

## ASX Codes

Ordinary shares: LST  
Listed options: LSTO

# ASX RELEASE 4 April 2008

## Lion Selection to invest in African Lion 3 Fund

Issued shares: 191.0m

Share price: \$1.475

Issued options: 5.8m

Option price: \$0.26  
(151c April 09)

Market cap: \$283m

NTA pre tax  
(29/02/08): \$1.82

NTA post tax  
(29/02/08): \$1.82

### Further enquiries:

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Lion Selection Limited (Lion) is pleased to announce that with other participants it has agreed terms in-principle for the formation of African Lion 3 Limited (AFL3).

AFL3 follows the outstanding success of the two existing African funds, African Lion Limited ("AFL") (Lion 29.8%) and African Lion 2 Limited ("AFL2") (Lion 18.6%), and forms part of Lion's stated vision of a mining and investment company.

AFL commenced in 1999 and had a committed capital totaling US\$33.8 million. AFL2 commenced in 2004 and had a committed capital of US\$34.6 million. Both of these funds are now fully invested and have grown original invested funds to US\$295 million including returns to shareholders and remaining investments.

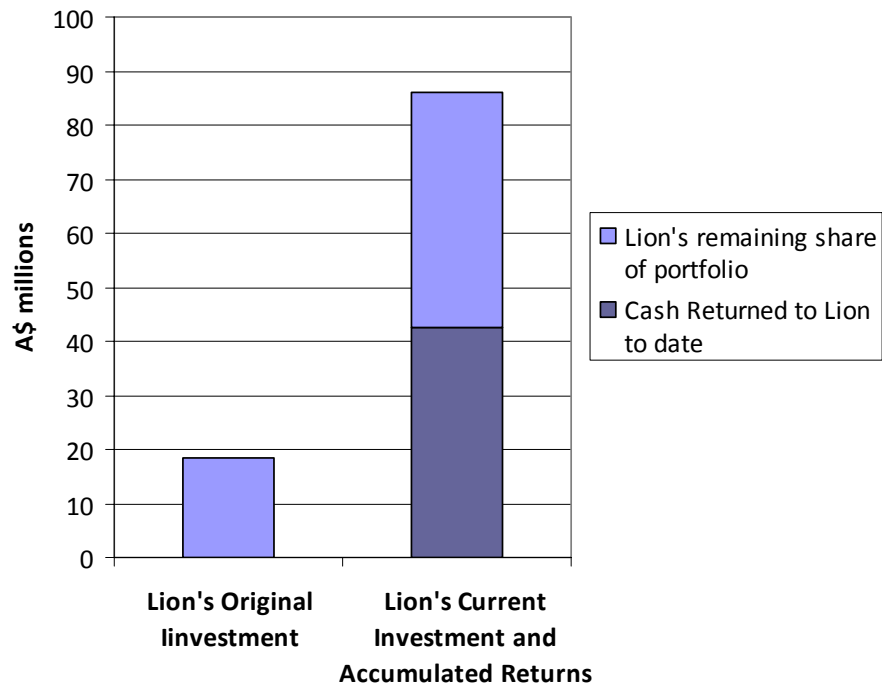
Work commenced with shareholders of AFL and AFL2 during 2007 to establish AFL3 as a follow on fund and through its timely formation, Lion will be well placed to capitalise on immediate and attractive opportunities available to AFL3. As announced in the Lion January 2008 quarterly report, AFL3 has received an in-principle commitment for funds totaling approximately US\$75 million with most shareholders from AFL and AFL2 participating. Lion will hold a similar level of interest in AFL3 as it holds in AFL and AFL2 which will result in a commitment of approximately US\$18 million over 5 years.

With the key terms now agreed for AFL3, the establishment of AFL3 is close to completion with final legal documentation underway. Lion believes there is no reason to delay or depart from its previously announced intention to pursue this opportunity. It is anticipated that Lion should be in a position to execute documentation shortly.

### African Lion Rationale

The aim of the African Lion funds is to identify investments solely in Africa. Lion is able to co-invest and benefit from the political risk advice and funding capacity delivered by the international development and commercial banks which are Lion's co-shareholders in the African Lion funds. The performance of the African Lion funds and the corresponding value to Lion as at 31 March 2008 is shown in the chart below.

### Total African Lion Investments



Both AFL and AFL2 have performed well to date. The individual fund performance attributable to Lion is split below.

	Lion's original investment	Cash returned to Lion to date	Lion's remaining share of portfolio	Return on Investment
<b>AFL</b>	A\$11.4m	A\$35.0m	A\$24.9m	5.3x
<b>AFL2</b>	A\$7.1m	A\$7.6m	A\$18.4m	3.7x
<b>Combined</b>	<b>A\$18.5m</b>	<b>A\$42.6m</b>	<b>A\$43.3m</b>	<b>4.6x</b>

The cash returned to the funds' shareholders is from the realisation of investments including:

Investments Realised	Invested (US\$M)	Realised US\$(M)	Return on Investment
East African Gold Mines	5.3	14.8	2.8x
LionOre International Mining	1.9	3.7	1.9x
Redback Mining	2.0	6.2	3.1x
Resolute Mining	2.0	5.4	2.6x
Equinox Minerals	0.8	2.3	2.8x
Gallery Gold	7.9	24.8	3.2x
Platmin Limited	9.8	100.0	10.2x

The two existing African funds remaining portfolios have a combined current value in excess of US\$143 million. The portfolios include investments in Albidon Limited (total value \$114 million), Sphere Investments Limited (\$20 million) and Mineral Deposits Limited (\$11 million).

Lion shareholders continue to have direct exposure to the African funds and benefit from their performance. Detailed information on Lion Selection Limited can be found on the company's website [www.lionselection.com.au](http://www.lionselection.com.au) and detail on the African Lion Funds can be found at [www.afl.co.za](http://www.afl.co.za).