanaGold acquisition of Ausgold is the first deal to highlight the significance of undeveloped, substantially sized (>1Moz) gold inventories to potential acquirers beyond their operating neighbours. This type of growth ambition hasn't been prevalent since the late 2000's or early 2010's.

It's definitely not over in commodities

Conflict impacted commodity prices, but many have resumed a rising trend.

Gold was the headline commodity of 2025, and its weakening in 2026 generated the most attention. Having made an all-time high closing price of US$5,417/oz in January 2026 gold fell 26% to US$3,976 in July. This was hardly a collapse, and gold has since consolidated around the US$4,200-4,400/oz range. This conflict has many geopolitical themes in common with oil shocks of the past. Each of those occurred during a gold bull market and had a short duration weakening impact on gold which went on to resume its pre-oil shock pattern.

Copper is one of the major ingredients in all forms of future economies. It is already a crucial metal and sees increasing demand from the energy transition which is expected to result in permanent new forms of copper demand. Recently, data centre construction has come into focus. The development of Artificial Intelligence (AI) has become an arms race to develop faster and better models, so the urgency to develop supporting computing has taken on a 'need it now/at any cost' appearance. Whether or not this ends up being a durable new form of demand or is more ephemeral – it has been a key driver in pushing copper to record highs.

Prior to China's economic emergence as the world's largest commodities consumer (pre-2000), circa US$1.50-1.80/lb was a huge price and when copper had approached that level in the 80's and 90's it would peak and fall back again. Demand out of China established a new paradigm, reaching US$4.00/lb in 2006 and US$4.50/lb in 2011. Circa US$4.50-5.00/lb became the new US$1.50-1.80/lb – a peak for a long-term range, pushed up by around 2.5x by the demand out of China. Copper only briefly tested US$1.40/lb in 2009 at the depths of the Global Financial Crisis, so the real effect of the demand of China was to transform the all-time highs of the previous two decades into the absolute market lows from that point onwards.

Copper has reached US$6.70/lb in September 2026, which seemed out of reach only two years ago. Whilst it continues to rise it sets new records, which are new precedents that copper purchasers will have to live with forever. This is an echo of 2006, and one of the clearest signals that this boom is likely to resemble the China boom in magnitude – where key commodities establish new, uplifted trading price ranges.

Conflict in the Middle East has served to highlight growing tensions in the world, which is moving away from the global markets that evolved following the second world war. The two clearest economic poles are the United States and China. The US is a massive commodity consumer that coined the phrase "critical materials" to describe the natural mineral commodities that the US does not produce but badly needs. China is the ascendant rival of world's largest economy, once regarded for trashy manufactured goods but is now a bastion of high-end tech. Either through fortunate possession of rare deposits or through more thoughtful concentration of sophisticated processing, China controls the supply of many now so-called critical materials. Several of these are consumed more rapidly in times of conflict, and this has focussed the world on availability of a range of small market commodities – many of which have seen massive price movement in the last 12 months, with large differences between prices in Europe or the US with prices for the same commodity in China.

Commodity prices ultimately drive booms, and this cycle is expected to feature a strong cyclical driver underpinned by multiple new demand growth themes and lack of new supply. This fundamental has existed for some time, but it appears to have entered the mainstream and is gaining broader acceptance.

These fundamentals are all characteristic of early stages of a boom, with investors making their way into the sector from underweight positions and a significant change in behaviour from 2024 and early 2025.

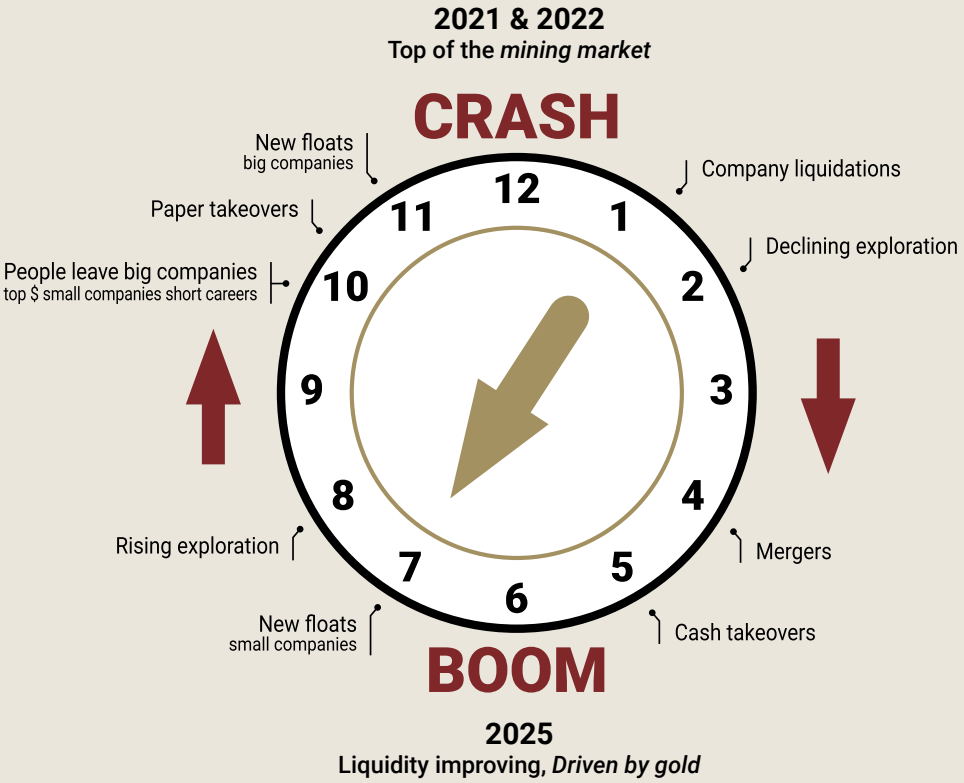
1. ASX listed non-producing resources companies are required to disclose their cash flows on a quarterly basis using a standard template known as an appendix 5B. These can be aggregated to create a snapshot of the junior sector's cash flows as a whole.
2. https://cdn-adepci500.actonsoftware.com/acton/cdna/18110/f-4db6304b-86a7-4599-a5f9-4786967c3430/1/0/June%202026%20-%20Explorers%20Quarterly%20Cash%20Update.pdf
3. Australian Bureau of Statistics Mineral and Petroleum Exploration Australia: Table 2, Expenditure; Total deposits; Australia, and Metres drilled; Total deposits; Australia.
4. Refer to Ausgold's announcement to ASX on 17 August 2026 *OceanaGold Agrees to Acquire Ausgold.*
5. Refer to the presentation released by OceanaGold, regarding the Acquisition of Ausgold, that is on the Ausgold ASX ticker dated 17 August 2026. Slide 6.

Lion Clock

Mining Cycle: the most material influence on resources investing outcomes.

Rest of (most) of the boom:

Yet to come...



Lion Clock

Early in the boom; the best is still to come

Lion closely monitors the mining cycle via the Lion Mining Clock, which we use as both a framework for assessing the market and a simple communication tool for depicting the stage of the mining cycle. Mining is a deeply cyclical industry, so the concept of a clock – which goes around and around passing the same points each cycle – lends itself very well.

In the 2025 Annual Report, we pointed to the liquidity coming to the mining market but noted the possibility it could be short lived – using a shading of time hands on the clock to show a time moving toward 6 o'clock, which is the time when the last of the bust gives way to the very first stage of a new boom.

The question of whether or not the market was going through a turning point is unquestionably resolved now. Liquidity has proven durable, even through a conflict, and a new boom is underway. So far, other than the short time the boom has been on for, the signals we see are that it is an early stage.

Liquidity, which is the driver of the clock, fell dramatically during 2024 to a low in early 2025. The pattern of liquidity in the second half of 2025 and into early 2026 was aggressive and has tempered in February and March to a more sustainable level for the early stages of the boom. We can now say (with the benefit of hindsight) that the clock moved through 6 o'clock in early 2025, and with the sustained reopening of the new company IPO market we were confident to move the time to 7 o'clock earlier in 2026.

The Lion Clock remains at 7 o'clock.

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:

(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.

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.

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 has been undertaken for the period ending 31 July 2026.

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.

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

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.

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.

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.

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.

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.

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.

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.

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.

Directors' 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 2026.

At 31 July 2026 Lion had 143,245,975 fully paid ordinary shares and 1,110,800 employee 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 – Executive Chairman
- Peter Maloney – Non-Executive Director
- Chris Melloy – Non-Executive Director
- Hedley Widdup – Managing Director

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 $8.9 million (2025: $39.2 million).

Lion's performance in 2026 has been compelling following its exceptional growth in 2025. The result for the year reflects a mark to market gain of $11.1 million with respect to investments, with key movements in the portfolio value outlined below:

- A mark to market increase of $5.1 million on Lion's investment in Medallion Metals following the transformational acquisition of the Cosmic Boy processing plant and nearby Forrestania gold project that Medallion is rapidly re-purposing to process ores from its Ravensthorpe polymetallic project, the Forrestania gold project and third parties.
- An increase in the value of Lion's investment in Sunshine Metals of $4.8 million with the share price benefiting from the company successfully identifying and de-risking a shallow, high-grade gold zone within the company's Liontown project along with the recent acquisition of the Mt Moss processing plant and proximal tenements enabling a fast track to production.
- An increase in the value of Lion's investment in PhosCo of $4.6 million as the company advanced its Gasaat Phosphate Project including the discovery of the new KM prospect with thick, shallow phosphate proximal to the planned plant site and backing from the European Bank for Reconstruction and Development.
- A decrease in the value of Lion's investment in Brightstar of $2.9 million as the company absorbed several acquisitions and completed a large equity raise to develop its Goldfields Gold Project.
- A mark-to-market decrease of $2.6 million on Lion's investment in Koonenberry following slower discovery news at its Enmore Gold Project.

At 31 July 2026 the Company held investments valued at $108.2 million (2025: $91.2 million), and cash and term deposits of $36.0 million (2025: $39.0 million).

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.

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, political 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 66 at Note 16 Contingent Liabilities.

Dividends

On 25 August 2025 Lion declared a 2.0¢ps fully franked special dividend to shareholders (totalling $2.9 million) which was paid on 17 September 2025 (2025: nil).

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

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.

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 Governance Section of our website www.lionselection.com.au.

Employees

At 31 July 2026 there was 6 permanent employees of the Company (2025: 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 $289,556 were made during the year (2025: $8,929) to Key Management Personnel.

Variable remuneration – Long term incentives

The Company has an Employee Incentive Plan (the Plan) including a Long-Term Incentive (LTI) Scheme. During the period ended 31 July 2026, 730,000 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. See Note 21 and this Remuneration Report for further details.

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

Contractual arrangements for executive Key Management Personnel

The executive remuneration framework is summarised in the table on page 39.

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.

The executive remuneration framework

Component	Executive Chairman	Managing Director	Chief Financial Officer	Other Key Management Personnel
Fixed Remuneration	$230,000	$375,000	$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/ 6 months

The Group's summary key performance information

	Unit	2026	2025	2024	2023	2022
Total income	$'000	13,387	46,366	4,081	3,168	8,382
Profit/ (Loss) before income tax	$'000	10,022	43,914	1,486	760	6,152
Profit/ (Loss) after income tax	$'000	8,892	39,173	1,107	581	9,031
Share price at the start of the financial year	Cents per share	82.5	48.0	44.0	44.5	40.2
Share price at the end of the financial year	Cents per share	85.0	83.0	47.5	43.5	44.0
Basic earnings per share	Cents per share	6.2	27.8	0.8	0.4	6.0
Diluted earnings per share	Cents per share	6.2	27.3	0.8	0.4	6.0
Dividend per share	Cents per share	2.0	-	1.5	3.5	3.5

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 2026, is included above.

Voting and Comments at the Company's 2025 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 2025 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.

Key Management Personnel of the Company – Remuneration for year to 31 July 2026

2026		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	(3,534)	25,000	-	-	**226,466**
P J Maloney		53,571	-	6,429	-	-	**60,000**
C Melloy		29,792	-	30,208	-	-	**60,000**
Other Key Management Personnel							
H J Widdup		340,625	(21,595)	30,208	134,100	322,348	**805,686**
C K Smyth		319,792	(4,046)	30,208	89,400	251,186	**686,540**
J M Rose		103,125	17,306	20,302	66,056	-	**206,789**
Total		**1,051,905**	**(11,869)**	**142,355**	**289,556**	**573,534**	**2,045,481**

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**

Shareholdings of Key Management Personnel of the Company

Name	Balance 1 August 2025	Shares issued as Remuneration	Other Changes	Closing Balance 31 July 2026
Directors				
P J Maloney	2,330,389	-	-	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	1,047,600	-	2,221,739
C K Smyth	1,505,137	1,047,600	(309,313)	2,243,424
J M Rose	-	-	200,000	200,000
Total	**27,526,942**	**2,095,200**	**(109,313)**	**29,512,829**

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**

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 above. No shares or options were issued as remuneration.

Performance Shares

Lion issued performance rights to eligible Key Management Personnel under its Long-Term Incentive Plan. 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 2025	Performance Shares issued	Performance Shares exercised	Closing Balance 31 July 2026
H J Widdup	1,238,000	420,000	(1,047,600)	610,400
C K Smyth	1,238,000	280,000	(1,047,600)	470,400
Total	**2,476,000**	**700,000**	**(2,095,200)**	**1,080,800**

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 sought to extend the escrow for the shares being issued from 2 years 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.

700,000 performance rights were issued to Key Management Personnel in the period ended 31 July 2026.

Information on Directors

Robin Widdup

BSc (Hons) – Executive Chairman

Robin has over 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 has been the Executive Chairman of Lion since 1 February 2024 and previously was a non-executive director of Lion.

Robin is Chairman of PhosCo Ltd.

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 director 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 almost 50 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.

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 20 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.

Jane Rose

Investor Relations Manager & Company Secretary

Jane Rose has extensive experience across the legal and resources sectors having held senior administrative positions with Corrs Chambers Westgarth, Nabarro Nathanson and AngloGold Ashanti Limited where she was responsible for the management of various corporate initiatives and special projects.

From 2002 to 2006, Jane worked for several Lion investees including MPI Mines Ltd, Leviathan Resources and Indophil Resources. In 2007 Jane joined Lion as Corporate Relations Manager and in November 2008 was appointed Investor Relations Manager and Company Secretary.

Directors' Meetings

During the year and up until the date of this report, the Company held nine 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	9	9
R A Widdup	9	9
C P Melloy	9	9
H J Widdup	9	9

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	2	2
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 $71,555 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 45 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 2026. 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 2026/183 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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To the Board of Directors of Lion Selection Group Limited

Auditor's Independence Declaration
Under section 307C of the C*orporations Act 2001*

As lead auditor for the audit of the financial statements of Lion Selected Group Limited for the financial year ended 31 July 2026, 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 10th day of September 2026

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.

Liability limited by a scheme approved under Professional Standards Legislation.

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 47 to 70 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 2026 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 71 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 2026.

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: 10 September 2026

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 31 July 2026

	Notes	2026 $'000	2025 $'000
Gain/(loss) attributable to movement in fair value	4	11,117	43,990
Interest income		1,789	2,259
Other income		481	117
Employee benefits	4	(2,512)	(1,715)
Other expenses	4	(853)	(737)
Profit/(loss) before income tax		**10,022**	**43,914**
Income tax (expense)/benefit	5	(1,130)	(4,741)
Net profit/(loss) after tax		**8,892**	**39,173**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**8,892**	**39,173**
Attributable to:			
Members		**8,892**	**39,173**

	Cents per share	Cents per share
Basic earnings/(loss) per share	**6.2**	27.8
Diluted earnings/(loss) per share	**6.2**	27.3

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

Statement of Financial Position as at 31 July 2026

	Notes	2026 $'000	2025 $'000
Current Assets			
Cash and cash equivalents	14	9,534	8,947
Term deposits	3	26,200	30,101
Trade receivables and other assets	6	376	2,649
Total current assets		**36,110**	**41,697**
Non-Current Assets			
Financial assets	7	108,184	91,247
Property, plant and equipment	8	13	8
Right of use asset	9	15	105
Total non-current assets		**108,212**	**91,360**
Total Assets		**144,322**	**133,057**
Current Liabilities			
Trade and other payables	10	5,123	113
Tax payable		286	451
Employee Entitlements		254	252
Lease liabilities		18	105
Total current liabilities		**5,681**	**921**
Non-Current Liabilities			
Lease liabilities		-	18
Deferred tax liabilities	5 (b)	4,505	4,595
Total non-current liabilities		**4,505**	**4,613**
Total Liabilities		**10,186**	**5,534**
Net Assets		**134,136**	**127,523**
Equity			
Contributed equity	12	122,398	121,900
Reserves	13	473	385
Retained Earnings/(Accumulated losses)	11	11,265	5,238
Total Equity		**134,136**	**127,523**

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 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Interest received		1,901	2,961
Other income received		182	69
Payments to suppliers and employees (including GST)		(2,630)	(1,998)
Interest paid		(10)	(8)
Income tax paid		(1,385)	(199)
Net cash inflow/(outflow) from operating activities	14(b)	**(1,942)**	**825**
Cash flows from investing activities			
Payments for investments		(18,273)	(21,832)
Payments for property, plant and equipment		(9)	(3)
Funds received from/(placed on) term deposit		3,901	14,139
Proceeds from investment sales		19,881	4,275
Net cash inflow/(outflow) from investing activities		**5,500**	**(3,421)**
Cash flows from financing activities			
Dividends paid		(2,865)	-
Payments for lease liability		(105)	(97)
Net cash inflow/(outflow) from financing activities		**(2,970)**	**(97)**
Net increase/(decrease) in cash and cash equivalents		**588**	**(2,693)**
Cash and cash equivalents at beginning of financial year		**8,947**	**11,640**
Effects of exchange rate changes on foreign currency denominated cash and cash equivalents		**(1)**	-
Cash and cash equivalents at end of financial year		**9,534**	**8,947**

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

Statement of Changes in Equity for the Year ended 31 July 2026

	Issued Capital $'000	Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 August 2025	**121,900**	**385**	**5,238**	**127,523**
Total comprehensive income/(loss)	-	-	8,892	8,892
Transactions with owners in their capacity as owners				
Dividends paid	-	-	(2,865)	(2,865)
Share Based Payments – performance rights	-	586	-	586
Performance rights exercised	498	(498)	-	-
Balance at 31 July 2026	**122,398**	**473**	**11,265**	**134,136**

	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**

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

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 1. CORPORATE INFORMATION

The financial report of Lion Selection Group Limited ('Lion' or 'the Company') for the year ended 31 July 2026 was authorised for issue in accordance with a resolution of the directors on 10 September 2026. 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 2026/183. 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).

Notes to the Financial Statements for the Year ended 31 July 2026

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.

Notes to the Financial Statements for the Year ended 31 July 2026

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.

Notes to the Financial Statements for the Year ended 31 July 2026

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.

Notes to the Financial Statements for the Year ended 31 July 2026

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.

Notes to the Financial Statements for the Year ended 31 July 2026

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.

Notes to the Financial Statements for the Year ended 31 July 2026

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.

Notes to the Financial Statements for the Year ended 31 July 2026

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:

	2026 $'000	2025 $'000
Financial assets		
Cash and cash equivalents	9,534	8,947
Term deposits	26,200	30,101
Financial assets	108,184	91,247
Trade receivables and other assets	376	2,649
	144,294	**132,944**
Financial liabilities		
Trade and other payables	5,123	113
Lease liabilities	18	123
	5,141	**236**

(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 $10,818,400 higher/lower (2025: $9,124,700 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.

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

2026	Floating Interest Rate $'000	Fixed Interest Rate $'000	Non Interest Bearing $'000	Total $'000	Average Interest Rate Floating %	Average Interest Rate Fixed %
Financial assets						
Cash – AUD	9,520	-	-	9,520	4.4	-
Cash – USD	-	-	14	14	-	-
Term deposits	-	26,200	-	26,200	-	3.9
Investments in securities	-	-	108,184	108,184	-	-
Financial liabilities						
Trade and other payables	-	-	5,123	5,123	-	-
2025						
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	-	-

(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.

Notes to the Financial Statements for the Year ended 31 July 2026

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 2026 and 31 July 2025.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 31 July 2026				
Assets				
Financial assets at fair value through profit or loss				
Investments	100,098	8,086	-	108,184
Total Assets	**100,098**	**8,086**	**-**	**108,184**
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**

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.

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 4. INCOME AND EXPENSES

	2026 $'000	2025 $'000
Gain/(loss) attributable to movement in fair value of investments		
Mark to Market adjustment for year – investments realised during year	1,041	3,342
Mark to Market adjustment for year – investments held at end of year	10,076	40,648
Gain/(loss) attributable to movement in fair value of investments as recorded in the Statement of Profit or Loss and Other Comprehensive Income	**11,117**	**43,990**

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.

	2026 $'000	2025 $'000
Results of investments realised during year		
Proceeds from sale of shares	16,660	6,406
Historical cost of investment sales	(5,721)	(1,671)
Gross profit/(loss) measured at historical cost on investments realised	**10,939**	**4,735**
Represented by:		
Mark to Market recognised in prior periods (including on acquisition)	9,898	1,393
Mark to Market recognised in current year	1,041	3,342
	10,939	**4,735**
Employment Expenses		
Salaries, Superannuation and Directors Fees	1,922	1,359
Leave provided	4	3
Share based shares expense	586	353
Total other expenses	**2,512**	**1,715**
The total profit/(loss) is after charging the following other expenses		
Investor relations	110	73
Directors and Officers insurance	73	84
Legal expenses	129	139
Depreciation	95	92
Corporate overheads	446	349
Total other expenses	**853**	**737**

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 5. INCOME TAX EXPENSE

	2026 $'000	2025 $'000
(a) Statement of Profit or Loss and Other Comprehensive Income		
Current income tax expense/(benefit)	1,110	591
Deferred income tax expense/(benefit)	(90)	4,148
Under/over tax expense/(benefit)	110	2
Income tax expense/(benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income	**1,130**	**4,741**
Reconciliation of income tax expense		
Profit/(loss) from ordinary activities before income tax	10,022	43,914
Prima facie tax thereon at 30%	3,007	13,174
Tax effect of permanent and temporary differences:		
Other non-deductible or non-assessable amounts	169	107
Assessable income brought to revenue account	(210)	496
Tax losses utilised – revenue account	(1,946)	(9,038)
Under/Over tax expense	110	2
Total income tax (expense/(benefit)	**1,130**	**4,741**
(b) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Unrealised investments – revenue account	13,184	13,315
Accrued interest income	-	127
Other temporary differences	1	5
	13,185	**13,447**
Set-off of deferred tax assets pursuant to set-off provisions		
Tax losses available – revenue account	(8,590)	(8,762)
Other temporary differences	(90)	(90)
Net deferred tax liabilities	**4,505**	**4,595**
(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	15,853	23,051
Unrecognised tax losses and temporary differences at 31 July	15,853	23,051
Potential tax benefit at 30%	**4,756**	**6,915**

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 6. TRADE RECEIVABLES AND OTHER ASSETS

	2026 $'000	2025 $'000
Share Sales Receivable	-	2,131
Interest Receivable	312	425
Prepayments	26	28
Security deposits	38	37
Sundry debtors	-	28
Total trade receivables and other assets, net	**376**	**2,649**

NOTE 7. FINANCIAL ASSETS

Listed investments (at fair value)	100,098	85,535
Unlisted investments (at fair value)	8,086	5,712
Total financial assets	**108,184**	**91,247**

All listed shares are readily saleable with no fixed terms.

NOTE 8. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment – Cost	58	57
Accumulated depreciation	(45)	(49)
Total property, plant and equipment	**13**	**8**

NOTE 9. RIGHT OF USE ASSET

Right of Use Asset – Cost	452	452
Accumulated depreciation	(437)	(347)
Total right of use asset	**15**	**105**

NOTE 10. TRADE AND OTHER PAYABLES

Sundry creditors and accruals	123	113
Share purchase payable	5,000	-
Total trade and other payables	**5,123**	**113**

NOTE 11. RETAINED EARNINGS/(ACCUMULATED LOSSES)

Movements in retained earnings/(accumulated losses) were as follows:		
Retained earnings/(accumulated losses) at the beginning of the financial year	5,238	(33,935)
Net profit for period	8,892	39,173
Dividends paid	(2,865)	-
Retained Earnings/(Accumulated losses) at the end of the financial year	**11,265**	**5,238**

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 12. CONTRIBUTED EQUITY

	2026 $'000	2025 $'000
Issued and paid up capital (fully paid)		
Opening balance	121,900	121,900
Performance rights exercised	498	-
Issued and paid up capital (fully paid)	**122,398**	**121,900**

	2026 Shares	2025 Shares
Share capital		
Issued and paid up capital (fully paid)		
Opening balance	141,150,775	141,150,775
Exercised performance rights	2,095,200	-
Issued and paid up capital (fully paid)	**143,245,975**	**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

	2026 $'000	2025 $'000
Opening balance	385	31
Share based payments – Performance Rights (refer Note 21)	586	354
Transferred to share capital on exercise of performance rights	(498)	-
Share Based Payment Reserve	**473**	**385**

Notes to the Financial Statements for the Year ended 31 July 2026

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:

	2026 $'000	2025 $'000
Cash on hand and at bank	**9,534**	**8,947**

(b) Reconciliation of net profit/(loss) after income tax to net cash inflow/(outflow) from operating activities		
Net profit/(loss) after income tax	8,892	39,173
Adjustments for non-cash income and expense items:		
Movement in fair value of investments (increase)/decrease in assets	(11,117)	(43,990)
Other non-cash (income)/expenses	386	384
Decrease/(increase) in assets:		
Other receivables	142	697
(Decrease)/increase in liabilities:		
Current income tax liabilities	(165)	394
Deferred tax liabilities	(91)	4,148
Payables	11	19
Net cash inflow/(outflow) from operating activities	**(1,942)**	**825**

NOTE 15. EARNINGS PER SHARE

(a) Profit/(loss) used in calculating earnings per share	**8,892**	**39,173**

	2026 Number	2025 Number
(b) Weighted average number of ordinary shares for basic earnings per share	143,136,610	141,150,775
Weighted average number of ordinary shares for diluted earnings per share	**144,155,484**	**143,626,775**

Unexercised Performance Rights granted 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.

Notes to the Financial Statements for the Year ended 31 July 2026

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

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 Resources Limited (One Asia)). The Statement of Claim is issued against 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 and will be vigorously defended.

In accordance with orders made on 2 June 2025, the plaintiff provided security for the defendants' costs in the proceeding up to and including mediation by paying into Court the amount of $350,000 on 11 December 2025.

On 12 June 2026 the defendants filed and served their defence. Discovery of critical documents by all parties has been conducted.

The matter has been before the Honourable Justice Craig for directions on 20 February 2026 and 21 August 2026, during the latter of which His Honour set the matter down for trial on 8 November 2027 with orders made timetabling interim steps, including mediation, the filing of evidence, preparation and exchange of expert evidence (if any), discovery and filing of opening trial submissions.

The Court has ordered mediation to be concluded by 30 October 2026.

NOTE 17. REMUNERATION OF AUDITORS

	2026 $	2025 $
(a) Audit services		
Audit and review of financial reports		
Nexia Melbourne Audit Pty Ltd	74,107	69,783
Total remuneration for audit services	**74,107**	**69,783**

(b) Non-audit services

No fees for non-audit services were paid/payable to the external auditors during the year ended 31 July 2026 (2025: Nil).

Notes to the Financial Statements for the Year ended 31 July 2026

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)
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.

	2026 $	2025 $
(c) Key Management Personnel Remuneration		
Short term employee benefits	1,051,905	1,001,035
Leave entitlements	(11,869)	(9,109)
Post-employment benefits	142,355	150,537
Bonus	289,556	8,929
Share based payments	573,534	353,088
	2,045,481	**1,504,480**

NOTE 19. MATERIAL INVESTMENTS

	Carrying Amount		Entity Ownership	
	2026 $'000	2025 $'000	2026 %	2025 %
The Company had direct and indirect ownership of the following material investments at year end:				
Saturn Metals	**35,871**	30,986	**14**	16
Medallion Metals	**14,737**	4,685	**4**	4
Antipa Minerals	**13,080**	12,960	**4**	4
Sunshine Metals	**10,715**	1,947	**9**	7
PhosCo Ltd	**9,967**	5,151	**14**	16
Brightstar Resources	**8,764**	11,640	**2**	5
Plutonic Limited	**7,406**	4,800	**42**	41
Koonenberry Gold	**2,740**	4,747	**10**	9
Erdene Resource Development	**58**	12,458	**-**	3

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

Notes to the Financial Statements for the Year ended 31 July 2026

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		
2026	Investment $'000	Corporate $'000	Africa $'000	Asia $'000	Total $'000
Mark to Market adjustment	6,624	-	4,668	(175)	11,117
Segment Income	**6,624**	**1,971**	**4,967**	**(175)**	**13,387**
Segment Expense	-	(3,365)	-	-	(3,365)
Segment Result Before Tax	**6,624**	**(1,394)**	**4,967**	**(175)**	**10,022**
Segment assets	98,158	36,139	9,967	58	144,322
Segment liabilities	5,000	5,186	-	-	10,186
Other Segment Information					
Assets acquired during the period	22,183	9	298	-	22,490
Cash Flow Information					
Net cash flow from operating activities	-	(2,095)	153	-	(1,942)
Net cash flow from investing activities	(10,815)	3,902	66	12,347	5,500
Net cash inflow from financing activities	-	(2,970)	-	-	(2,970)

	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)

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 21. SHARE BASED PAYMENTS

(a) Performance rights

During the period ended 31 July 2026, 730,000 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.

For the performance rights granted during the current financial year, the key conditions and valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	1 August 2025
Total number of Performance Rights	730,000
Issue Price	Nil
Measurement Period	Grant Date to 31 July 2028
Exercise Price	Nil
Vesting Date	Performance will be measured at the end of each 'Performance Year' during the Measurement Period, being 31 July 2026, 31 July 2027 and 31 July 2028. Assessment for each Performance Year will be reduced to the extent that shares have been issued in previous Performance Years under the same Performance Rights tranche. Performance Rights will vest upon the date upon which the relevant Vesting Condition has been satisfied, as determined by the Board, provided this occurs prior to the Expiry Date.
Vesting Conditions	**TRANCHE 1** Up to 365,000 Performance Rights vest based on share price performance measured based on the Company's highest 30-day volume weighted average price (VWAP) in the Performance Year. • VWAP less than 113¢ – Nil Performance Rights vest; • VWAP equals 113¢ –182,500 Performance Rights vest; • VWAP between 113¢ and 140¢ – pro rata Performance Rights vest between 182,500 and 365,000 Performance Rights. • VWAP equals 140¢ or more – 365,000 Performance Rights Vest Any dividends paid during the Performance Year will be added to the VWAP from the point that the Company trades ex-dividend. **TRANCHE 2** Up to 365,000 Rights vest based on the Company's portfolio value per share measured based on the Company's highest month-end fair value in accordance with Australian Accounting Standards (currently referred to as Net Tangible Assets) (Portfolio Value) in the Performance Year: • Portfolio Value less than 113¢ – Nil Performance Rights vest; • Portfolio Value equals 113¢ –182,500 Performance Rights vest; • Portfolio Value between 113¢ and 140¢ – pro rata Performance Rights vest between 182,500 and 365,000 Performance Rights; • Portfolio Value equals 140¢ or more – 365,000 Performance Rights vest. Any dividends paid during the Performance Year will be added to the Portfolio Value from the point that the Company trades ex-dividend.
Non-Market based conditions	Vesting of the LTI Performance Rights remains subject to two non-market vesting conditions being: 1. Continuous employment through the vesting period; and 2. Satisfaction of individual key performance indicator metrics during the vesting period.
Disposal Restrictions	Shares received upon exercise of any vested LTI Performance Rights will be escrowed in three equal sized parcels, to be escrowed for 3, 4 and 5 years from the date of exercise.

Notes to the Financial Statements for the Year ended 31 July 2026

NOTE 21. SHARE BASED PAYMENTS (continued)

TRANCHE 1: Market based – Lion's 30-day VWAP of at least $1.13 over a 3-year period	Monte carlo valuation of $0.6753 per right
TRANCHE 2: Market based – Lion's Portfolio Value of at least $1.13 over a 3-year period	Monte carlo valuation of $0.8627 per right
Underlying Company share price at measurement date	$1.00 per share
Volatility	38.18%
Risk Free Rate	3.807%

On 31 July 2026 the vesting conditions of 95,200 Performance Rights issued pursuant to the Company's employee incentive plan were met being retention rights on second anniversary of the employment agreement. At this measurement date, these Performance Rights can be converted into fully paid ordinary shares in Lion at the election of the holder. Once issued, these shares will be escrowed for 3 years (1/3 of shares), 4 years (1/3 of shares) and 5 years (1/3 of shares).

(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:

	2026 $	2025 $
Share Based Payments		
Short term employee benefits	586,494	353,088
	586,494	**353,088**

NOTE 22. EQUITY – DIVIDENDS

(a) Dividends

Dividends paid during the financial year were as follows:

	2026 $'000	2025 $'000
Special dividend for the year ended 31 July 2026 (2025: 31 July 2025) of 2 cents (2025: - cents) per ordinary share	2,865	-

(b) Franking credits

Franking credits available for subsequent financial years based on a tax rate of 30%	966	582

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

NOTE 23. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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.

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 2026, 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 2026 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 2026, the Company held investments in listed entities totalling $100m and investments in unlisted entities totalling $8m. 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 2026 and the operating result for the year.	We obtained the Company's investment schedule as at 31 July 2026, 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 2026 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

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.

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 3 to 7 of the Directors' Report for the year ended 31 July 2026.

In our opinion, the Remuneration Report of Lion Selection Group Limited for the year ended 31 July 2026, 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 10th day of September 2026

Shareholder Information

Top 20 holders of Ordinary Fully Paid Shares – 30 September 2026

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	Yandal Investments Pty Ltd	4,448,976	3.10
4	Inconsultare Pty Ltd <Morrison Family S/F A/C>	4,425,000	3.09
5	Est Mrs Pamela Julian Sargood	4,000,000	2.79
6	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient>	3,868,825	2.70
7	CPAC Melloy Super Pty Ltd <Melloy Super Fund A/C>	3,382,259	2.36
8	Brigstow Pty Ltd <MD & JL Brook Super Fund A/C>	3,163,178	2.21
9	Mr Thomas James Hudson + Mrs Carol Ann Hudson	2,611,307	1.82
10	Liangrove Media Pty Limited	2,280,000	1.59
11	Scarlet Oaks Pty Ltd <Hedley & Lauri Family A/C>	2,103,880	1.47
12	Mr Dominic Paul Mccormick	1,951,609	1.36
13	Retzos Executive Pty Ltd <Retzos Executive S/Fund A/C>	1,899,143	1.33
14	BNP Paribas Noms Pty Ltd	1,850,134	1.29
15	Mr John Joseph Ryan	1,445,000	1.01
16	Gliding Eagle Pty Ltd <The C & K Smyth Family A/C>	1,420,512	0.99
17	Netwealth Investments Limited <Wrap Services A/C>	1,242,290	0.87
18	HSBC Custody Nominees (Australia) Limited	1,237,871	0.86
19	Yeung Holdings Pty Ltd <Yeung Family Settlement A/C>	1,200,000	0.84
20	Majoli Pty Ltd	1,195,651	0.83
Total Top 20 holders of Ordinary Fully Paid Shares		**58,528,657**	**40.85**
Total Remaining Holders Balance		**84,764,918**	**59.15**

Distribution of Shareholdings as at 30 September 2026

Size of Holding (Ordinary Fully Paid Shares)	Total holders	% of Units
1 – 1,000	595	0.22
1,001 – 5,000	1,442	2.65
5,001 –10,000	516	2.74
10,001 – 100,000	946	21.41
100,001 Over	180	72.97
Rounding		**0.01**
Total Shareholders	**3,679**	**100.00**
Number of ordinary shareholders with less than a marketable parcel	556	64,993

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 2026

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 2026, 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	Number of Ordinary Shares subject to escrow	Total Number of Ordinary Shares
Peter Maloney	2,330,389	0	2,330,389
Chris Melloy	5,800,000	0	5,800,000
Robin Widdup	16,717,277	0	16,717,277
Craig Smyth	1,195,824	1,047,600	2,243,424
Hedley Widdup	1,174,139	1,095,200	2,269,339
Total			**29,360,429**

Lion Selection Group Limited Registry

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

Enquiries within Australia
1300 850 505

Enquiries outside Australia
+61 3 9415 4000

Investor Enquiries Facsimile
+61 3 9473 2500

Investor Enquiries Online
www.investorcentre.com/contact

Corporate Directory

Registered and Principal Office

Level 2
175 Flinders Lane
Melbourne Vic 3000

Telephone	+61 3 9614 8008
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

Managing Director
Hedley Widdup

Chief Financial Officer
Craig Smyth

Company Secretary
Jane Rose

Auditors
Nexia Melbourne Audit Pty Ltd

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067

Postal Address
GPO Box 2975 Melbourne Vic 3001

Enquiries within Australia
1300 850 505

Enquiries outside Australia
+61 3 9415 4000

Investor Enquiries Online
www.investorcentre.com/contact

Website
www.computershare.com

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The photography featured in this report was captured by members of the Lion management team.

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