

## Net Tangible Asset Backing (NTA)

Lion Selection Group Limited (LSG) advises that the unaudited net tangible asset backing of LSG as at 31 May 2011 is \$0.96 before tax, the details of which are as follows:

SUMMARY OF INVESTMENTS – 31 May 2011				
	Commodity	Holding	Investment \$m	Market Value A\$m
<b>Direct Investments</b>				
Copperbelt Minerals <sup>3</sup>	DRC – Copper	2.0%	2.6	3.0
Manas Resources	Kyrgyz - Gold	2.8%	1.0	1.1
Mithril Resources	Copper/Gold/Nickel	3.8%	1.0	1.2
Mindoro Resources	Philippines –Gold & Nickel	6.6%	2.5	3.1
Sihayo Gold	Indonesia - Gold	1.9%	2.0	1.8
YTC Resources	Gold/base metals	4.1%	4.0	6.0
Other – investments less than 2% of Net Assets			2.6	3.2
<b>Total Direct Investments</b>			<b>15.7</b>	<b>19.4</b>
<b>African &amp; Asian Lion</b>				
<b>African Lion Funds</b>		<b>23.0%</b>	<b>6.7</b>	<b>9.5</b>
• Copperbelt Minerals <sup>3</sup>	DRC – Copper	6.9%	2.2	2.4
• Kasbah Resources	Morocco – Tin	12.7%	1.4	2.7
• Other including cash				4.4
<b>Asian Lion Fund</b>		<b>62.8%</b>	<b>17.0</b>	<b>15.1</b>
• Asian Mineral Resources	Vietnam – Nickel/Copper	11.5%	3.0	2.1
• Erdene Resources	Mongolia – Coal/Base Metals	3.7%	0.6	2.5
• Kentor Gold	Kyrgyz - Gold	2.2%	1.5	1.8
• Manas Resources	Kyrgyz - Gold	6.5%	1.5	1.5
• Mindoro Resources	Philippines – Nickel	8.6%	3.8	2.5
• Pan Asia Resources Corp	Indonesia - Gold	20.1%	1.6	1.5
• Sihayo Gold	Indonesia - Gold	4.3%	3.5	2.7
• Other including cash				0.5
<b>Total African &amp; Asian Lion</b>				<b>24.6</b>
<b>Committed Cash - to African Lion 3 and Asian Lion</b>				<b>14.5<sup>1</sup></b>
<b>Net Cash</b>				<b>26.4</b>
<b>Net Tangible Assets – before tax</b>				<b>84.9</b>
<b>NTA per share before tax</b>				<b>\$0.96<sup>2</sup></b>
<b>NTA per share after tax</b>				<b>\$0.96<sup>2</sup></b>

<sup>1</sup> Committed cash of US\$15.5m to AFL3 and Asian Lion. LSG holds US\$10 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 \$0.96 per share prior to estimated tax on gains, and \$0.96 per share after estimated tax on gains from such disposal.

<sup>3</sup> Includes Copperbelt Minerals at a value of US\$16/share. See note below.

## **Copperbelt Minerals Update**

**Lion has recently received correspondence from Copperbelt Minerals ("Copperbelt") advising that the proposed CAD Fund transaction has expired with the necessary DRC approvals not being forthcoming.**

Copperbelt has advised that going forward it is focused on developing its Deziwa project. In order to finance on-going development, Copperbelt has advised that it remains in discussions with CAD Fund and other potential partners. One investor has committed an investment of US\$35m into Copperbelt at a premium to the CAD fund offer of around US\$24/share equivalent, subject to certain conditions related to Joint Venture Agreement discussions with the project partner, Gécamines.

**Lion has maintained its valuation at US\$16/share (or approximately A\$0.05/Lion share) reflecting:**

- The need for Copperbelt to raise funds to develop the Deziwa project;
- Currently unresolved issues in the DRC, in particular the negotiations with Gécamines;
- Improved valuations for other DRC copper projects reflected in the willingness of an investor to commit funds at more than US\$24/share (subject to conditions).

Given the dynamic nature of the circumstances surrounding Copperbelt, Lion will be keeping its valuation under review.