



Lion Selection Group

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Net Tangible Asset Backing

Lion Selection Group Limited (Lion) advises that the unaudited net tangible asset backing of Lion as at 30 June 2012 is \$0.75 per share (after tax).

	Commodity	Market Value A\$M	% Portfolio
Australia			
YTC Resources	Gold/Base Metals	2.6	
Doray Minerals	Gold	3.4	
Rum Jungle Resources	Phosphate	2.1	
Other Australia		0.8	13%
Africa			
Copperbelt Minerals ²	Copper	2.5	
Kasbah Resources	Tin	2.5	
Toro Gold	Gold	2.3	
Other Africa		3.4	
Cash dedicated to Africa ¹		6.3	26%
Asia			
One Asia Resources ³	Gold	8.8	
Sihayo Gold	Gold	5.2	
Mindoro Resources	Gold & Nickel	1.3	
Other Asia		5.0	31%
Uncommitted Net Cash		20.19	30%
Net Tangible Assets		\$66.4m	75c/ share

¹ Committed cash of US\$6.0m to AFL3. Lion holds US\$2.5 million cash as part of its hedging policy.

² Copperbelt Minerals at a value of US\$7/share.

³ One Asia at a value of A\$0.80/share following the most recent placement in December 2011.

Note: The above table includes investments held directly by Lion and the value to Lion of investments which are held by African and Asian Lion Funds

Decrease in NTA

Lion's NTA has fallen in the month by \$8M, or 10cps. This movement is due to a general market retreat in junior miners coinciding with the end of the Australian financial year. Part of this decrease (\$2M) relates to the reduced valuation of Lion's investment in Copperbelt Minerals, as set out below.

Lion actively monitors its portfolio and in most cases sees the recent market correction as a buying opportunity rather than a risk.

Copperbelt Minerals

Copperbelt Minerals Limited (Copperbelt) is undertaking a rights issue to raise a targeted \$1.5 million at \$7/share. Lion and African Lion have elected not to participate in this raising.

Copperbelt has advised that it continues discussions with its joint venture partner Gécamines, with Gécamines requiring that Copperbelt demonstrates its financial capacity to develop Deziwa before 24 August 2012 or risk termination. Exacerbating the situation, Gécamines will not confirm the validity of the Joint Venture Agreement, being the key blockage to Copperbelt financing the project since 2010. Gécamines' stated preference is for Copperbelt to exit the joint venture for compensation. The terms of compensation remain uncertain, but Gécamines has made conditional offers of up to US\$200m (approximately US\$15-16 per Copperbelt share). To date these offers have been rejected by Copperbelt as being below the value of the project or having unacceptable conditions.

Lion has adopted a valuation of US\$7/share for the Net Tangible Asset backing as at 30 June 2012. This valuation reduction reflects the escalating uncertainty in negotiations with Gécamines.

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