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KEY POINTS

- **Timed to the cycle:** Lion has established a portfolio of strategic investments in selected micro-capitalisation resources companies with strong growth outlook, especially through the duration of a mining boom.
- Lion's Australian focused 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.
- **Portfolio evolution:** Lion invested $22.5M in the year weighted towards near development assets with Lion's top six holdings containing established, development scale mineral resources.
- Three of Lion's more advanced investees, Medallion, Brightstar and Sunshine have made transformative transactions to fast-track production, by-passing many of Australia's ever increasing regulatory hurdles to develop a mining operation.
- Lion continues to closely manage its portfolio, rationalising holdings where the original investment case does not unfold as expected.
- **Investment performance:** Increases across many investments in Lion's portfolio including Medallion Metals (+$5.1M), Sunshine Metals (+$4.8M), PhosCo Ltd (+$4.6M), partly offset by reductions in Brightstar (-$2.9M) and Koonenberry (-$2.6M).
- Since April 2022, Lion has so far deployed $63.2M into Australian investments during this once-in-a-cycle opportunity. This has grown 68% to $106.5M (including realised investments) as at 31 July 2026.
- **Strong balance sheet:** Cash, term deposits and accrued interest of A$36.0M to invest in an improving junior resources market.
- **Deal Flow:** High volumes of deal flow and opportunity assessments.

Lion Selection Group

Key Investment Metrics Full-Year Ended 31 July			
	2026 $000's	**2025 $000's**	**% Change**
Listed investments (at fair value)	100,098	85,535	17%
Unlisted investments (at fair value)	8,086	5,712	42%
Total Investments (at fair value)	**108,184**	**91,247**	**19%**
Cash Inflows/Outflows			
Proceeds from investments	19,881	4,275	365%
Payments for Investments	(18,273)	(21,832)	(16%)

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Lion Selection Group

Lion Selection Group Limited
ABN 26 077 729 572

Appendix 4E Preliminary Financial Report for the year ended 31 July 2026

Reporting Period

Reporting Period	
Current reporting period	Year ended 31 July 2026
Previous corresponding reporting period	Year ended 31 July 2025

Results for Announcement to the Market

Results for Announcement to the Market				
Revenue	Down	4%	to	2,270,000
Profit (loss) for the year	Down	77%	to	8,892,000
Profit (loss) for the year attributable to members of the parent	Down	77%	to	8,892,000

Results were extracted from the Financial Statements for the year ended 31 July 2026.

Commentary on the results for the year ended 31 July 2026 is included in the Director's Report section of the Annual Financial Report for the year ended 31 July 2026.

Net Tangible Assets Per Security

Reporting Period	31 July 2026		31 July 2025 Post Tax
	Pre-Tax	Post -Tax	
Net tangible assets per ordinary security – diluted for vested rights	0.967	0.936	0.89

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Lion Selection Group

Dividends

Dividends		
Dividends	**Date of Payment**	**Total amount of dividend**
Special Dividend	17 September 2025	**2.0¢**
Amount per security	**Amount per security**	**Franked amount per security**
Current Year	2¢-	2¢-
Previous Year	-	-
Total dividend on all securities	**2026 $'000**	**2025 $'000**
Ordinary Securities	2,865	-
Total	**2,865**	**-**

Controlled Entities

Controlled Entities
N/A.

Associates

Associates		
Company	**Current Period % Held**	**Previous Corresponding Period % Held**
Plutonic Limited	42.4	41.0

Lion is an investment entity for the purposes of AASB 10 Consolidated Financial Statements, AASB 127 Separate Financial Statements, and AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities. Accordingly, the Company has applied the exemption from consolidating these entities and carries these investments at fair value. Similarly, 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.

For more information please refer to the attached Financial Statements.

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Lion Selection Group Limited

ABN: 26 077 729 572

Annual Financial Report for the year ended 31 July 2026

Lion Selection Group

CONTENTS **Page**

Directors' Report 1

Auditor's Independence Declaration 10

Statement of Profit or Loss and Other Comprehensive Income for the Year ended 31 July 2026 11

Statement of Financial Position as at 31 July 2026 12

Statement of Cash Flows for the Year ended 31 July 2026 13

Statement of Changes in Equity for the Year ended 31 July 2026 14

Notes to the Financial Statements for the Year ended 31 July 2026 15

Consolidated Entity Disclosure Statement 34

Directors' Declaration 35

Independent Auditor's Report 36

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Lion Selection Group Limited

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;

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- 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 29 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).

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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 Investor 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 below:

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/ 3 months

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

Non-executive director arrangements

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

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

Link between remuneration and performance

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

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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 below.

	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

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 table below.

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**

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Key Management Personnel Shareholdings

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

SHAREHOLDINGS OF KEY MANAGEMENT PERSONNEL OF THE COMPANY

NAME	BALANCE 1 AUGUST 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**

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**

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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.

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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 9 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 Meetings

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 10 of this financial report.

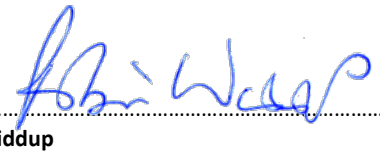
Non-Audit Services

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
Date: 10 September 2026

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nexia.com.au

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

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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.

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Lion Selection Group Limited
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.

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Lion Selection Group Limited
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.

Lion Selection Group Limited
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.

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Lion Selection Group Limited
Statement of Changes in Equity for the Year ended 31 July 2026

	ISSUED CAPITAL $'000	RESERVES $'000	RETAINED EARNINGS/ $'000	TOTAL $'000
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)	-	-
At 31 July 2026	**122,398**	**473**	**11,265**	**134,136**

	ISSUED CAPITAL $'000	RESERVES $'000	RETAINED EARNINGS/ ACCUMULATED LOSSES $'000	TOTAL $'000
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
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.

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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).

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NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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.

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.

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(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.

(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.

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NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

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

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

The Company classifies its financial assets into the following categories:

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

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

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

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

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

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

(k) Derecognition of financial assets and financial liabilities

(i) Financial assets

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

(ii) Financial liabilities

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

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

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NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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.

(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.

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.

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

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

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

(r) Contributed equity

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

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

(s) Dividends

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

(t) Earnings per share

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

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

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

(u) Segment reporting

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

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

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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.

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	-	-

NOTE 3 FINANCIAL RISK MANAGEMENT (continued)

2025	FLOATING INTEREST RATE $'000	FIXED INTEREST RATE $'000	NON INTEREST BEARING $'000	TOTAL $'000	AVERAGE INTEREST RATE FLOATING %	AVERAGE INTEREST RATE FIXED %
Financial Assets						
Cash – AUD	8,932	-	-	8,932	4.9	-
Cash – USD	15	-	-	15	-	-
Term deposits	-	30,101	-	30,101	-	3.9
Investments in securities	-	-	91,247	91,247	-	-
Convertible securities	-	-	-	-	-	-
Financial Liabilities						
Trade and other payables	-	-	113	113	-	-

(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.

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**

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NOTE 3 FINANCIAL RISK MANAGEMENT (continued)

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
At 31 July 2025				
Assets				
Financial assets at fair value through profit or loss				
Investments	85,535	5,712	-	91,247
Total Assets	**85,535**	**5,712**	**-**	**91,247**

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.

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.

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**

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NOTE 4 INCOME AND EXPENSES (continued)

Results of investments realised during year	**2026 $'000**	**2025 $'000**
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**

NOTE 5 INCOME TAX EXPENSE

(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**

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NOTE 5 INCOME TAX EXPENSE (continued)

(b) Deferred tax liabilities	2026 $'000	2025 $'000
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**

NOTE 6 TRADE RECEIVABLES AND OTHER ASSETS

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**

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NOTE 9 RIGHT OF USE ASSET

	2026 $'000	2025 $'000
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

NOTE 12 CONTRIBUTED EQUITY

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

Share capital	2026 SHARES	2025 SHARES
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

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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.

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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).

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.

NOTE 18 RELATED PARTY DISCLOSURES (continued)

(c) Key Management Personnel Remuneration	2026 $	2025 $
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

The Company had direct and indirect ownership of the following material investments at year end:	CARRYING AMOUNT 2026 $'000	CARRYING AMOUNT 2025 $'000	ENTITY OWNERSHIP 2026 %	ENTITY OWNERSHIP 2025 %
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.

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.

2026	AUSTRALIA INVESTMENT $'000	AUSTRALIA CORPORATE $'000	LEGACY INVESTMENTS AFRICA $'000	LEGACY INVESTMENTS 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 flow from financing activities	-	(2,970)	-	-	(2,970)

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NOTE 20 SEGMENT INFORMATION (continued)

2025	AUSTRALIA		LEGACY INVESTMENTS		TOTAL $'000
	INVESTMENT $'000	CORPORATE $'000	AFRICA $'000	ASIA $'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 flow from financing activities	-	(97)	-	-	(97)

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.

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NOTE 21 SHARE BASED PAYMENTS (continued)

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.

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:

Share Based Payments	**2026** **$**	**2025** **$**
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

	2026 $'000	2025 $'000
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 form 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 form 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.

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Consolidated Entity Disclosure Statement

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

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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 and notes set out on pages 11 to 33 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 as at 31 July 2026 and its performance for the year ended on that date;

   (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 34 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	**P J Maloney**
Chairman	Director

Melbourne
Date: 10 September 2026

Nexia Australia

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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.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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.

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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

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