



Lion Selection Group

NSX RELEASE : LGP

14 JANUARY 2011

Net Tangible Asset Backing (NTA)

Lion Selection Group Limited (LSG) advises that the unaudited net tangible asset backing of LSG as at 31 December 2010 is \$1.07 before tax, the details of which are as follows:

SUMMARY OF INVESTMENTS – 31 December 2010				
	Commodity	Holding	Investment \$m	Market Value A\$m
Direct Investments				
Copperbelt Minerals	DRC – Copper	2.1%	2.6	4.2
Havilah Resources	Gold/base metals	18.6%	4.3	12.4
Mindoro Resources	Philippines – Gold & Nickel	6.7%	2.3	3.6
Sihayo Gold	Indonesia - Gold	2.2%	2.0	3.1
YTC Resources	Gold/base metals	3.5%	2.0	3.1
Other – investments less than 2% of Net Assets			2.0	2.7
Total Direct Investments			15.2	29.1
African & Asian Lion				
African Lion Funds		23.5%	5.5	10.6
• Copperbelt Minerals	DRC – Copper	7.1%	2.2	3.4
• Kasbah Resources	Morocco – Tin	12.8%	0.6	3.9
• Other including cash				3.3
Asian Lion Fund		62.8%	14.6	16.0
• Asian Mineral Resources	Vietnam – Nickel/Copper	13.6%	3.0	2.1
• Erdene Resources	Mongolia – Coal/Base Metals	2.3%	0.6	2.5
• Kentor Gold	Kyrgyz - Gold	2.5%	1.5	2.6
• Mindoro Resources	Philippines – Nickel	7.0%	3.3	2.6
• Pan Asia Resources Corp	Indonesia - Gold	22.6%	1.6	1.5
• Sihayo Gold	Indonesia - Gold	2.0%	1.1	1.8
• Other including cash				2.9
Total African & Asian Lion				26.6
Committed Cash - to African Lion 3 and Asian Lion				18.8
Net Cash				19.5
Net Tangible Assets – before tax				94.0
NTA per share before tax				\$1.07²
NTA per share after tax				\$1.07²

¹ Committed cash of US\$19m to AFL3 and Asian Lion. LSG holds US\$14 million cash as part of its hedging policy.

² The NTA from a theoretical disposal of LSG's investment portfolio at market prices based on accounting carrying value was \$1.07 per share prior to estimated tax on gains, and \$1.07 per share after estimated tax on gains from such disposal.

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Copperbelt Minerals Update

LSG has received correspondence from Copperbelt Minerals that it has extended its a conditional sale and purchase agreement with China Africa Development Fund (CAD Fund) for the sale of substantially all of its assets. The extension to 31 May 2011 is to allow time for the receipt of relevant governmental and joint venture partner approvals, although the company is seeking to complete the transaction before this.

LSG continues to value Copperbelt in its monthly NTA at US\$21.50/share based on the price of a transitional equity raising that Copperbelt recently completed. The value of the CAD Fund 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 9 cents per LSG share before taxation should the transaction successfully conclude (compared with 8 cents per LSG share based on a valuation of US\$21.50 included above).

Given the extended history of this transaction, LSG will be keeping its valuation of Copperbelt under review.