

INVESTMENT UPDATE LION RECOMMENCES AUSTRALIAN INVESTMENT

Lion Selection Group (LSG) listed on the NSX on 16 December 2009, focused on growth from investment in early stage mineral resources companies. LSG's existing portfolio includes investment in the three African Lion funds and the Asian Lion Fund.

The directors of LSG are now pleased to announce that they have recommenced actively investing in Australia, engaging Lion Manager to provide investment recommendations and management services with respect to Australian investments and other opportunities as they arise. LSG will utilise Lion Manager's depth of experience and expertise in the Australian mining sector to provide expanded scope in addition to the existing investments in African and Asian Lion.

The arrangements with Lion Manager are on an agreed cost recovery basis, initially being \$160,000 + GST. LSG's expenses are not anticipated to rise as a consequence of these new arrangements, and there is no termination fee or incentive applicable to these arrangements.

YTC Resources Limited

LSG is pleased to announce that it has committed to invest in YTC Resources Limited ("YTC"). The investment of A\$625,000 (2.5m shares @ 25.0cps) represents LSG's first investment in Australia following recommencement of Australian focused investment.

YTC is a mineral exploration company with gold and base metals exploration projects in New South Wales. YTC has been progressing a Definitive Feasibility Study (DFS) on the mining of the polymetallic Hera Deposit. Following strong copper results from the nearby Nymagee Copper Mine, together with high grade gold/base metal results from outside the announced resource at Hera, YTC has recently announced an expansion of the DFS to consider mining and processing operation treating ores from both the Hera Deposit and Nymagee Copper Mine which may have the potential to increase the project's scale.

Intrepid Mines Limited

During October 2010, LSG completed selling its holding in Intrepid at an average price of \$1.76 per share. This sale has returned a multiple on investment of 1.8 times:

Number of shares sold	0.8m
Proceeds of sale	\$1.4m
Cost of investment	\$0.8m
Gross Profit	\$0.6m