

ASX Codes

Ordinary shares: LST
Listed options: LSTO

Issued shares: 191.0m
Share price: \$1.57
Issued options: 5.8m
Option price: \$0.505
(151c April 09)

Market cap: \$303m
Net Tangible Assets: \$396m

NTA (per share) pre tax
(31/12/07): \$2.06

NTA (per share) post tax
(31/12/07): \$2.06

Lion Gold Production: FY07
- 30% Cracow Gold Mine

Ounces: 35,416
Cash Cost: A\$318/oz

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CONTACT DETAILS

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ASX RELEASE

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Investment Update & Net Tangible Asset Backing

We advise the unaudited net tangible asset (NTA) backing of Lion Selection Limited (Lion) as at 31 December 2007.

The fully diluted NTA from a theoretical disposal of Lion's investment portfolio at market prices and operations based on accounting carrying value was \$2.06 per share prior to estimated tax on gains, and \$2.06 per share after estimated tax on gains from such disposal¹.

As a result of the voluntary administration of Lafayette Mining Limited the NTA includes no value for that company. It is anticipated that a tax benefit of around 2 cents per share may arise which is not included in the NTA.

The gap between the NTA and share price has increased significantly during December with the NTA increasing by 11 cents per share or \$22 million. The increase in NTA was largely due to increases in the value of the Allegiance Mining NL and Albidon Limited investments. The difference between the 31 December NTA and market capitalisation was \$65 million. This gap has further widened to approximately \$90 million or 47 cents per share currently.

About Lion Selection

Lion Selection Limited is a mining company with a 30% interest in the Cracow Gold Mine, one of the lowest cost gold mines in Australia, and a diversified investment portfolio ranging from junior explorers through to producing miners. Lion invests in companies with gold and other metal projects in Australia, Africa and South East Asia.

Cracow is a developed underground operation with a quality management team, producing 100,000 – 120,000 ounces of gold annually. Currently Lion has a pre-emptive right to acquire the remaining 70% of Cracow. Lion's production from Cracow is unhedged with recent sales near A\$1,000 per ounce resulting in significant cash flow for Lion. Cracow's value in the NTA is based on accounting carrying value.

Detailed information on Lion Selection Limited can be found on the company's website www.lionselection.com.au.

1. Note: The directors of Lion have stated their intention to elect to form a tax consolidated group. In calculating the tax cost base of the assets to Lion, the historical tax bases of the assets are reset for tax purposes. The effect of this is that to the extent that a tax base uplift is available, the impact of CGT on any eventual exit may be reduced.