



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 31 August 2012 is \$0.69 per share (after tax).

	Commodity	Market Value	
		A\$M	% Portfolio
Australia			
YTC Resources	Gold/Base Metals	2.9	
Doray Minerals	Gold	3.2	
Auricup Resources	Gold	1.9	
Rum Jungle Resources	Phosphate	2.1	
Other Australia		0.7	18%
Africa			
Copperbelt Minerals ²	Copper	2.6	
Kasbah Resources	Tin	2.7	
Toro Gold	Gold	2.1	
Other Africa		3.6	
Cash dedicated to Africa ¹		5.8	27%
Asia			
One Asia Resources ³	Gold	8.9	
Sihayo Gold	Gold	5.0	
Mindoro Resources	Gold & Nickel	1.7	
Other Asia		4.6	33%
South America			
Centaurus Metals	Iron Ore	1.4	2%
Uncommitted Net Cash		11.9	20%
Net Tangible Assets		\$61.1m	69c/ share

¹ Committed cash of US\$5.4m to AFL3. Lion holds US\$1.4 million cash as part of its hedging policy.

² Copperbelt Minerals at a value of US\$7.50/share – refer note below for further detail.

³ One Asia at a value of A\$0.40/share – refer note below for further detail.

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

Copperbelt Minerals

Lion has adopted a valuation for Copperbelt Minerals Limited (Copperbelt) of US\$7.50/share for the Net Tangible Asset (NTA) backing as at 31 August 2012. This compares with US\$3.50/share as at 31 July 2012 based on Copperbelt's July 2012 rights issue.

In August 2012 Lion received correspondence confirming that Copperbelt had signed a conditional Settlement Agreement with its joint venture partner Gécamines to exit the joint venture for deferred compensation. The Settlement Agreement is subject to a number of conditions which need to be met before it can be closed. We understand that the terms of the Settlement Agreement are broadly as previously anticipated with closure of the Agreement expected in 3-6 months. Further details will be provided once the Settlement Agreement is closed

Lion believes the increased valuation is warranted given that the Settlement Agreement has been executed, while recognising there remains transaction risk that the deal will not complete. Based on the current valuation, Copperbelt's value for Lion's NTA is \$2.6 million or approximately 3 cps. Assuming the Settlement Agreement closes as documented, the value would be around \$5.3 million or 6 cps before accounting for tax (if any).

Given the ongoing nature of this transaction, Lion will be keeping its valuation of Copperbelt under review.

One Asia Resources

During August 2012 Lion invested \$5.0 million in One Asia's rights issue at \$0.40/share increasing its combined stake (Lion and Asian Lion) to around 33%.

One Asia is an unlisted gold exploration company focused on the development of two gold mines in Sulawesi, Indonesia. Lion remains optimistic about the prospects for the company given the on-going exploration success.