Lion Selection Group

Quarterly Report

for the 3 months ended 31 July 2026

ASX:LSX

Lion is a listed mining investment company focussed on mineral resource assets with the best prospects for growth, lowest derisking impediments, and strong price/value at investing stages.

Lion has invested $63.2M in its **Australian focused** strategy since January 2022. At 31 July 2026, those investments have created value of $106.5M (including the value of portfolio holdings as well as realised gains), providing ***an investment return to date of 68%***. Lion's portfolio is strongly leveraged to gold and has benefited from the strong performance of the gold price which has flowed through to the Lion NTA.

The mining boom which commenced in April 2025 has had an unusual start, with strong performance of many mining equities through the second half of 2025. Conflict in the Middle East disrupted equity markets, felt most strongly in the mining sector by small and micro-capitalisation companies. Whilst the conflict has not ended, large capitalisation miners have recovered strongly. Small and micro-cap resources companies, which were amongst the stars of 2025 and early 2026, have slumped returning prices to attractive levels for investment.

The outlook for the boom is strong – defined by the lack of investment over the last 10-15 years, and the resultant lack of new supply across many mineral commodities.

As at 31 July 2026 Lion held $30.5M of net cash and $108.2M of equity investments with a combined aggregate value of $134.1M (after tax), against a market capitalisation of $121.8M.

Lion is a vehicle that investors can utilise to gain exposure to the high growth micro-capitalisation resources sector. Lion's investment strategy has had compelling performance already, with the cyclical return to boom conditions now providing an excellent outlook for prospective investment returns in Lion's target market.

Quarter Highlights:

- Junior resources companies remained weak, after the market deterioration in early 2026 related to Middle Eastern conflict.
- Lion has been able to take advantage of weakened markets for junior resources companies with two follow-on investments and a new investment.
- Follow-on investments:
  - **Saturn** – $5.0M invested as part of a $105M funding that propels Saturn well beyond feasibility studies, positioning them strongly to continue to aggressively drill whilst they finance development.
  - **Koonenberry** – $0.6M invested as part of a $4M raising to fund near term, multi-project discovery-oriented drilling.
- New investment: **Arika** – $2.0M invested as part of a $6M deal to drill two well mineralised / under explored projects in the heart of WA gold producing region, and establish Lion as a 6.7% holder.
- Divestment: sale of Lion's interest in **Caspin** for $0.8M, a modest profit.
- Lion continues to receive meaningful interest on cash finishing the quarter with $30.5M net cash and term deposits, well equipped to follow portfolio investments and further portfolio development. Importantly, Lion is able to make investment decisions based on quality of the opportunity, not availability of liquidity.

Australia focus | Precious, base and strategic materials | Pre-development stage

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

ASX : LSX
Share price
85.0¢ps
as at 31 July 2026

NTA
Pre-Tax **96.7¢ps**
Post-Tax **93.6¢ps**
as at 31 July 2026

Hedley Widdup, Lion Managing Director said:

“Lion has been able to capitalise on market weakness over the quarter. Middle Eastern conflict and Capital Gains Tax concerns don’t impede a global mining boom, and very attractive opportunities have presented in companies we are already very familiar with, as well as one we have watched for a long while.

The portfolio that Lion has established has made wonderful progress over the quarter, and with a rejuvenation in the gold price this progress is beginning to receive recognition.”

Lion Selection Group

One Shareholding: High Growth Portfolio Exposure

Listed Investment Company	Lion manages all the individual investor challenges of building/managing a portfolio for exposure to a high growth sector: 1. Stock selection out of hundreds of investment options from sub-index sized companies in the listed and unlisted market. 2. Align investing decisions with cycle timing to take advantage of boom-and-bust cycles.
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 Resources Sector.
Track Record	**+68%** Performance of Lion’s Australia focused Investing Strategy since January 2022 ($63.2M deployed vs $106.5M current value). Total Shareholder Return (TSR): **9.7%pa** *(since inception 1997)* vs Benchmark 5.5% (ASX Small Resources Accumilation Index).
Team	Founder led/long-term team consistency: Lion team has executed Lion strategy successfully since 1997, and holds 21% shareholding interest. **All directly employed:** no external management business taking management and/or performance fees.

Portfolio Overview

Portfolio development

Lion has had a strong investment performance since resetting its investment focus in 2022 – having made a profitable exit from gold investments in Indonesia at a peak of the resources market, Lion narrowed its focus to Australia and was able to be selective and patient in the falling market between 2022 and 2025. Lion has been able to establish holdings where we see assets with the best prospects for growth, lowest derisking impediments, and attractive price versus our assessment of value at the points where we have invested. The mining boom which is only in its infancy provides a strong outlook for Lion's portfolio holdings.

So far Lion has deployed $63.2M into Australian investments, which has grown to $106.5M of value (inclusive of equity holdings and realised gains) which is a performance of +68% as at 31 July 2026. With $30.5M of cash, Lion is well positioned to follow its investments, and to add selectively to the portfolio where convincing opportunities present. The strategic importance of Lion's strong cash balance becomes especially clear in periods such as the first half of 2026, where significant equity price weakness swept through the resources sector (and broader equity market). Many investors run low levels of cash and would need to sell investments into a weak market in order to invest in cheapened opportunities – Lion is free of this disadvantage.

Lion's portfolio now contains 11 Australian focussed companies, having made investments in 14 companies under this strategy since 2022. Two of these companies have been consolidated into one via takeover (Alto Metals was merged with Brightstar) and two have been sold (Great Boulder and Caspin). The portfolio contains a solid exposure to gold (9 of the 11 are gold focussed or exposed) which has performed strongly since 2022, alongside a selection of base metals and critical materials exposures ranging from near term production through to greenfields exploration spread between Australia's key mining jurisdictions.

When Lion started the current era of focus purely in Australia, it held three legacy investments (in companies with projects outside Australia) that were not at the stage that a sale was possible or considered warranted. Two of these legacy holdings (Erdene Resource Development Corp and Atlantic Tin) were profitably exited during 2025, which underpinned a 2cps fully franked dividend. PhosCo (ASX:PHO, PhosCo) is the last holding in Lion's Legacy Portfolio and has seen strong performance in 2025 and 2026, with a phosphate project in Tunisia and expects to release a scoping study in Q4 2026.

Pre-production or exploration stage resources companies can experience strong growth via two key drivers:

1. New mineral discovery.
2. Derisking as they advance toward production.

Both of these value growth drivers are expected to be amplified by the progression of the mining boom and the strong outlook for most mineral commodities.

Lion has directed the bulk of its investment toward companies with defined projects that are strong candidates to capture a derisking value uplift as they progress toward becoming producers. The ability to grow mineral resources has been a key criterion for all investments Lion has made.








Portfolio Overview continued

Key holdings: 5x developers – expected to benefit from DERISKING

Lion has directed the bulk of its investment to date toward five companies that are on a development trajectory. Brightstar Resources (ASX:BTR, **Brightstar**) and Medallion Metals (ASX:MM8, **Medallion**) are both in construction phase and expect first production between late 2026 and the first half of 2027. Sunshine Metals (ASX:SHN, **Sunshine**) joined the aspirant producers having acquired a permitted processing site and with that a pathway to production. Saturn Metals (ASX:STN, **Saturn**) and Antipa Minerals (ASX:AZY, **Antipa**) are both engaged in advanced project studies for large defined mineral resources. Most of the investment performance to date has come from these five companies – for $45.9M invested in them, they had returned a value of $87.3M at 31 July 2026 (+90%).

Conveyor belt of GROWTH

Lion has also made investments in a selection of earlier stage, growth-oriented companies which so far represent a small portion of total invested capital. The key philosophy for these investments has been to target strong prospects for growth via mineral resource discovery or extension, with holdings that provide greater flexibility for Lion if the investment case changes. All of the growth-oriented companies that Lion has invested in have a focus project and are working either toward expanding their existing mineralisation or embarking on early-stage studies and project technical derisking. Whilst these situations are higher risk, their capacity for growth is large.

Where Lion has made exits, it has been out of the growth-oriented portion of the portfolio. To date, holdings in Great Boulder Resources and Caspin Resources have been profitably exited.

PLUTONIC – Lion's unique exploration exposure

Lion's earliest stage investment is a 42% holding in Plutonic Limited (Plutonic) which is an unlisted explorer. Plutonic is gold and copper exploration company focused on the Champion project in the Northern Territory in 2026, pegged based on its interpretation of a tectonic setting that would be amenable to intrusion driven systems. Multiple field seasons have identified a large footprint of copper and gold (up to 0.3% copper and up to 2.23g/t gold in rock chips) anomalism at surface associated with alteration and veining, interpreted to be related to a porphyry-epithermal driven system.

Plutonic has commenced drilling at Champion in August with a six-hole program – the first ever diamond drilling to test for the style of system Plutonic believes to exist. Confirmation of the interpreted porphyry-epithermal system would be highly significant, opening up a possible new mineral belt for base and precious metals exploration that has never been considered before and with a large existing footprint of surface anomalism. Plutonic's ground position at Champion is over 6,500km2 so if a mineral system is identified, Plutonic already controls a very large area over what could become a new mineral district.

Lion's portfolio investees all provide ongoing disclosure which is available via company websites or ASX.

Portfolio performance in 2026

The volatility and weakness in equity markets that has been linked to conflict in the Middle East has impacted the resources sector during the first half of 2026. Whilst large capitalisation miners have performed strongly since early July and in many cases recovered their price losses induced by this period of instability, small and micro-capitalisation resources stocks remain depressed. Equity prices are down and the scale and tempo of capital raising has reduced, however both remain above the levels of early 2025. This has tempered what had been an aggressive start to the boom to a more sustainable level.

The share prices of Lion's listed portfolio holdings have pulled back in this time; most having peaked in February 2026. Lion's portfolio companies are well funded and making strong progress.

Lion times its investing activities to the mining cycle. Having begun taking positions during the late stages of the last bust, with a new boom now only in its infancy this period of weakness has presented an opportunity to top up in existing holdings or to establish new investment.

Lion is extremely well positioned for the mining boom. All booms differ, this one is expected to be defined by the lack of investment over the last 10-15 years, and the resultant lack of new supply. This is expected to be the most significant macro factor to drive returns from Lion's portfolio.

Lion is targeting an Australian portfolio of 15 to 20 investments (currently 11).

Gold Stars and Hot Chillis

Lion shows its portfolio in reports and presentations using the diagram below, which arranges the companies in maturity order, and shows where they are in the progression from explorer to producer, with colour coded bubbles that indicate the key commodity focus of the company.

Gold Star

Where a company is constructing processing facilities – and on the certain pathway to production, they are denoted with a **gold star**. We highlight these because typically the market begins to provide a meaningful derisking re-rating to a company's share price around the time they show they have successfully delivered a new operating mining project.

Hot Chilli

We also want to signal where we think *potentially material* exploration work is taking place. The most accretive change to the value of a mining project is to add more metal to its production inventory. All of the companies Lion has invested in are engaged in some kind of exploration work to discover new or extend mineral resources – but some exploration is more impactful on share price than others. The interplay between the market capitalisation of a company and the work they are doing is important for this designation – it is a lot easier to see the share price of a small company reacting strongly to exploration work than a large company… but a highly significant exploration find could still move the dial for a larger company. These are the factors that Lion considers to designate a **hot chilli emoji** – where this symbol appears we regard the company to be actively engaged in the work that could deliver a truly meaningful result[1].

Lion reviews these designations periodically. Generally, the larger capitalisation a company is, the less likely it is that the result of a single hole or drilling program could have a truly material impact on the share price, and hence the chilli designations are mostly within the growth-oriented part of the portfolio.

Example
Sunshine Metals: A Star and a Chilli

As noted above, Sunshine Metals is on the trajectory to becoming a producer, proposing to truck high grade gold ore from Liontown to the newly acquired process facility at Mt Moss in North Queensland. They are also conducting exploration drilling at Sybil, a project acquired in 2025 that features targets for high grade gold in an epithermal system. Given that Sunshine are very near to having gold processing capacity, and Sybil is located within 25km of Mt Moss, even a modest discovery at Sybil could deliver significant value to Sunshine, and therefore they have been the only company in the derisking part of the portfolio with a Hot Chilli.

Brightstar: Potential Chilli status FINALISED

Brightstar Resources is also well-advanced building a new process facility to become a gold producer at Laverton in WA. At the same time, they have been drilling at their separate Sandstone project, which has largely consisted of infill drilling – which is intended to increase confidence in mineralisation but would be considered very unlikely to add materially to a resource. For this reason, Brightstar's announcement of an intercept of 305.4m at 1.82g/t gold[2] from extensional drilling at Sandstone came as a positive surprise. This is a deep drill hit – it started at 351.9m down the hole. The importance of it is that it intersected a deep portion of a known deposit called Two Mile Hill – the intersection has shown that Two Mile Hill is much fatter than previously thought at depth (circa 500m below surface). Two Mile Hill is a particular intrusive rock type called Tonalite – and the Tonalite intrusion appears to be fairly consistently mineralised. If future drilling continues to show that the tonalite is much larger footprint at depth than it is at the surface, Two Mile Hill could turn into a large resource. This intercept introduces a growth angle to Brightstar that the market hadn't been contemplating: a potentially large mineralised body at Two Mile Hill. And there is a follow on to this: are there any other mineralised tonalite intrusions that could host large tonnage/gold resources within the Sandstone greenstone belt? ***This style of large-scale resource growth deserves a chilli.***

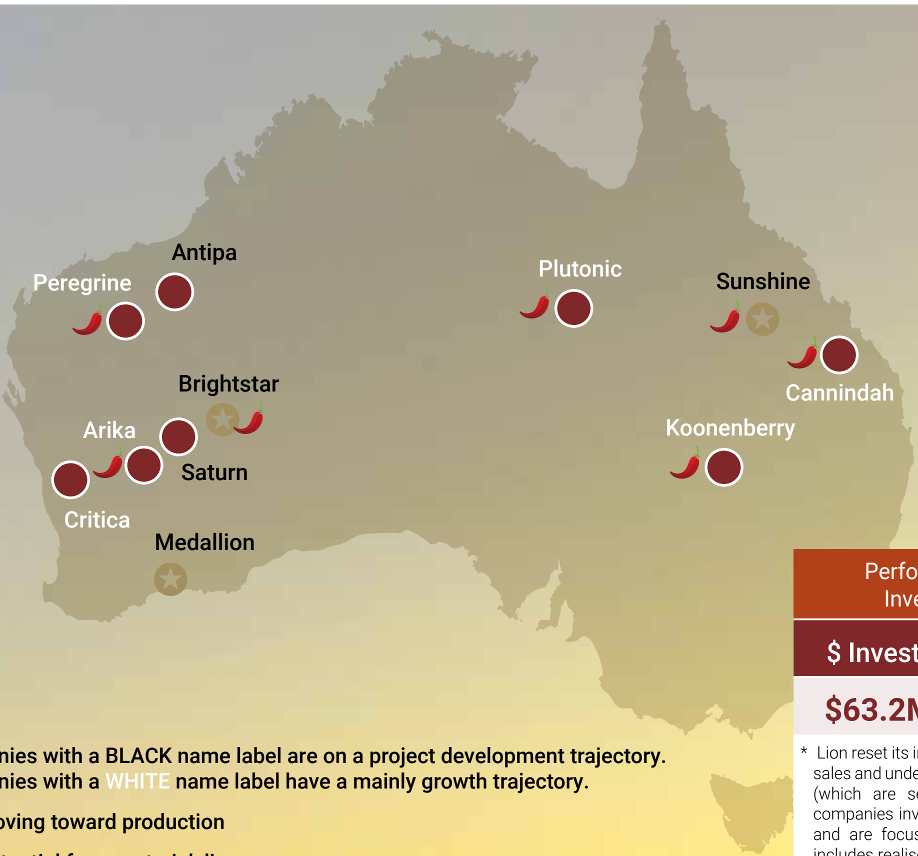
1. A full discussion of how Lion applies and adjusts the labels on its portfolio slide can be found here: https://lionselection.com.au/wp-content/uploads/7853-Lion_Chilli-Emoji_6pp_final-3.pdf
2. Refer to Brightstar Resources announcement to ASX on 3 August 2026 *Spectacular 305m @1.8g/t Au in Sandstone extension drilling.*

Stage and spread of Lion's Australian investment portfolio

Note that Lion's legacy investment in PhosCo is not shown

Australia focus	Precious, base and strategic materials	Pre-development stage

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



Companies with a BLACK name label are on a project development trajectory.
Companies with a WHITE name label have a mainly growth trajectory.

- Moving toward production
- Potential for a *material* discovery

Performance of Lion's **Australia focused*** Investing Strategy since january 2022		
$ Invested	$ Value	Performance
$63.2M	$106.5M	+68%

* Lion reset its investment strategy in 2022, having finalised major asset sales and underlying assets becoming majority cash. New Investments (which are separate from the Legacy Investment Portfolio) are companies invested in by Lion for the first time after 1 January 2022, and are focussed completely on Australian projects. Performance includes realised gains as well as value of portfolio holdings.

Stages: Pre-discovery → Definition → Assessment → Development → Production

Group	Company	Project	$ Invested	$ Value	Performance	
Development Defined projects de-risking whilst maintaining growth	**Brightstar Resources** (ASX:BTR)	**Gold** mine: Laverton/Growth: Sandstone (WA)	$10.6M	$8.8M	-17%	
	Medallion Metals (ASX:MM8)	**Gold/copper** mine: Ravensthorpe/Growth: Forrestania (WA)	$8.0M	$14.7M	+84%	
	Sunshine Metals (ASX:SHN)	**Gold** mine: Liontown/Growth: Sybil	$5.3M	$10.7M	+104%	
	Antipa Minerals (ASX:AZY)	Telfer region strategic **gold** resource (WA)	$5.0M	$17.2M	+244%	
	Saturn Metals (ASX:STN)	Large **gold** inventory x Bulk economics (WA)	$17.0M	$35.9M	+111%	*
Growth Growing identified projects	**Cannindah Res** (ASX:CAE)	Expanding **copper** Resource with major growth potential (Qld)	$2.0M	$1.3M	-36%	
	Critica (ASX:CRI)	Large, shallow, high grade **REE** discovery (WA)	$1.5M	$1.6M	+7%	
	Koonenberry Gold (ASX:KNB)	**Gold** discovery taking place, multiple high-quality targets (NSW)	$3.0M	$2.7M	-7%	*
	Arika Resources (ASX:ARI)	Extensive **gold** workings, barely drill tested (WA)	$2.0M	$2.4M	+21%	*
	Peregrine Gold (ASX:PGD)	Large scale Channel **iron** footprint near Newman (WA)	$0.5M	$0.5M	0%	
	Plutonic (unlisted)	**Unlisted, district scale gold-copper discovery opportunity. 42% owned by Lion**	$6.4M	$7.4M	+15%	

Bubble is colour coded for commodity, and shows approximate stage of key project in each company

* Denotes a company that Lion invested in during the quarter

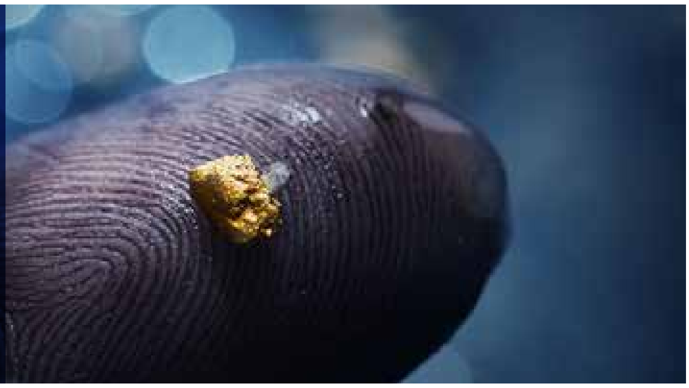
Legend: Precious metals | Base metals | Strategic materials | Bulk | Moving toward production | Potential for a *material* discovery

Portfolio changes during the quarter:

- **Two follow-on investments**
- **One new investment**
- **One divestment**

Saturn Metals
(ASX:STN)

Lion invested a further $5.0M in Saturn Metals as part of $105M fund raising



Saturn Metals owns the Apollo Hill Gold Project, which has recently revealed a jump in the project's Mineral Resource inventory to 2.83Moz of gold[1]. Apollo Hill combines several factors that underpin a really attractive investment case for Lion: it is a large, simple gold ore body that is amenable to low unit cost mining and treatment. The estimated production costs for Apollo Hill offer a strong operating margin over a long production life at current gold prices[2].

Lion's investment thesis in Saturn is simple: the value that could be unlocked by derisking the asset to become a gold producer could be substantial. There are many heap leach gold projects of this scale globally, and Saturn's producing peers are major companies.

The large-scale Resource continues to grow impressively: some of the recent growth in the Apollo Hill Mineral Resource Estimate has stemmed from the delivery of drilling intercepts that have been defining high grade lodes within the ore body[3]. These present very attractive growth potential on top of the existing economics.

This financing sees Saturn funded well beyond completion of a Definitive Feasibility Study, positioning them to continue aggressive exploration, complete definitive feasibility and launch long lead time item procurement, and sees them strongly positioned to complete development financing.

Saturn is Lion's largest investment (this investment of $5M will take Lion's overall investment in Saturn to $17M) and most valuable holding. Assuming successful completion of the fund raising, Lion's interest in Saturn would become approximately 10.5%.

1. Saturn's Mineral Resource Estimate was described fully in the release to ASX on 3 June 2026 *Apollo Hill Gold Resource Jumps by 590,000 Ounces to 2.83Moz.*
2. Saturn presented a Pre-Feasibility Study for Apollo Hill in its announcement to ASX on 17 December 2025 *Positive Apollo Hill Pre-Feasibility Study and Maiden Ore Reserve*, which included estimated costs, a mine and process plan and estimated project value.
3. There have been several announcements by Saturn that cover high grade drilling intercepts. The announcements covering this progress so far in 2026 by Saturn include 3 June 2026, 20 May 2026, 8 April 2026, 16 March 2026, 25 February 2026

Koonenberry Gold
(ASX:KNB, Koonenberry)

Lion invested a further $0.6M in Koonenberry Gold, to fund near term, multi-project discovery-oriented drilling

Koonenberry Gold is unique amongst listed exploration companies in Lion's eyes. In addition to the Enmore project in North East NSW which has produced multiple thick gold intersections such as 107m at 1.14g/t gold[1], Koonenberry has a selection of other projects in their portfolio that are just as attractive, but they haven't yet drilled. Lion's interest in Koonenberry is the broad portfolio of strong exploration prospects which provides multiple, large scale discovery opportunities amounting to 'many shots on goal'.

Much of the Koonenberry portfolio was assembled over almost a decade by Darren Glover and his team in private company Gilmore Metals, which was acquired by Koonenberry in October 2024 with Glover becoming an executive technical director. Gilmore leveraged decades of experience exploring in NSW to generate and acquire multiple projects in the world-class Lachlan Fold Belt, many of which became joint ventures with global mining giant Newmont, who retained Gilmore to undertake the exploration.

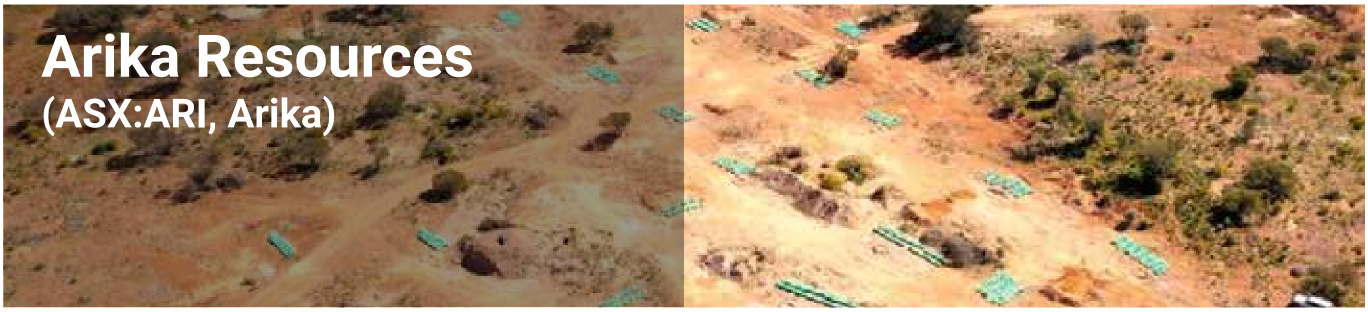
Gilmore was able to collect vast geophysical and geochemical datasets and define multiple compelling targets over a large number of projects, which now form much of the Koonenberry portfolio. This portfolio has been progressed well beyond other comparable early-stage projects, as there is a strong underpinning of the metals of interest (mostly gold and copper) demonstrated by surface sampling, historic workings and geophysics. Most of the projects have not been drill tested by Gilmore, and several are now poised to be drilled by Koonenberry. Newmont have retained two joint venture projects which they now operate and are currently drilling at one.

The Koonenberry portfolio is focused completely on New South Wales, which is an area that attracts global major base and precious metals mining companies for the geological potential demonstrated by known, very large-scale, world class gold / copper deposits such as Cadia, Cowal and North Parkes. These are all strong analogies for what Koonenberry is exploring for.

Koonenberry is now funded for drill testing of multiple targets that all have world class scale potential. Following the capital raising which secured $4M Lion will hold approximately 10.1% of Koonenberry.

1. Refer to Koonenberry's announcement to ASX on 23 June 2025 *KNB returns 80.5m at 1.45g/t gold from sixth drillhole.*

NEW PORTFOLIO ADDITION



Lion invested $2M in **Arika Resources**. Two well mineralised/under explored projects in the heart of WA gold producing region. Arika is an advanced gold exploration company with two focus projects in the Kalgoorlie-Leonora region of Western Australia. Both projects feature extensive historic gold workings that have produced gold that strongly underpin prospectivity for discovery of new mineralisation – but both projects have seen little drilling work, meaning the modern discovery opportunity is untested. Targets range from simple extrapolation of historically mined gold mineralisation through to new targets derived from structural interpretations based on geology, geophysics and geochemistry, presenting a large number of targets and high probability of new discoveries. Located in the heart of Australia's most prolific gold producing district, any discovery is likely to have several potential commercialisation pathways.Following successful completion of Arika's Placement, Lion will hold approximately 6.7% of Arika.

DIVESTMENT

Lion divested its holding in **Caspin Resources** during July 2026, locking in a return of 4% having invested $0.75M in December 2025 and total sale proceeds of $0.78M. Lion retains 750,000 Caspin options exercisable at 15c before December 2027 expiry.

LEGACY INVESTMENT

Lion's **PhosCo Limited** investment has been in place for many years, since a time when Lion was investing with a global mandate that included a focus on Africa. PhosCo holds large-scale rock phosphate resources in Tunisia and expects to release a scoping study in Q4 2026. Lion will consider follow on investments in PhosCo but ultimately is focused on pathways to value realisation. PhosCo is not yet at the stage that Lion considers sale is warranted. The cost of Lion's PhosCo investment is $4.8M versus current holding value $9.9M. Lion's investment portfolio anD NTA are overwhelmingly Australian focused.

Lion Investment Process

Decades of process refinement

Lion has targeted opportunities where our assessment of value, risk and relevant market conditions provides an opportunity for a return in excess of 10x on the initial entry price of each investment.

Value realisation is expected to be driven by a combination of company/project derisking, commodity price gain/cyclical uplift as the boom progresses in addition to potential value additions via mineral resource discovery or addition. We know from experience that these won't all work out as expected, however such a high hurdle for expected value alongside as few impediments as possible to derisking are required to target investments we plan to hold for the years we expect it will take for them to achieve their value potential.

Sell

Buy

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

Valuation

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

Risk Assessment

- Identify and avoid fatal flaws
- Plan A & B: seek multiple commercialisation pathways

Net Tangible Asset Backing as at 31 July 2026

As at 31 July 2026 Lion held $30.5M of net cash and $108.2M of equity investments with a combined aggregate value of $134.1M (after tax), against a market capitalisation of $121.8M.

Lion advises that the unaudited net tangible asset backing of Lion at 31 July 2026 is 96.7 cents per share (before tax) and 93.6 cents per share (after tax).

	A$M	cps
Cash	30.5	21.2
Legacy Investments	9.9	75.5
Australian Investments	98.2	
Total Value Before Tax	**138.6**	96.7
Deferred Tax Liability	(4.5)	(3.1)
Total Value	**134.1**	**93.6**
Market Capitalisation	**121.8**	**85.0**

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.

Cash Management

As at 31 July 2026 Lion held $30.5M net cash available for investing.

- Lion's net cash is held between an on-call account and term deposits which roll off on a regular basis.
- This arrangement provides a higher interest income than call accounts over a majority of the cash, but ensures Lion has sufficient access to liquidity to fund investment opportunities as they arise.
- Note that the interest on term deposits that Lion had in place as of 31 July 2026 ranges between 5.01% pa and 5.13%pa.

One of the biggest risks to investors in cyclical sectors is experiencing dilution when the market is weak or a stock specific discounted opportunity arises. Lion is extremely fortunate to have a strong cash holding, enabling patient assessment and swift action when opportunities emerge either for new or follow on positions. Importantly, Lion does not need to consider asset divestments for funding purposes and is funded to act when the best strategic window arises.

Keeping up appearances …

Lion Selection Group attempts to maintain a vibrant interaction with the market and its shareholders. In addition to ASX disclosure, Lion provides a variety of market updates via presentations, interviews, podcasts and conference recordings which are sent to shareholders that are on the Lion mailing list.

Scan the QR code to sign up to receive all Lion updates at www.lionselection.com.au

Market Review

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.

Boom Outlook: Unchanged

The strong and rapid rally between the second half of 2025 and early 2026 caught many investors off guard. It has been a long time since that sort of market struck the miners. Because it was short and pulled back quite suddenly (in response to Middle Eastern conflict), it led many money managers to assert: it was a one-off rally which is over. We know this because Lion is invited to talk frequently to advisors in stock broking firms, and this is commonly raised.

A weakening of mining equities probably came as a relief to many generalist money managers who hold little in the resources space. Those who missed the movement would have underperformed those that didn't.

But the mining market of late 2025 / early 2026 wasn't just a rally – it marks the start of a boom that is expected to last for years and be driven by strong, global mega-trend thematics.

Early 2025 to late 2026: THEN vs NOW

There has been a clear change in sentiment between early 2025 and now which supports a turning point.

- **The market has spoken**. We *know* the boom is on – this is evident because the investment market is beginning to rotate capital into the sector – this underpins confidence that conditions improve as the boom progresses. The best evidence of this is the share price charts of global major miners – despite the impact of Middle Eastern conflict, they have already recovered
- **Activity levels are rising**. The funding splurge of late 2025 / early 2026 has achieved a great deal in terms of progress within the sector. Where many attractive companies were flat footed in 2025, they are now funded and working – many having achieved important derisking in the meantime, and the high level of activity will provide positive catalysts that feeds growing investor interest

Symptoms of a boom

1. Majors 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) but have recovered strongly since.

Notably, 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. Sudden and unexpected changes to Australian Capital Gains Tax undoubtedly made this worse. The Australian federal budget was handed down on 12 May and led to one of the most depressed end of tax year selling events many market participants have seen. There is no doubt this has negatively affected the sentiment of individual Australian investors. 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. 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.*

continued...

2. Money raised – up, and still flowing

As noted, the small and micro-capitalisation portion 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.

There was substantial capital raised in the sector between the second half of 2025 and first quarter of 2026. 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).

Despite the weakening in the market, junior companies are still raising money. Whilst we await the print for capital raised in the June quarter of 2026, we can see that companies are still executing capital raising well above the tempo and quantum of 2024 and early 2025.

Liquidity was not flowing into the sector in 2024, but it is now, even if it has slowed.

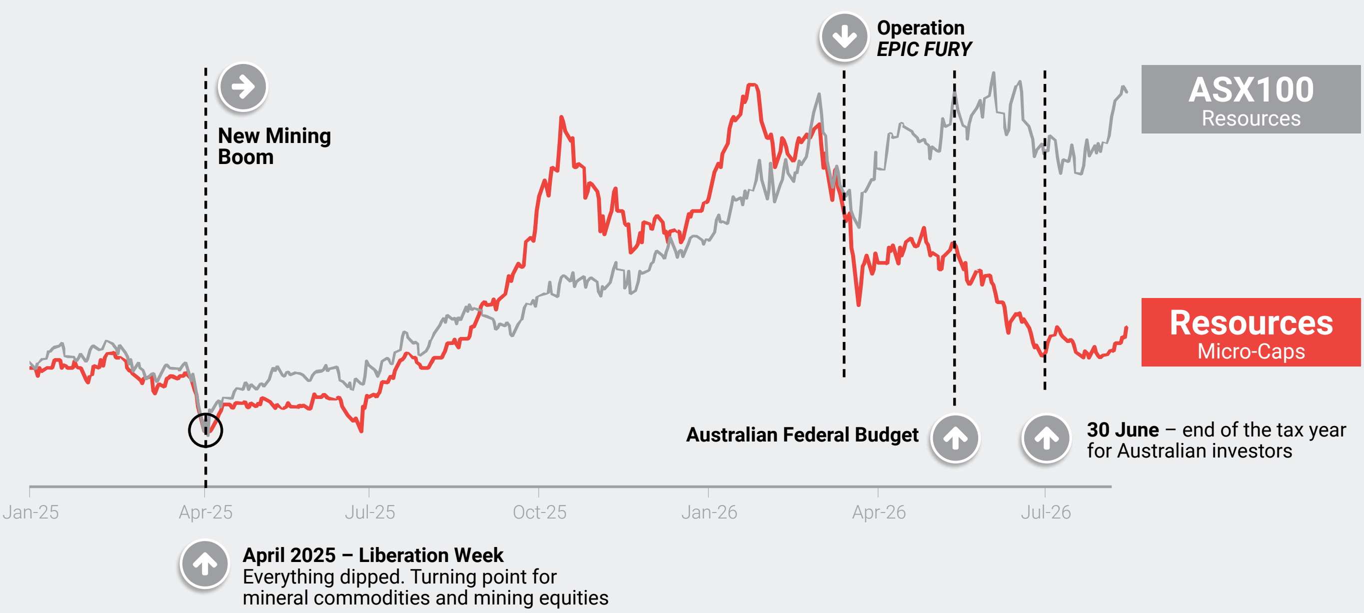
3. Activity levels – growing, not shrinking

The litmus test of robustness of liquidity is activity levels in the sector – such as exploration expenditure. When the mining sector is in bust, 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 distinct lift in exploration activity in Australia in the September quarter of 2025 which has been sustained to the most recent measurement which was for the March quarter of 2026[3].

Whilst these are lagging figures, again observations show us that this activity measure is not dropping. Drill rigs have become well utilised and are hard to book. The sector slows down when it can see that money is becoming hard to replace, *so this continued activity level strongly suggests that companies are confident of being able to raise more money.*

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-8e94d8eb-0a47-4069-97fb-948ab01be778/1/0/Mar%2026%20-%20Explorers%20Quarterly%20Cash%20Update.pdf
3. Australian Bureau of Statistics Mineral and Petroleum Exploration Australia: Table 2, seasonally adjusted total expenditure

Tracking the early boom...



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

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

Most recent corporate combinations in the mining sector have featured some level of synergies. These are occasionally scoffed at by onlookers, but whether they are real or imagined – being able to say "by putting these two companies together we generate savings" has been an important justification for acquirers to tell the market. The acquisition of Ausgold (ASX:AUC) by Oceanagold (TSX:OGC, NYSE:OGC) is hot off the press[1], so still has a way to go before it completes. Assuming it is fully consummated, this will be a significant marker which may be an early indicator of a changing mood toward M&A in the gold space.

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"[2]. To this point, gold companies with 1Moz+ gold inventories within a defined project have had logical enough suitors based on who their neighbours were, the Oceanagold acquisition of Ausgold may be showing that regional synergy is no longer a prequalification for M&A.

1. Refer to Ausgold's announcement to ASX on 17 August 2026 *Oceanagold Agrees to Acquire Ausgold.*
2. 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.

5. Commodity prices are rising

No discussion needed – the market softened when gold weakened, but gold is up by over US$600/oz from its low point in 2026. Copper is at record highs.

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. 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 some time, but it appears to have entered the mainstream and investors are now paying attention.**

Lion Clock – Unchanged

Lion closely monitors the mining cycle via the Lion Mining Clock, which was moved to 7 o'clock earlier in 2026. 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.

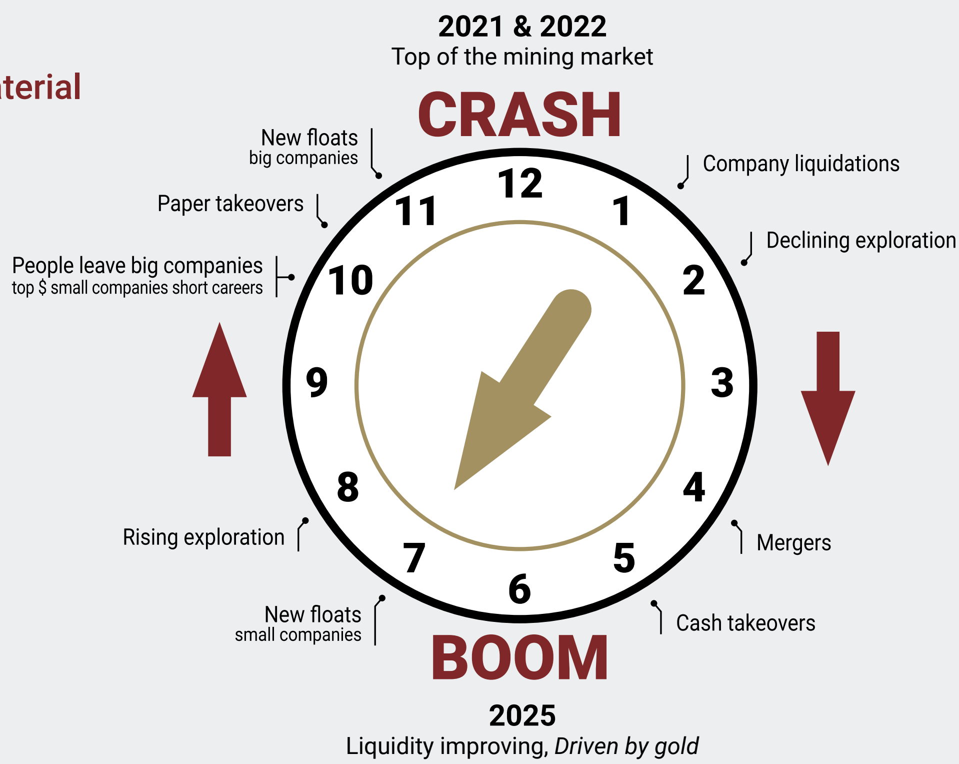
The Lion Clock remains at 7 o'clock.

Lion Clock

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

Rest of (most) of the boom:

Yet to come…



Portfolio Features

Near-Production to Exploration: de-risking and growth with commodity diversity

Massive Advanced Gold Resource Exposure

Top five holdings all contain established, development scale, gold/gold dominant mineral resources.

3 x Developers (near term producers).

4 x Multi-million-ounce owners: strategic.

Commodity Diversity
key exposures

Au

Substantial leverage to gold.

Mid way through a generational bull market (9 of 11).

Cu Zn
Sn Ag

Pure-play or by-product exposure (7 of 11).

Jurisdiction
key cost/risk management

AUSTRALIA ONLY
All investing since January 2022 has been into Australian projects only.

2025 2 x legacy *exits* (Erdene, Atlantic).

2026 1 x legacy investment *remaining* (PhosCo).

Target Upside: De-risking and Growth

Target scale and simplicity for minimal de-risking obstruction.

Measured exposure to growth:

1. Alongside a defined project.
2. With an *abundance* of chances for success.

Multiple commercialisation options.

Little to none of the resource growth potential that premised the investment cases across the Lion portfolio has been realised to date.

Aiming For Lowest Risk

Product separation and saleability with clear market price: essential.

Target low price entry (follow-on selectively).

OUTLOOK – Lion

Portfolio value realisation *leveraged* to the mining boom

All Mining Booms are good for commodities, mining equities and M&A

This Boom Outlook:

- Industry under-invested in new supply.
- New, significant commodity demand (de-carbonisation, de-globalization and conflict).

Equity market only beginning to take note:

- Rotation from tech.
- Awaiting effect of index rebalancing.

Portfolio performance drivers:

- Company/project de-risking.
- Resource growth.
- Strongly supported by improving market conditions, which underpins an ability to fund and be rewarded for progress.

Funded to be opportunistic:

- $30.5M cash.
- Investing decisions driven by quality, not availability of liquidity.

Returns:

- Capital growth of Lion, driven by portfolio.
- Dividends provided by profitable exits.

Lion Selection Group Limited
ABN 26 077 729 572

Level 2, 175 Flinders Lane
Melbourne Vic 3000
T: +61 3 9614 8008
F: +61 3 9614 8009
www.lsg.com.au

Enquiries

Hedley Widdup
hwiddup@lsg.com.au

Jane Rose
jrose@lsg.com.au

Authorised for release by

Hedley Widdup
hwiddup@lsg.com.au