



Net Tangible Asset Backing (NTA)

Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 30 September 2011 is \$0.90 before tax, the details of which are as follows:

SUMMARY OF INVESTMENTS – 30 September 2011				
	Commodity	Holding	Investment \$m	Market Value A\$m
Direct Investments				
Copperbelt Minerals ³	DRC – Copper	2.0%	2.6	2.5
Doray Minerals	Gold	3.7%	2.3	2.9
Manas Resources	Kyrgyz - Gold	2.8%	1.0	1.0
Mindoro Resources	Philippines –Gold & Nickel	6.6%	2.5	1.9
Sihayo Gold	Indonesia - Gold	1.9%	2.0	1.6
YTC Resources	Gold/base metals	4.1%	4.0	4.5
Other			3.1	2.7
Total Direct Investments			17.5	17.0
African & Asian Lion				
African Lion Funds		24.1%	7.7	8.4
• Copperbelt Minerals ³	DRC – Copper	6.9%	2.2	2.1
• Kasbah Resources	Morocco – Tin	12.7%	1.4	1.8
• Other including cash				4.5
Asian Lion Fund		62.8%	19.5	16.5
• Asian Mineral Resources	Vietnam – Nickel/Copper	11.5%	3.0	1.1
• Kentor Gold	Kyrgyz - Gold	2.2%	1.5	1.4
• Manas Resources	Kyrgyz - Gold	7.7%	1.7	1.7
• Mindoro Resources	Philippines – Nickel	8.3%	3.4	1.5
• One Asia Resources Corp ⁴	Indonesia - Gold	23.3%	3.2	6.9
• Sihayo Gold	Indonesia - Gold	4.3%	3.5	2.3
• Other including cash				1.6
Total African & Asian Lion				24.9
Committed Cash - to African Lion 3 and Asian Lion				12.4¹
Net Cash				24.8
Net Tangible Assets – before tax				79.1
NTA per share before tax				\$0.90²
NTA per share after tax				\$0.90²

¹ Committed cash of US\$11.9m to AFL3 and Asian Lion. Lion holds US\$6.7 million cash as part of its hedging policy.

² The NTA from a theoretical disposal of Lion's investment portfolio at market prices based on accounting carrying value was \$0.90 per share prior to estimated tax on gains, and \$0.90 per share after estimated tax on gains from such disposal.

³ Includes Copperbelt Minerals at a value of US\$12/share. See note below.

⁴ Includes One Asia at a value of A\$0.75/share (formerly Pan Asia).

Copperbelt Minerals Update

Lion has recently received correspondence from Copperbelt Minerals Limited (“Copperbelt”) advising that Copperbelt is undertaking a rights issue at US\$8/share with two attaching warrants exercisable at US\$21.50. Copperbelt has advised that it remains in discussions with potential partners to invest in the company subject to certain conditions at what is expected to be a higher price. One key condition is completing successful commercial negotiations with Gécamines to address purported grievances of Gécamines related to the Joint Venture Agreement for Deziwa (and Ecaille C). These negotiations have been hampered by a refusal by Gécamines to formally meet to discuss the issues therefore blocking development of the project. Copperbelt has advised that it is committed to the development of the Deziwa project.

The rights issue is expected to close on 14 October 2011 after which Lion expects a confirmation of such completion from Copperbelt. Lion’s Directors have elected to reduce the valuation of Copperbelt in its monthly NTA to US\$12/share, down from US\$16/share in the previous month. This valuation reduction reflects the ongoing delays in negotiations with Gécamines balanced with the underlying value of the Deziwa project should those issues be resolved.

Lion and African Lion have elected not to participate in this raising. Given the on-going nature of this transaction Lion will be keeping its valuation of Copperbelt under review.