



Lion Selection Group

Notice of 2011 Annual General Meeting

Notice is given that the **annual general meeting** of Lion Selection Group Limited will be held at the Rendezvous Hotel Melbourne, 328 Flinders Street, Melbourne on **Thursday 1 December 2011** at 10.00am (Melbourne time).

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ORDINARY BUSINESS

Discussion of Financial Statements and Reports

To discuss the Company's financial statements and the reports of Directors and the auditor in respect of the year ended 31 July 2011.

RESOLUTION 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That the Remuneration Report of the Company for the year ended 31 July 2011, as set out in the Directors' Report of the Annual Report, be adopted.

Voting Exclusions

The Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes below.

Explanatory Note

Shareholders are asked to adopt the Remuneration Report. The shareholder vote is advisory only and does not bind the Directors of the Company. However, pursuant to recent amendments to the Corporations Act which took effect from 1 July 2011, if the resolution to adopt the Remuneration Report receives a "no" vote of at least 25% of the votes cast at two consecutive Annual General Meetings, a resolution must then be put to shareholders at the second AGM as to whether another general meeting of the Company should be held within 90 days at which all Directors (other than the Managing Director), who were in office at the time the Board approved the second Remuneration Report, would need to stand for re-election.

Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described below in the voting exclusions, that each Director (or any closely related party of a Director) is excluded from voting their shares on this resolution, the Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

RESOLUTION 2 – Re-election of Director

Mr Peter Maloney retires in accordance with the Constitution and, being eligible, offers himself for re-election as a Director.

Information on Mr Maloney and his experience and qualifications is set out below:

Peter Maloney has broad commercial, finance and management expertise and experience. He was previously Chief Financial Officer of Lion's predecessor company, Lion Selection Limited to

December 2009, and an executive of Lion Manager Pty Ltd. In a long career with WMC Resources, he held the positions of Treasurer, Executive Vice President Americas, and Manager Commercial and Marketing – WA. He has also been Executive General Manager, Finance at Santos and Chief Financial Officer at FH Faulding. Mr Maloney has managed varied debt and equity financings, mergers, takeovers, acquisitions, divestments, joint venture negotiations, commodity sale agreements, commodity and currency hedging programs, gold and nickel sales, and has been involved in a number of IPOs. As an executive, he has led major corporate and management restructures.

Mr Maloney has also been a director of several companies and organisations, including Indophil Resources and Barra Resources and was chairman of Southern Health, the largest healthcare provider in Victoria. Mr Maloney is the Non-Executive Chairman of Catalpa Resources Limited. Mr Maloney 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.

RESOLUTION 3 – Re-election of Director

Mr Robin Widdup retires in accordance with the Constitution and, being eligible, offers himself for re-election as a Director.

Information on Mr Widdup and his experience and qualifications is set out below:

Mr Widdup graduated from the University of Leeds (UK) with an Honours Degree in Geology in 1975. He worked in the Zambian copper belt gaining experience in mine geology at major copper-cobalt deposits, returning to the United Kingdom in 1978 to work for the National Coal Board in open-cast coal exploration activities. In 1980, Robin joined Mount Isa Mines Limited in Queensland and worked in both the copper and silver-lead-zinc mine areas.

Mr Widdup moved to stockbroker J B Were & Son as base metals analyst in 1986, before his subsequent appointments as gold analyst and manager of J B Were's Resource Research team. During his time at J B Were, Mr Widdup established himself as one of Australia's leading resource analysts, and the Resource Research team under his management was held in the same regard.

Mr Widdup resigned from J B Were & Son in early 1997 to establish Lion Selection Group and Lion Manager. He retired as Managing Director of Lion Selection as part of the company's restructure in 2009 but remains Managing Director of Lion Manager Pty Ltd.

RESOLUTION 4 – Increase in Aggregate Directors' Fees

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That, pursuant to clause 10.2 of the Company's Constitution, the maximum amount of Directors' fees for their services as Directors be increased from the present limit of \$100,000 per annum in aggregate to a limit of \$200,000 per annum in aggregate commencing 1 August 2011 and to be allocated between the Directors in such proportion as the Board may determine.'

Voting Exclusions

The Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes below.

Explanatory Note

LSG's Constitution stipulates that the aggregate remuneration available for division amongst the non executive directors is determined by the shareholders in general meeting. The aggregate was initially fixed at \$100,000. This amount, or some part of it, is divided among the non executive directors as determined by the Board. At present the aggregate annual remuneration paid to non executive directors is \$80,000, excluding consultancy arrangements.

Resolution 4 seeks shareholder approval to increase the maximum Directors fees payable to non-executive Directors in each financial year from 1 August 2011 to \$200,000 (an increase of \$100,000) in aggregate to provide the Board with flexibility to appoint further non-executive independent Directors to enhance the capability of the Board and deal with the various interests of the Company now and in the future.

The Directors do not intend utilising the entire maximum sum of \$200,000 in the first instance. By having an increase in the maximum amount that can be paid to Directors, the Directors have the flexibility to seek new independent non-executive Directors to the Board as and when appropriate.

It is noted that Mr R A Widdup and Mr C Smyth do not receive any Directors fees from the Company. It is not intended that this position will change.

BY ORDER OF THE BOARD



Jane Rose

Company Secretary
28 October 2011

NOTES

These Notes form part of the Notice of Meeting.

Right to vote

The Directors have determined that, for the purpose of voting at the meeting, members are those persons who are the registered holders of shares at 7.00pm (Melbourne Time) on 29 November 2011.

Each member entitled to attend and vote at the meeting may vote by:

- (a) attending the meeting in person; or
- (b) appointing a proxy to attend and vote at the meeting on their behalf.

Voting Exclusions

The *Corporation Act 2001* (Cth) (**Corporations Act**) requires that certain persons must not vote, and the Company must disregard any votes cast by certain persons, on two of the resolutions to be considered at the meeting. These voting exclusions are described below:

Item 1 – Adoption of the Remuneration Report

Except to the extent otherwise permitted by law, the following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution proposed at item 1 (**Resolution 1**):

- A member of the key management personnel for Lion Selection Group Limited (each a **KMP**) whose remuneration details are included in the Remuneration Report (or a closely related party of any such KMP) unless:
 - that person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
 - the vote is not cast on behalf of a KMP whose remuneration details are included in the Remuneration Report (or a closely related party of any such KMP).
- A KMP whose remuneration details are not included in the Remuneration Report (or a closely related party of any such KMP) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 1, unless:
 - the proxy is the Chair of the meeting at which Resolution 1 is voted on; and
 - the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a KMP.

Item 4 – Increase in Aggregate Directors' Fees

The following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution proposed at item 4 (**Resolution 4**):

- A Director or an associate of a Director. However, the Company need not disregard a vote if:
 - it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by the Chair of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- A KMP (or a closely related party of any KMP) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 4, unless:

Notice of 2011 Annual General Meeting

- the proxy is the Chair of the meeting at which Resolution 4 is voted on; and
- the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 4 is connected directly or indirectly with the remuneration of a KMP.

For the purposes of these voting exclusions:

The **'key management personnel for Lion Selection Group Limited'** (or KMPs) are those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. It includes all Directors (executive and non-executive). The KMPs during the year ended 31 July 2011 are listed in the Remuneration Report contained in the Directors' Report for the year ended 31 July 2011.

A **'closely related party'** of a KMP means:

- a spouse or child of the KMP; or
- a child of the KMP's spouse; or
- a dependant of the KMP or of the KMP's spouse; or
- anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with Lion Selection Group Limited; or
- a company the KMP controls.

The Company will also apply these voting exclusions, on an equivalent basis, to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney.

Appointment of proxies

A Proxy Form accompanies this Notice of Annual General Meeting. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint no more than two proxies to attend and vote in their place. A proxy may be either an individual or a corporation, and need not be a shareholder of the Company.

A single proxy exercises all voting rights. Where a shareholder wishes to appoint two proxies, an additional proxy form may be obtained by contacting the Lion Selection Group Limited Share Registry, or the shareholder may copy the enclosed Proxy Form. A shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies and does not specify each proxy's voting rights, the rights are deemed to be 50% each. Fractions of votes are to be disregarded. Where two proxies are appointed, neither may vote on a show of hands.

A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the Meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of these Notes, including the voting exclusions noted above).

If a proxy does not attend the meeting, then the Chairman of the Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting. If the Chairman of the Meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the other provisions of these Notes, including the voting exclusions noted above).

Direction to Chairman for Remuneration Report and Increase in Aggregate Directors' Fees

If the Chairman of the Meeting is appointed, or taken to be appointed, as a proxy, shareholders can direct the Chairman of the Meeting to vote for or against, or to abstain from voting on, the resolutions on item 1 (Adoption of Remuneration Report) and Item 4 (Increase in Aggregate Directors' Fees) by marking the appropriate boxes opposite item 1 and item 4 in the Proxy Form. However, if the Chairman of the Meeting is a proxy and the relevant shareholder does not mark any of the boxes opposite item 1 or item 4, the relevant shareholder will be directing the Chairman to vote in favour of the resolution on that item.

A proxy need not be a member of the Company and can be an individual or a body corporate.

A body corporate appointed as a member's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the general meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

LODGMET OF PROXY DOCUMENTS

For an appointment of a proxy for the meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it, must be received by the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

By Mail: Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Vic 3001

In Person: Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford Victoria

By Fax: 1800 783 447 (within Australia) or
+61 3 9473 2555 (from outside Australia)

Intermediary Online Subscribers (such as custodians and nominees):

Visit www.intermediaryonline.com to submit your voting intentions.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.