



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 31 January 2011 is \$1.06 before tax, the details of which are as follows:

SUMMARY OF INVESTMENTS – 31 January 2011				
	Commodity	Holding	Investment \$m	Market Value A\$m
Direct Investments				
Copperbelt Minerals ³	DRC – Copper	2.0%	2.6	3.2
Havilah Resources ⁴	Gold/base metals	18.6%	4.3	11.2
Mindoro Resources	Philippines – Gold & Nickel	6.7%	2.3	3.7
Sihayo Gold	Indonesia - Gold	2.2%	2.0	3.0
YTC Resources	Gold/base metals	3.5%	2.0	3.0
Other – investments less than 2% of Net Assets			2.0	2.8
Total Direct Investments			15.2	26.9
African & Asian Lion				
African Lion Funds		22.8%	5.5	9.9
• Copperbelt Minerals ³	DRC – Copper	7.1%	2.2	2.6
• Kasbah Resources	Morocco – Tin	12.8%	0.6	3.5
• Other including cash				3.8
Asian Lion Fund		62.8%	14.6	16.7
• Asian Mineral Resources	Vietnam – Nickel/Copper	13.6%	3.0	2.5
• Erdene Resources	Mongolia – Coal/Base Metals	2.3%	0.6	3.0
• Kentor Gold	Kyrgyz - Gold	2.5%	1.5	2.1
• Mindoro Resources	Philippines – Nickel	7.0%	3.3	2.7
• Pan Asia Resources Corp	Indonesia - Gold	22.6%	1.6	1.6
• Sihayo Gold	Indonesia - Gold	2.0%	1.1	1.7
• Other including cash				3.1
Total African & Asian Lion				26.6
Committed Cash - to African Lion 3 and Asian Lion				19.3
Net Cash				20.1
Net Tangible Assets – before tax				92.9
NTA per share before tax				\$1.06²
NTA per share after tax				\$1.06²

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 \$1.06 per share prior to estimated tax on gains, and \$1.06 per share after estimated tax on gains from such disposal.

³ Includes Copperbelt Minerals at a value of US\$16/share due to delays in corporate transaction. See note below.

⁴ Havilah shares subsequently sold on 4 February 2011. See note below.

Havilah Resources Ltd

On the 4th of February 2011, LSG sold its shares in Havilah at a price of \$0.60 per share. This sale has returned a multiple on investment of 2.1 times. LSG retains 3.8 million Havilah 'bonus options', exercisable at \$0.50 per Havilah ordinary share prior to 30 October 2013, which based on the last traded price have a valuation of \$1.1 million.

Number of shares sold	15.3M
Proceeds of sale	\$9.2m
Cost of investment	\$4.3m
Gross Profit	\$4.9m

The NTA table above as at 31 January 2011 values Havilah at \$0.655 per share. Applying a valuation of \$0.60 per Havilah would reduce the NTA by approximately 1 cent per share.

Copperbelt Minerals Update

Shareholders will be aware that one of LSG's investments, Copperbelt Minerals, is currently subject to a conditional sale and purchase agreement with China Africa Development Fund (CAD Fund) for the sale of substantially all of its assets. The deadline for the deal was recently extended to 31 May 2011 to allow time for the receipt of relevant governmental and joint venture partner approvals.

The directors of LSG have decided to reduce the value of Copperbelt in its monthly NTA to US\$16/ share, down from US\$21.50/ share in the previous month. This decision has been made after receiving correspondence from Copperbelt advising on further delays in receiving the necessary approvals for the transaction. LSG remains hopeful that the transaction will successfully complete and is not aware of any information that suggests that the transaction will not proceed. It is intended that this valuation will be applied for the half yearly report to 31 January 2011 subject to further developments and review of LSG's auditors.

LSG previously had valued Copperbelt at US\$21.50/share based on the price of a transitional equity raising that the Company completed in late 2010. The value of the CAD Fund conditional offer is approximately US\$282m before costs, 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 6 cents per LSG share based on a valuation of US\$16/ share included above).

Given the on-going nature of this transaction, LSG will be keeping its valuation of Copperbelt under review.