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## Lion Selection Group makes play for gold stocks

Lion Selection Group (ASX:LSX) has tipped \$2.75 million into three ASX-listed gold companies, citing declining liquidity in equity markets which has presented a spike in investment opportunities.

Lion, which has a market capitalisation of \$60 million, will invest \$2 million in Brightstar Resources (ASX:BTR) as part of a \$12 million capital raising announced on 25 March. It comes the same day as Brightstar made an off-market takeover bid for privately-held Linden Gold Alliance, which Lion *“believes will be transformational for Brightstar”*.

Should the capital raising and takeover go through, Lion expects to hold 3% of Brightstar.

Similarly, Lion has invested \$500,000 in Sunshine Metals (ASX:SHN) as part of a \$4 million placement, also announced on March 25. Lion first took a stake in Sunshine in September 2023, attracted by the company's *“large mineral inventory and successful geological team.”*

Previous drilling results reported by Sunshine include 17m at 22.1 grams per tonne (g/t) gold from 67m, and 20m at 18.2g/t gold from 114m.

Following completion of the placement, Lion expects to hold 4% of Sunshine.

Finally, Lion has put \$250,000 into Koonenberry Gold (ASX:KNB) – which holds a dominant position in the Koonenberry belt in north-west New South Wales – by underwriting its rights issue announced at the start of March.

*“We are very pleased with the prospect of adding Brightstar and Koonenberry to the Lion portfolio,” Lion Chairman Robin Widdup says.*

*“Brightstar can establish itself as a producer with advanced projects and very manageable funding requirements. Koonenberry is exploring for gold over a large area with very little historic exploration work but substantial prospectivity. With Sunshine, the teams in these companies are totally aligned with the qualities Lion seeks to back and we look forward to working with them all into the future.”*

A specialist mining investment vehicle, Lion noted in a statement this morning that despite a strengthening gold price, the prices of most mineral commodities have weakened during 2024.

*“In combination with declining liquidity in the equity market over recent years the prices of microcapitalisation miners and explorers as a group have fallen materially, which has increased the purchasing power of Lion’s available cash, and the flow of opportunities to Lion has also increased,” the company says.*

*“Lion places greatest emphasis on projects that have strong growth and development prospects coupled with people that have high levels of capability and integrity.”*

Source: <https://mining.com.au/lion-selection-group-makes-2-75m-play-for-gold-stocks/>



Written By

**Aaliyah Rogan**