

## \$15M CATALPA INVESTMENT REBRANDING LION — GOLD FOCUS

- **Mining Investment Company – Strong Gold Focus**
  - Near-term attributable share of production 80,000 ozs
  - Attributable Resources 0.9Moz
  - Strong cash generation
- **No Change to Lion’s Investment Philosophy**
  - Timing and cycle (Lion’s clock)
  - Early stage strategic investor
  - Retain selective opportunities beyond investment cycle
- **Dividend Policy – annual payment from Cracow cashflow**

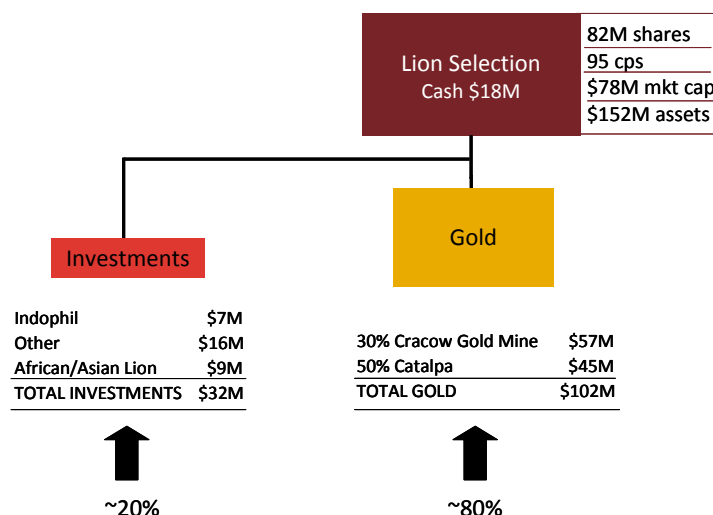
### Gold Strategy

- 80% gold 20% other minerals
- Multiple gold mine exposure
  - Targeting over 200,000oz pa equity share
- Avoid technical risk at Lion level
- Minimal or zero debt and hedging on Lion’s balance sheet
- Timing
  - Lion anticipates a “gold bubble” in the next 2 to 5 years of resource cycle recovery
  - The plan is to build a production base, initially targeting 200,000oz equity production, which can be realised for cash at the height of the emerging gold boom

### Gold Growth Outlook

- Cracow
  - \$6M annual exploration program
  - Pre-emptive right (70%)
- Catalpa
  - Underground mine potential
  - Greenfinch
  - Re-designed pit at higher A\$ gold price
- Acquisition
  - \$18M cash, \$15M pa Cracow cashflow, saleable investments ~\$20M and debt if required
  - Targeting low political risk, high quality gold project(s)

Lion has committed \$15M to Catalpa’s \$31.4M equity raising to fund the development of the Edna May gold project at Westonia in Western Australia and has expressed a further \$2M support for Catalpa’s Share Purchase Plan. Following the \$15M investment (subject to Catalpa shareholder approval), Lion’s capital structure and asset mix will be:



### Dividend Policy

- Plan to pay an annual dividend from Cracow Gold Mine cashflow utilising available franking credits.
- Anticipate minimum 2¢ payable January/February.

### New Gold Investments

- Lion will seek new gold investments as non-operating joint venture stakes similar to Cracow, company investments similar to Catalpa or project royalties.

### Manager's Fees

- A reduction in the Lion Manager's fees was foreshadowed at the buyback in December 2008. Finalisation of this is expected by the end of April 2009.

### Gold Equity Share

Lion's equity share of gold investments – 30% joint venture interest in the Cracow gold mine and 50% shareholding in Catalpa Resources – is shown in the following table:

#### Lion Equity Share of Gold Investments

Asset	Indicative Annual Production Cash Cost		Resource Moz	Reserve <sup>3</sup> Moz	Forward Sales Moz x A\$/oz	Indicative Pre- Tax Cash Flow A\$1,350/oz \$M
	000's x A\$/oz					
30% Cracow Gold Mine JV	30 <sup>1</sup>	560 <sup>1</sup>	0.21 <sup>2</sup>	0.17 <sup>3</sup>	Nil	20
50% Catalpa Resources Ltd	50 <sup>4</sup>	636 <sup>4</sup>	0.73 <sup>5</sup>	0.37 <sup>4</sup>	0.18 x 1554	36 <sup>6</sup>

<sup>1</sup> Indicative Cracow production and cost profile.

<sup>2</sup> Total Cracow Mineral Resources at June 2008 reported in combined form and based on details reported in the 2008 Annual Report to Shareholders.

<sup>3</sup> Lion's estimate of LOM production based on Mineral Resource conversion, with dilution and mine recovery factors applied.

<sup>4</sup> Catalpa's January 2009 Feasibility Study. Startup mid 2010.

<sup>5</sup> Edna May and Greenfinch Mineral Resources reported in combined form and based on details reported previously.

<sup>6</sup> Prior to debt service.