



Lion Selection Group

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## Net Tangible Asset Backing (NTA)

Lion Selection Group Limited (LSG) advises that the unaudited net tangible asset backing of LSG as at 30 September 2010 is \$0.93 before tax, the details of which are as follows:

SUMMARY OF INVESTMENTS – 30 September 2010				
	Commodity	Holding	Investment \$m	Market Value A\$m
<b>Direct Investments</b>				
Copperbelt Minerals <sup>3</sup>	DRC – Copper	2.1%	2.6	4.4
Havilah Resources	Gold/base metals	18.6%	4.3	7.5
Sihayo Gold	Indonesia - Gold	2.4%	2.0	2.3
Other – investments less than 2% of Net Assets			3.2	4.1
<b>Total Direct Investments</b>			<b>12.1</b>	<b>18.3</b>
<b>African &amp; Asian Lion</b>				
<b>African Lion Funds</b>		<b>24.8%</b>	<b>4.8</b>	<b>8.5</b>
• Copperbelt Minerals <sup>3</sup>	DRC – Copper	7.1%	2.2	3.6
• Kasbah Resources	Morocco – Tin	15.9%	0.3	1.8
• Other including cash committed				3.1
<b>Asian Lion Fund</b>		<b>62.8%</b>	<b>9.4</b>	<b>8.5</b>
• Asian Mineral Resources	Vietnam – Nickel/Copper	13.6%	2.0	2.2
• Mindoro Resources	Philippines – Nickel	7.8%	2.0	2.2
• Sihayo Gold	Indonesia - Gold	2.3%	0.8	1.3
• Other including cash committed				2.8
<b>Total African &amp; Asian Lion</b>				<b>17.0</b>
<b>Committed Cash - to African Lion 3 and Asian Lion<sup>4</sup></b>				<b>27.1</b>
<b>Net Cash</b>				<b>19.8</b>
<b>Net Tangible Assets – before tax</b>				<b>82.2</b>
<b>NTA per share before tax</b>				<b>\$0.93<sup>2</sup></b>
<b>NTA per share after tax</b>				<b>\$0.93<sup>2</sup></b>

<sup>1</sup> Committed cash of US\$23m to AFL3 and Asian Lion. LSG holds US\$21 million cash as part of its hedging policy.

<sup>2</sup> The NTA from a theoretical disposal of LSG's investment portfolio at market prices based on accounting carrying value was \$0.93 per share prior to estimated tax on gains, and \$0.93 per share after estimated tax on gains from such disposal.

<sup>3</sup> Includes Copperbelt Minerals at a value of US\$21.50/share following lapse of sale transaction. See note below.

## **Copperbelt Minerals**

LSG has revalued Copperbelt (above) at US\$21.50/share based on the price of a transitional equity raising that Copperbelt is currently undertaking. As announced previously, LSG has received correspondence from Copperbelt that it has entered a conditional sale and purchase agreement with China Africa Development Fund (CAD Fund) for the sale of substantially all of its assets. The transaction is subject to relevant company approvals and the receipt of relevant governmental and joint venture partner approvals. Subject to these approvals, Copperbelt anticipates that the transaction will close in November 2010.

The value of the conditional offer is approximately US\$282m, or an equivalent of approximately US\$24 per Copperbelt share. At a valuation of US\$24/share, LSG's direct and indirect holdings in Copperbelt would equate to approximately 10 cents per LSG share before taxation should the transaction successfully conclude (compared with 9 cents per LSG share based on a valuation of US\$21.50 included above). Given the previous history of this transaction, LSG will continue to keep its valuation of Copperbelt under review.