Lion Selection Group

Quarterly Report
for the 3 months ended 31 January 2026

Lion Selection Group

ASX:LSX

Lion is a listed mining investment company that provides a portfolio exposure to the high-growth, micro-capitalisation layer of the resources sector, which is capable of generating some of the best returns across the market, subject to stock selection and market timing.

Lion has invested $48.9M in its **Australian focused** strategy since January 2022. At 31 January 2026, those investments have created value of $116.3M (including the value of portfolio holdings as well as realised gains), providing ***an investment return to date of 138%***. Lion's portfolio is strongly leveraged to gold and has benefited from the strong performance of the gold price which has flowed through to the Lion NTA.

The mining sector moved into boom in 2025, creating an ideal market for mining equities and platform for performance of small to micro-capitalisation companies. The outlook for 2026 and beyond is for improving commodity prices and consequent mining sector performance. In this sort of market, returns available from derisking of junior companies with attractive projects are expected to be solid with a supportive trading and fund-raising market backdrop.

As at 31 January 2026 Lion held $39.2M of net cash and $126.0M of equity investments with a combined aggregate value of $157.8M (after tax), against a market capitalisation of $151.1M.

Lion has established a portfolio of strategic investments in selected micro-capitalisation resources companies with strong growth outlook. The return profile from micro-capitalisation resources companies can be outstanding, especially through the duration of a mining boom. Lion's investment strategy has had compelling performance already, with the cyclical return to boom conditions now providing an excellent outlook for prospective investment returns in Lion's target market.

Quarter Highlights:

- Gold prices increased by over A$1,000/oz to A$7,000/oz, underpinning performance across Lion's gold leveraged investment portfolio.
- Lion's discount to NTA remains low; share price approximating or at only a small discount to NTA.
- New investment:
  Cannindah – Lion committed to invest $2M as part of a $15M placement in Cannindah Resources Limited (ASX:CAE). Cannindah's namesake and key project, Mt Cannindah in Southern Queensland features an established Mineral Resource Estimate within a mineralised Breccia unit, and prospectivity for greater copper-gold mineralisation with a target for discovery of a pencil porphyry deposit within the overall complex that contains a strong collection of hallmarks for this style of mineralisation.
- Follow-on investments:
  - **Medallion** – $5.0M invested as part of a $60M fund raising at 33cps; Lion now holds 4.4% of Medallion which is on a trajectory to becoming a gold-copper producer.
  - **Critica** – $0.5M invested as part of a $8M placement at 2.6cps (plus one free attaching option for every share issued pursuant to the Placement); Lion now holds 2.4% of Critica, which owns Australia's largest magnet REE resource.
- An extremely well attended Annual General Meeting and Lion Strategy Day in November 2025.
- Lion continues to receive meaningful interest on cash finishing the quarter with $39.2M net cash and term deposits, well equipped to follow portfolio investments and further portfolio development.

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

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

ASX : LSX
Share price
102.5¢ps
as at 31 January 2026

NTA
Pre-Tax **115.3¢ps**
Post-Tax **110.2¢ps**
as at 31 January 2026

Hedley Widdup, Lion Managing Director said:

"The commencement of the mining boom is what we have been anticipating for some time. Lion established its core portfolio holdings largely in the depressed market of 2022-2024, which is consistent with our investing strategy of buying large holdings of companies with excellent people and projects during cyclical lulls where prices are most depressed. We have taken these investments with a long-term view and are confident this provides the full duration of the mining boom is available, and will enable best possible value realisation.

Much of our portfolio has performed well already, and market conditions are now exceptionally supportive of fund raising and rewarding progress which is expected to lift and accelerate the whole sector. This is a wonderful platform for the Lion portfolio of companies for 2026 and beyond."

Lion Selection Group

Targeting Multiples via Focused Investment in Australian Resource Situations

Micro-Cap Resources Focused Specialist Investment Company

Why Lion Selection Group?

1	Exposure to the Micro-Cap Resource Sector	• High growth end of a high growth sector: requires specialist stock selection/portfolio management. • Lion invests in mining and exploration companies with strong assets, targeting asymmetric upside (growth) versus downside risk.
2	Investing strategy	• Management team: **founders, high % owners, mining/investment experienced.** • Performing: **+138%** Performance of Lion's Australia focused Investing Strategy since January 2022[1].
3	Portfolio	• Strong exposure and leverage to **gold**. • Portfolio spread from near production to exploration. Expected value realisation from project de-risking, commodity price performance, discovery and potential M&A.
4	Strongly funded	• **$39.2M cash**[1] to follow investments/expand portfolio through weak markets.

Why Now?

5	Mining boom – only just begun	• Micro-Cap Resources are strongly leveraged to the mining cycles, **which is a driver of the opportunity to create multiple returns.**

1. Investment performance figures reflect the historic performance of Lion Selection Group Limited (ASX:LSG, 1997–2007), Lion Selection Limited (ASX:LST, 2007- 2009), Lion Selection Group Limited (NSX:LGP, 2009-2013) and Lion Selection Group Limited (ASX:LSX, 2013-present).

Portfolio Overview

Portfolio development

Lion established the core holdings of its portfolio in a heavily discounted market for micro-capitalisation resources companies between 2022 and 2024. Lion has so far deployed $48.9M into Australian investments, which has grown to $116.3M of value (inclusive of equity holdings and realised gains) which is a performance of +138% as at 31 January 2026. With $39.2M of cash Lion is well positioned to follow its investments, and to add selectively to the portfolio where convincing opportunities present.

The funding market that presented in 2025, and has continued into 2026, enabled many small to micro-capitalisation resources companies, especially those focused on gold, to raise significant funds. Consequently, a lot of companies in the space are now well funded to progress their strategic objectives, reducing their near term dependence on the equity market.

The overall philosophy in assembling the Lion portfolio is to have an asymmetric distribution of upside to downside risk, with strong prospects for value growth and limited risk of value erosion. This combines selection of companies with capable and dependable people and projects with sound value credentials and no fatal flaws. Ultimately, after weighing value and risk Lion has been motivated where entry price provides a compelling outlook for value to be realised through share price performance.

Lion's portfolio now contains 12 Australian focused opportunities. There is a solid exposure to gold (10 of the 12 are gold focused or exposed), with a selection of base metals and critical materials exposures. Portfolio companies range from near term production through to greenfields exploration. Geographically, these are all operating completely within Australia and spread between a number of Australia's significant mining jurisdictions. A significant component of value growth is expected to flow from company and project derisking, particularly as projects are defined, funded and built to enable cash flow. Lion is also exposed via a selection of companies that are exploring either to extend existing projects or for new finds. Whilst there is uncertainty in any form of exploration, these explorers are judged to have robust geological support for their targets, and offer a substantial reward if successful. There is no stronger driver of value than discovery of new mineral deposits or material additions of metal inventories in the resources market. Lion has excellent exposure to commodity prices which are performing firmly and have excellent fundamental outlooks, project value realisation through derisking, and opportunities for substantial and rapid value accretive discoveries.

The resource growth potential that is perceived across the Lion portfolio (and underpins the investment thesis of many of the investments) is largely still to materialise. Many of these companies have made solid progress, providing an outlook for metal addition to their projects which is expected to improve both valuation models and their opportunity for a reward of a rising share price.

The near term producers (Brightstar and Medallion) where gold production is expected from process facilities that are currently under development in 2027 are designated with a gold star. Whilst all of the companies Lion has invested in are engaged in some form of drilling, several have described targets that have the potential to become material discoveries and have plans to be testing these in 2026. These companies are designated with a hot chili.

The portfolio that Lion has established has excellent potential for value realisation through derisking as well as significant opportunities for growth and spans:

- A share of aggregate Resources of over 10Moz of gold plus selected base metals credits;
- Gold, copper, tin, zinc and iron ore growth projects;
- A new and large-scale Rare Earth Element (REE) resource;
- A gold discovery in progress;
- Several exploration plays that offer multiple opportunities for discovery.

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

Calendar 2025 has seen a strong performance from many of Lion's investments, resulting in a large increase in NTA, which has been accompanied by solid share price performance. The best of these performances combines positive company catalysts supported by gold sentiment which is only just beginning to lift selected gold juniors, who have materially lagged the gold price and share prices of gold producing peers. These companies have been able to access funding, which enhances their ability to derisk their projects and is ultimately the pathway to them achieving their full value potential. The strongest performance for a portfolio of micro-capitalisation resources stocks would be expected to occur in a mining boom, which we believe has only just gotten underway in 2025. The Lion Clock has been moved past 6 o'clock, recognising the thawing in market conditions and investor attitudes to early-stage resources companies.

Lion is extremely well positioned for the mining boom, which is expected to be the most significant macro factor to drive returns from Lion's portfolio.

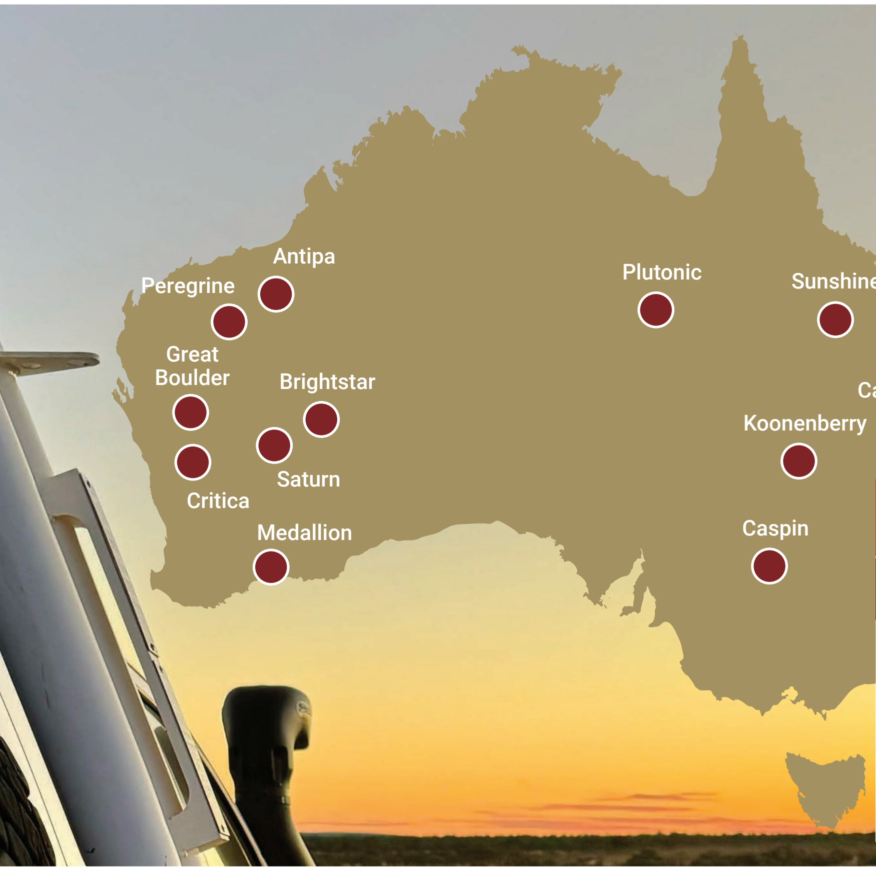
Lion is targeting an Australian portfolio of 15 to 20 investments (currently 12).

Stage and Spread of Lion's Australian investment portfolio

The only remaining non-Australia Legacy investment PhosCo is not shown.

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

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



Performance of Lion's **Australia focused*** Investing Strategy since january 2022		
$ Invested	$ Value	Performance
$48.9M	$116.3M	+138%

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

Pre-discovery → Definition → Assessment → Development → Production

Company	Key project	$ Invested	$ Value	Performance
Brightstar Resources (ASX:BTR)	Production: Laverton, *growth*: multi-million ounce Sandstone	$10.6M	$17.3M	+63%
Medallion Metals (ASX:MM8)	Low capex, rapid pathway to cash flow	$8.0M	$16.6M	+108%
Saturn Metals (ASX:STN)	Bulk economics x large (growing) gold inventory	$12.0M	$36.5M	+204%
Antipa Minerals (ASX:AZY)	Telfer region strategic resource	$4.0M	$18.4M	+359%
Sunshine Metals (ASX:SHN)	High grade Gold / Copper / Zinc VMS field	$2.2M	$9.0M	+299%
Cannindah Res (ASX:CAE)	Copper Resource with pencil porphyry discovery potential	$2.0M	$2.5M	+24%
Great Boulder (ASX:GBR)	Discovering the Eastern limb of the Meekatharra Gold Field	$1.0M	$1.7M	+71%
Critica (ASX:CRI)	Large, shallow, high grade REE discovery	$1.5M	$2.5M	+65%
Caspin (ASX:CPN)	High grade tin resource in NSW	$0.8M	$1.2M	+56%
Koonenberry Gold (ASX:KNB)	Gold discovery taking place in NSW	$2.4M	$3.4M	+43%
Peregrine Gold (ASX:PGD)	Large scale Channel Iron footprint near Newman, WA	$0.5M	$0.8M	+51%
Plutonic (unlisted)	Massive, early-stage discovery potential	$4.8M	$4.8M	0%

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

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

Portfolio Additions: One New and Two Follow on Investments

Cannindah
(ASX:CAE, Cannindah)

$2.0M committed for copper-gold exploration on two fronts: promising porphyry and expanding Breccia

Lion committed to invest $2M as part of a $15M placement announced by Cannindah Resources Limited (ASX:CAE, **Cannindah**).

Cannindah's namesake and key project, Mt Cannindah, sits within a prospective and historically productive copper-gold porphyry setting located in Southern Queensland. The Mt Cannindah project hosts a 14.5Mt at 1.09 CuEq% Mineral Resource Estimate[1] within a mineralised Breccia unit, beneath historic workings. In addition to the Breccia Resource, Cannindah is drilling for a pencil porphyry in the Southern Porphyry Target at Mt Cannindah, which is a large and potentially valuable target style. This target is supported by a broad range of evidence at surface, including copper and gold in a variety of mineralised settings, one of which is an established Resource. Its most recent drilling has reported copper and gold mineralisation in porphyry intrusive rocks – the right rocks – which brings the potential to life.

Mt Cannindah has a mining history for copper and gold that dates back to the early 1900's. The current interpretation, and the target for a pencil porphyry that goes with it, has fallen into place under newly appointed Managing Director Cameron Switzer, who spent time as a technical advisor to the company prior to his new position. He brings a perspective that stems from over 35 years within multinational and smaller companies where he worked extensively on copper-gold projects and of particular relevance, porphyry systems in Australia and Queensland.

- Cannindah's recent exploration milestones reflect a rejuvenated geological approach:
- Discovered an extension of the high-grade copper-gold trend within the Breccia orebody[2].
- Identified the Southern Porphyry Target, an area with a footprint 2,000m x 800m containing copper, gold and molybdenum anomalism with stereotypical porphyry veining at surface.
- Drilling of the Southern Porphyry Target, which has intersected copper-gold mineralisation within a feldspar porphyry intrusive phase, a key indicator of fertile or productive porphyry systems[3].

Lion committed to invest $2M prior to the end of the quarter as a part of a $15M placement priced at 4.5¢ps. Once the placement is completed Lion will become a ~3.3% shareholder in Cannindah. Lion notes that all of the Cannindah directors are planning to participate, subject to shareholder approval.

1. The Mineral Resource Estimate within the Breccia at Mt Cannindah was described in full by Cannindah Resources in an announcement to ASX on 3 July 2024 Significant Upgrade to Mt Cannindah Resource.
2. Refer to Cannindah's announcement to ASX on 11 December 2025 Near Surface High Grade Target identified adjacent Breccia.
3. Refer to Cannindah's announcement to ASX on 28 January 2026 Potential Significant Copper Gold Porphyry Intersected.

Medallion Metals
(ASX:MM8; Medallion)

$5.0M invested to back pathway to production, derisking and growth

Lion invested $5.0M as part of a $60.0M fund raising announced by Medallion Metals (ASX:MM8, **Medallion**) in December 2025. The fund raising was conducted at 33cps, and Lion's investment of $5M took its interest in Medallion to approximately 4.4%.

This funding was a key component of Medallion finalising project funding which enables development of the Raventhorpe Gold Project, becoming a gold producer, and being exposed to record high gold prices. During 2026 Medallion plans to develop a new underground mine at Ravensthorpe (on the south coast of WA) and truck the ore to an existing process facility at Forrestania which it has agreed to acquire from IGO, to be repurposed for gold and copper processing. Repurposing an existing process facility in this way streamlines Medallion's pathway reducing the timeframe, funding required, permitting burden and vegetation clearance that would be required to develop a completely new facility.

The attraction of Medallion for Lion to aggressively build on its interest is a combination of derisking and growth:

- Moving soundly to production with funding risk rapidly falling away, and a low risk pathway to production.
- Near term growth opportunities with drilling that commenced in January 2026 oriented at growing and improving confidence in the Ravensthorpe mineral resource. In addition, the exploration and mining tenure that will be acquired from IGO along with the processing facility is data rich as a result of many years of nickel exploration, which Medallion has the opportunity to assess for gold potential.

Typically companies moving into production necessarily divert most human and funding resources to the development effort with limited foreseeable growth options. Medallion is rare for having strong and near term growth options, which provides an exciting outlook.

Critica
(ASX:CRI, Critica)

$0.5M invested to back a potentially strategic REE deposit

Lion invested $0.5M as part of an $8M placement announced by Critica Limited (ASX:CRI, **Critica**) in November 2025. The funding was conducted at 2.6cps, and Critica also issued one free attaching option for every share issued pursuant to the Placement, which are exercisable at a 4.3c each and with an expiry date two years from date of issue. Lion's investment of $0.5M took its interest in Critica to 2.4%, with leveraged performance exposure as a result of the attaching options.

Lion's follow-on investment in Critica at this point is premised on strategic exposure to Rare Earths (REE) in a huge deposit in a safe jurisdiction:

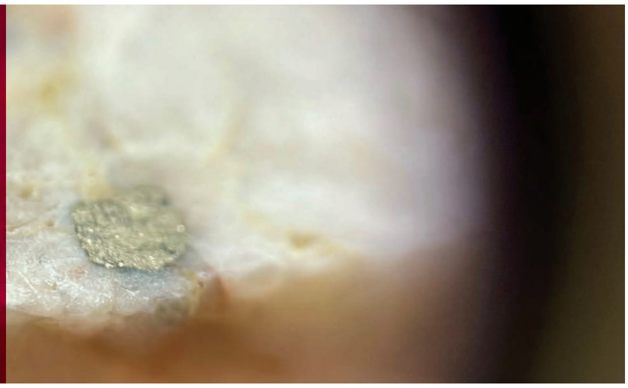
- Critica's Jupiter REE project located 50km west of Mt Magnet in WA is already Australia's largest magnet REE resource, and Critica has identified similar occurrences of mineralisation within the broader Brothers project tenure, so also has a substantial growth pathway to examine in time. If REEs are strategic, having access to a potentially huge inventory is very attractive.
- The Jupiter REE deposit is shallow and clay hosted which presents a low-cost mining proposition. Process test work is well underway, and initial results have demonstrated the ability to create a REE concentrate by rejecting ~95% of the mass of the mined mineralisation. This enables eventual leaching of only a small portion of the material mined, and first pass work has shown high recovery of REEs to a high grade Mixed Rare Earth Oxide product[1].
- As well as being rich in sought-after magnet REEs, the deposit contains low levels of uranium and thorium, which are common REE deposit contaminants that tend to concentrate with REEs and result in challenges downstream for handling and waste disposal.

The combined size and simplicity of the Jupiter project, located right on a transportation and infrastructure corridor in key mining jurisdiction Western Australia, positions Jupiter favourably to emerge as a deposit of strategic nature with a part to play in the scramble for diversifying REE supply.

1. Critica's metallurgical testwork results are presented in their announcement to ASX on 28 October 2025 "Jupiter Delivers First High-Grade (84% TREO) Mixed Rare Earth Product, Further De-Risking Critica's Flowsheet".

Plutonic
(Unlisted)

Lion's unlisted, early-stage exploration investment



Lion invests sparingly in early-stage exploration ventures. This is primarily because of the risk associated with exploration, and the challenges of being an ASX listed early-stage explorer.

Plutonic is an attractive way for Lion to get exposure to the kind of explosive value growth that can occur from a successful mineral deposit discovery:

- Plutonic has two key projects. They contain significant, largely unexplored systems that both contain evidence of metals (gold and copper at Champion in the NT, gold at Georgetown in Queensland). These systems are so vast they could contain tens or hundreds of individual targets – providing many chances for a success.
- As an unlisted company, Plutonic's overheads are kept low. There are no listing fees, and the team work from home or at the projects with much reduced administration overheads.
- A necessity of being a listed company is being able to provide frequent and regular news to inform the market and support the trading of company shares. The timeframes associated with early stage exploration news flow often lead to early stage exploration companies trading at share prices that severely restricts their ability to raise future funding.

Plutonic's business model is to identify large new mineral systems, add value by demonstrating system type and fertility, and then consider pathways to commercialise via further funding, partnerships or transactions. The unlisted environment suits this model well and by way of a 41% holding, Lion is as much a partner as shareholder. Plutonic is searching for very large mineral systems, with strong evidence, albeit at an early stage, that such a search is worthwhile. Such discoveries would be very valuable if they can be found and delineated.

Plutonic provided updates on its two key projects in late 2025, which were released to ASX by Lion:

- Champion in the Northern Territory has defined targets that are ready to drill, aiming to confirm the existence of the right kind of rocks to substantiate mineral systems have operated at these places. Plutonic sought heritage clearances during 2025, which have been received and Plutonic now plans to drill in 2026 as soon as weather (heat and rain) permit.[1]
- Also at Champion, Plutonic conducted a surface sampling campaign over the Asguard Dome, which is a prospect in the western half of the project. This is the first concerted sampling Plutonic has done at Asguard. Results included anomalism for gold and copper, including the highest gold grade in a rock chip returned to date from Champion at 2.23g/t gold.[2]
- Plutonic drilled five holes at its Georgetown project in Queensland in 2025. This drilling was targeted on Intrusion Related Gold Systems, based on similar systems in the area and targets derived from geophysics. Plutonic's drilling has identified a large alteration system, present to some degree in all holes covering a strike extent of over 7km, however this alteration is interpreted to be more consistent with a different style of mineralisation, being porphyry-epithermal. Although this drilling has downgraded the original target style, it has highlighted a different system style. Plutonic has re-assessed epithermal veins which were mapped and drill tested to shallow levels by previous workers. Plutonic's mapping has extended the known surface footprint of epithermal veining, as well as cataloguing the textures within the veins. Historic results that were anomalous in gold but only low grade, are now viewed in a new light.[3]

1. Refer to Plutonic's market update, which was received and announced to ASX by Lion Selection Group on 17 December 2025.
2. Refer to Plutonic's market update, which was received and announced to ASX by Lion Selection Group on 19 November 2025.
3. Refer to Plutonic's market update, which was received and announced to ASX by Lion Selection Group on 13 November 2025.

Legacy Investment

PhosCo Limited (ASX:PHO, PhosCo)

During 2025 Lion's legacy portfolio was reduced to only one remaining investment, following the sale of holdings in Erdene Resource Development Corp and Atlantic Tin. Profitable exists from these investments underpinned the payment of a 2cps fully franked special dividend in September 2025.

Lion's PhosCo investment has been in place for many years, since a time when Lion was investing with a global mandate that included a focus on Africa. Lion will consider follow on investments in PhosCo but ultimately is focused on pathways to value realisation. PhosCo is not yet at the stage that Lion considers sale is warranted.

PhosCo had a strong year in 2025, rising from share price lows of 2.4cps to achieve recent highs of 16cps. This has followed major project ownership and technical milestones, in addition to obtaining financial support from prominent DFI the European Bank of Reconstruction and Development (EBRD).

Lion's investment portfolio and NTA are overwhelmingly Australian focused.

Lion Investment Process

Lion generates value from investing in high growth companies where there is a disproportionate upside between price and value potential, and acceptable risk profile.

Lion aims to obtain a low-price entry, typically by aligning most investing with the late bust/early boom phase of the cycle and taking a sophisticated technical view, and being able to support derisking through measured follow-on investment. Value realisation is expected to be driven by a combination of company/project derisking and commodity price gain/cyclical uplift as the boom progresses.

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

We know from experience that these won't all work out as expected, however such a high hurdle for expected value is required to target investments we plan to hold for the years we expect it will take for them to be derisked and be exposed to the mining boom.

Cycle Alignment

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

Deal Flow

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

People

- Competence
- Integrity

Valuation

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

Risk Assessment

- Identify and avoid existential risks

Net Tangible Asset Backing as at 31 January 2026

As at 31 January 2026 Lion held $39.2M of net cash and $126.0M of equity investments with a combined aggregate value of $157.8M (after tax), against a market capitalisation of $151.1M.

Lion advises that the unaudited net tangible asset backing of Lion at 31 January 2026 is 115.3 cents per share (before tax) and 110.2 cents per share (after tax).

	A$M	cps
Cash	39.2	27.4
Legacy Investments	14.1	87.9
Australian Investments	111.9	
Total Value Before Tax	**165.2**	115.3
Deferred Tax Liability	(7.4)	(5.1)
Total Value	**157.8**	**110.2**
Market Capitalisation	**151.1**	**105.5**

Notes to the NTA

- The NTA laid out above excludes $0.8M in contingent liabilities relating to Lion's acquisition of investments from African Lion 3. The contingent liabilities reduce over time and will become zero by 3 March 2026 if not crystallised by the sale of PhosCo prior.
- The NTA contains the value of the component parts of Lion's assets as at the NTA date, which is a snapshot in time. The majority of this includes the value of cash at bank, and value of investments at their closing price on NTA date. The NTA is not an expression of the ultimate, realisable value of the investments, which in many cases may far exceed the value contained in the NTA.

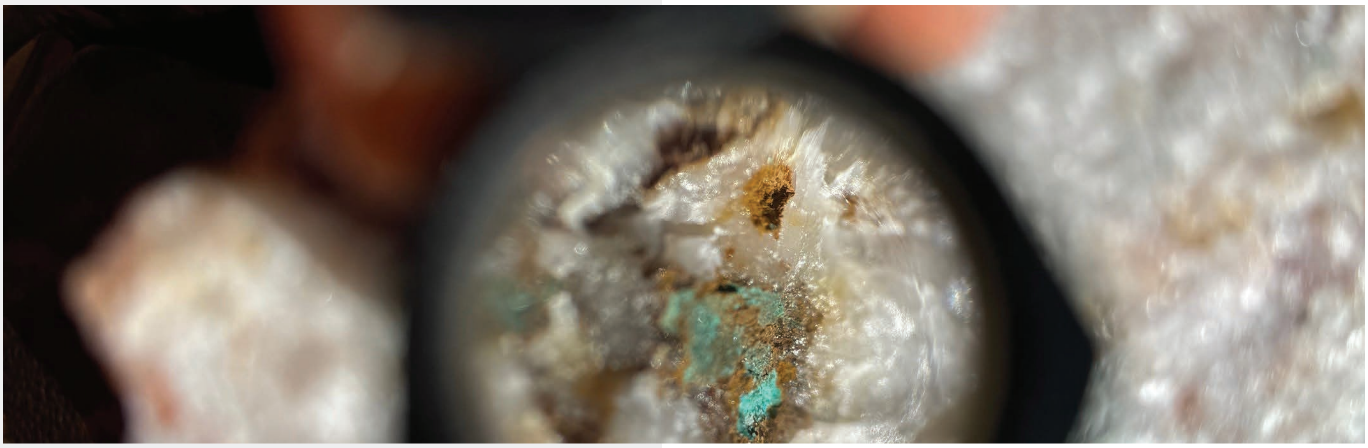
Cash Management

As at 31 January 2026 Lion held $39.2M net cash available for investing.

Cash management

- Lion's net cash is held between an on-call account and term deposits which roll off on a regular basis.
- This arrangement provides a higher interest income than call accounts over a majority of the cash, but ensures Lion has sufficient access to liquidity to fund investment opportunities as they arise.
- Note that the interest on term deposits that Lion had in place as of 31 January 2026 ranges between 3.92% pa and 4.10%pa.

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



Market Review

Summary – the new boom is no longer approaching, it has arrived. This has been brought about by a surging gold price, other mineral commodities turning positive, and a recovery of risk appetite for investors in small cap stocks. This provides a strong outlook for 2026 for small and micro-capitalisation resources stocks.

2026 Outlook: Boom Building

There are several key themes that underpin the outlook for 2026 and beyond from a Lion perspective.

1. Right now is early in a mining boom

There is a clear history of booms and busts that are a defining feature of the mining industry over time. Lion aims to align its investment to the periods of the cycle when investor interest is generally lacking, and quality investments can be accessed cheaply. There is now a clear picture that investor interest has returned to the mining space, which provides confidence that the boom has commenced. Mining booms tend to last for years, and result in strong share price gains for mining companies. Booms provide the best environment in which small exploration and development companies can obtain funding, explore and build projects, which adds value and derisks companies. The uplift in company value that often takes place during mining booms for companies that expand their resources and derisk themselves by becoming producers can result in multiples returns in share prices. Being early in the boom provides confidence of improving and supportive market over years to come.

2. Mineral commodities – on the move

2025 was a pivotal year for commodity prices. Gold surged to establish new all-time record highs, copper moved above a long term (20 year) price cap level of circa US$11,000/T to establish new all-time record highs, and many mineral commodities either levelled out of falling price trends or turned positive.

All commodities have differing fundamentals, but many share similar features. Most mineral commodities were not oversold in 2024/2025 as they reached their recent lows and the cycle turned. This is an unusual circumstance, brought about by the last bust being driven as much by a lack of investor interest for miners as a lack of growth for commodity demand. These factors resulted in tepid, rather than aggressive performance for large miners and commodities, and underpin a major fundamental of the outlook. This boom is expected to be defined by the lack of investment that has taken place over the last 10-15 years, which has resulted in lack of new supply. This general theme exists across most mineral commodities, and results in a stronger than usual outlook for commodity prices.

In some cases, such as copper where new demand/constrained supply is pushing prices through long term upper price resistance, it is creating an incentive (that has been lacking for a decade or more) for investment in new supply.

continued...

3. General Equity Markets. WTF[1]?

Technology has been one of the main contributors to equity market growth, especially in the US which is the world's largest market and has seen the strongest growth over circa a decade. This theme has evolved over time, beginning with the ascendancy of major internet companies such as Google and Facebook (now Alphabet and Meta), Electric Vehicle (and battery) manufacturers such as Tesla, and then Artificial Intelligence (AI) which kicked off in micro-chip manufacturers (Nvidia) and then moved into Artificial Intelligence companies – who have been engaged in an arms race to complete data centres and provide AI applications (eg Open AI, Anthropic, both of which are unlisted). The rush to develop enormous data centres has somewhat confounded a previous global theme of water and energy conservancy, and the latest AI theme has seen market volatility related to what impact AI is expected (speculated) to have on productivity and how this will disrupt existing business models. This volatility hasn't collapsed markets but has led to substantial volatility between enormous companies – indices (such as the S&P500 or the Nasdaq 100) have remained level, whilst some of the largest component stocks have seen major rises and falls, which may see funds flow into other sectors.

It is becoming evident that large amounts of money are moving into the resources space. What was regarded as a 'defensive' holding over recent years is quickly shifting and the earnings performance and outlook of miners is becoming noticed. Gold companies loom large here. As this rotation has occurred and money moves into the mining space it will filter down.

One of the biggest drivers of miners share prices during a mining boom is the investing of generalist investors. These are the biggest pools of managed money that have to track market themes as they become ascendant. They aren't resources specialists, they tend to favour the largest companies for trading liquidity reasons, and this often results in resources companies obtaining a larger share of the overall market weight and trading at higher premia to earnings. This has been long awaited, and may just be beginning – it would certainly be expected to be a feature of the mining boom, particularly as they venture further down the food chain.

4. Risk appetite beginning to filter down, graduation and re-rating on offer

Risk appetite of investors deteriorated between 2021 and 2022, as interest rates moved decisively above 3% and the outlook for inflation firmed. This affected small and micro-capitalisation stocks of all kinds, which is a layer of the Australian equity market that is dominated by resources companies. Stabilising interest rates and the outlook for inflation through 2024 and 2025 have made way for a return of investor risk appetite for small and micro-cap stocks. This has been a crucial feature of the commencement of the mining boom, and would be an essential ingredient for the continuity of boom conditions.

1. WTF = 'World That's Facebook'.

continued...

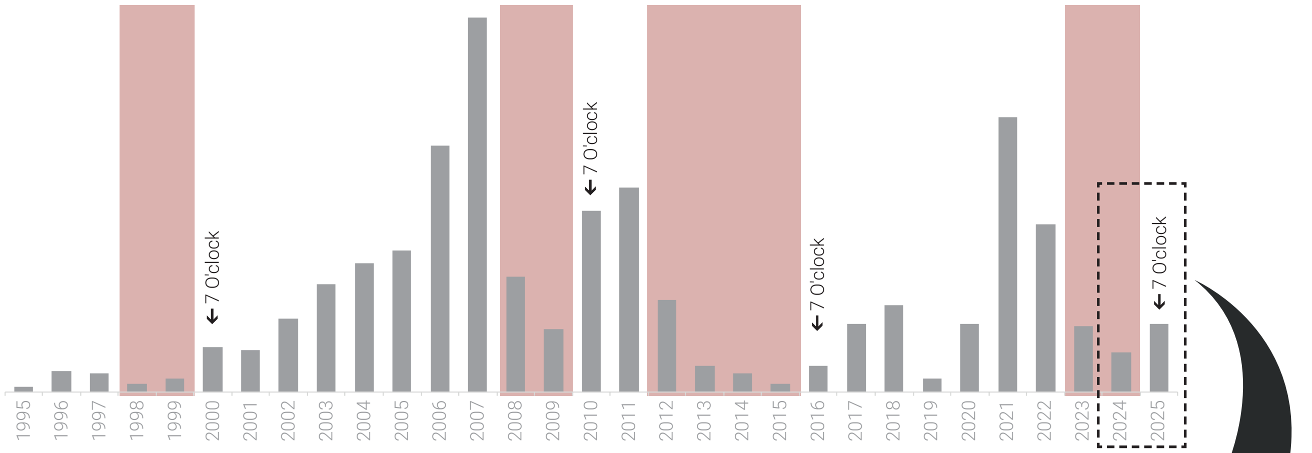
What does this mean for the Clock?

Lion closely monitors the mining cycle via the Lion Mining Clock. Monitoring the mining cycle, and aligning investment to the period of the cycle where prices are most depressed enables the confidence to take a long-term view on the investments that we have made, knowing the full duration of the mining boom is available to enable best possible value realisation.

In late 2025, the Lion Clock was positioned with its hand showing just past 6, within the early stages of the boom. It was accompanied by shaded hands showing the recent movement, and signifying that the clock was moving through 6 o'clock. One of the most crucial factors that demonstrates the boom has started is the ability to raise money to list a new, untested and unproven company via an initial public offering (IPO) – this shows the inflow of liquidity for risky, typically exploration stage companies beyond any doubt. The IPO trend of resources companies strongly endorses the sentiment that the boom is on, and for this reason the Lion clock moved to 7 o'clock.

Number of Mining/Resources IPO's onto ASX

Mostly exploration companies • 'Re-opening' IPO market signifies new Boom



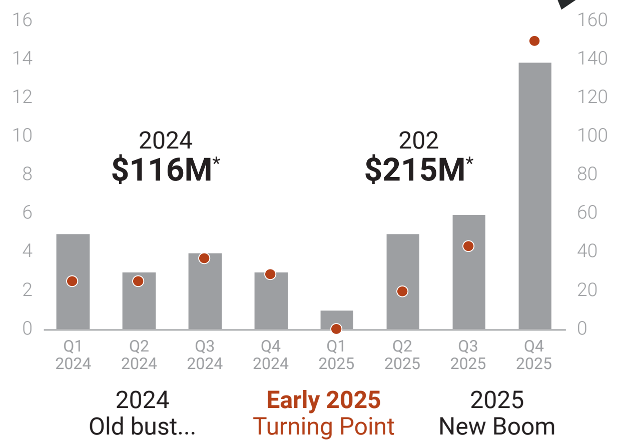
Historic **Bust phases**, as signified by diminished Resource IPOs   **Number** of Mining/Resources IPO's per **year** (total) (chart bars)

2024 & 2025 Mining/Resources IPO's

Quarter by Quarter (excluding companies listing on ASX via a secondary or compliance listing)

- **Number** of Mining/Resources IPO's per **quarter** (total)
- **Funds raised** by IPO's

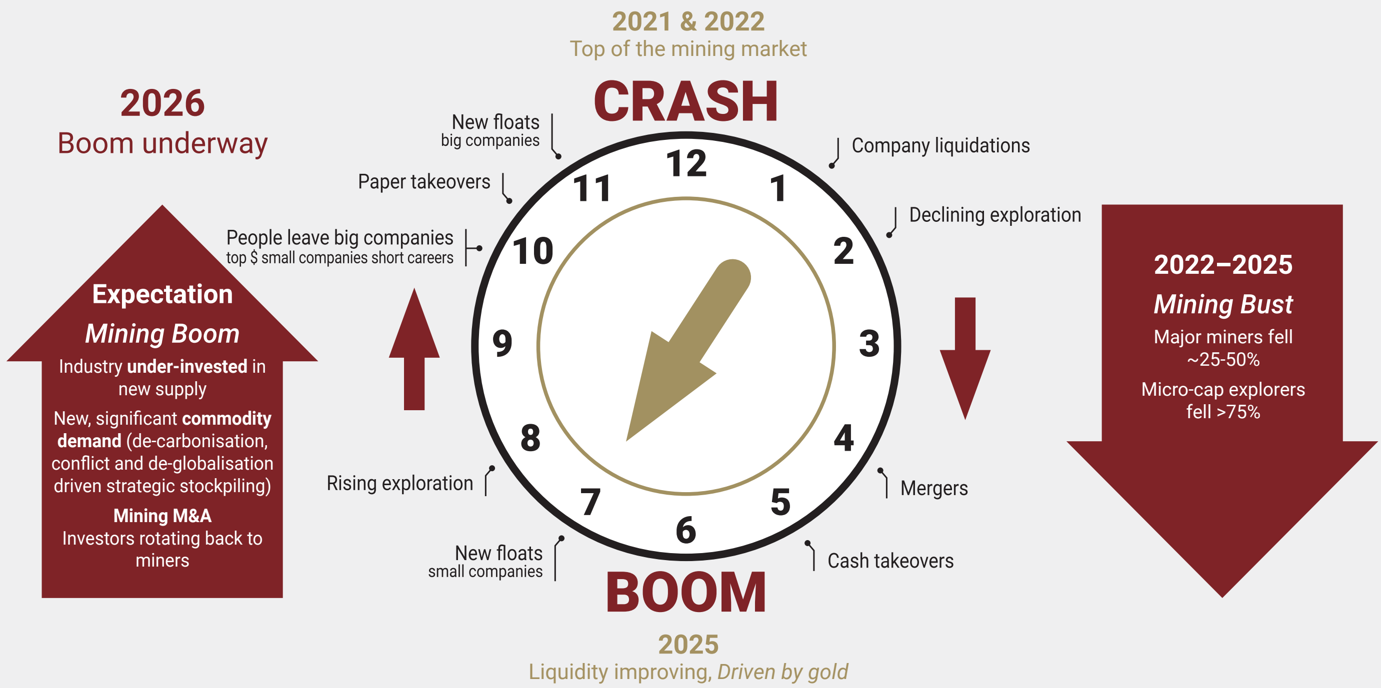
* Funds raised in genuine new resource company IPO's



Data source: ASX, IRESS, Company Reports, Lion Selection Group

Lion Clock

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



Keeping up appearances …

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

Sign up to receive all Lion updates at www.lionselection.com.au.

2025 AGM

Lion held its Annual General Meeting of shareholders on 27 November 2025. This is a pivotal event in the annual calendar for Lion, and we have invested in creating an experience for shareholders that is informative and enables high quality interactions, that encompasses the annual shareholder meeting and extends into Lion's annual strategy day.

Over 80 people attended Lion's 2025 AGM and Strategy Day.

Hedley Widdup's presentation of Lion's year in review and strategy covered a range of topics and was released to ASX.

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