

# Half Year Report for the 6 months ended 31 January 2012



## KEY POINTS

- Mark to market loss of \$7.9 million with respect to investments, reflecting decreases in the market value of investees. This includes an unrealised loss of \$7.7 million (15% reduction compared with value of investments held at 31 July 2011) which is generally attributable to market movements rather than company specific developments. Base metals prices declined around 15% during the half year and negative investor sentiment was evident with the small resources index reducing 13% during the equivalent period.
- Lion Selection is in investment mode, investing in new companies through the second half of 2011.
- New investments made directly and via African Lion and Asian Lion Funds:

Direct investments	via African Lion Fund	via Asian Lion Fund
Doray Minerals*	Gulf Industrials*	Erdene Resources*
Golden Phoenix*	Predictive Discovery	One Asia Corporation*
Mindoro Resources*	Celamin Holdings*	
	Rox Gold	
	Sama Resources*	
	Kasbah Resources*	

\*Follow on opportunity from prior investment

- Lion Selection Board restructure – Ewen Tyler retires after 13 years of service, Peter Maloney appointed as Chairman in his place.
- Strong balance sheet with no debt and \$33.9 million cash. USD denominated commitments to AFL3 of US\$9.4 million partially covered by USD bank account.

Half-Year ended 31 January	2012 \$000's	2011 \$000's	Change
<b>Investments</b>			
Mark to Market	(7,904)	20,538	(138%)
Dividend Income	361	250	44%
<i>Cash Inflows/(Outflows)</i>			
Proceeds from investment sales	150	13,637	(99%)
Payments for Investments	(3,602)	(16,753)	(78%)

**Section 2A  
Half year report**

**1. Company Details**

<b>LION SELECTION GROUP LIMITED</b>
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ABN or equivalent company reference	Half Year ended ('current period')	Half year ended ('previous period')
<b>26 077 729 572</b>	<b>31 January 2012</b>	<b>31 January 2011</b>

**2. Results for announcement to the market**

				A\$'000
2.1	Revenue	Up A\$269K or 31%	to	1,137
2.2	Profit (loss) for the period	Down A\$25,019K or N/A%	to	(6,906)
2.3	Profit (loss) for the period attributable to members of the parent	Down A\$25,019K or N/A%	to	(6,906)

<b>Dividends</b>		<b>Current Period</b>	<b>Previous Corresponding Period</b>
2.4	Franking Rate Applicable	Nil	Nil
<b>Interim Dividend</b>			
2.5	Amount per security	Nil	Nil
	Franked amount per security	Nil	Nil

**2.6 A Brief Explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.**

Refer to attached Condensed Financial Report for the Half Year ended 31 January 2012.

### 3. Net tangible assets per ordinary security

	Current Period	Previous Corresponding Period
Net tangible asset (liability) backing per ordinary security	A\$0.90	A\$1.05

### 4. Controlled Entities

Lion Selection did not control any entities during the period.

### 5. Dividends

Lion Selection did not declare or pay any dividends during the period.

### 6. Dividend/distribution reinvestment plan

Lion Selection does not currently operate a dividend/distribution reinvestment plan.

### 7. Associates

Company	Current Period % Held	Previous Corresponding Period % Held
AFL Management	38.1	38.1
African Lion Ltd*	29.8	29.8
African Lion 2 Ltd	24.9	24.9
African Lion 3 Ltd	23.7	23.7
Asian Lion Ltd	62.9	62.8

\*being wound up following conclusion of fund life

Lion Selection holds more than 20% of the above entities, hence it is considered as investment in associates. Equity accounting method is not applicable for the above investments as Lion Selection is a venture capital organisation that accounts for investments at fair value through profit or loss in accordance with AASB128 paragraph 1 and AASB139.

### 8. Foreign Accounting Standards

Not Applicable.

## 9. Audit

The financial statements have been reviewed by the auditor PricewaterhouseCoopers and it continues as an auditor of the Company.

**For more information please refer to the attached Financial Statements for the Half Year ended 31 January 2012.**



# **Lion Selection Group Limited**

**ABN: 26 077 729 572**

## **Condensed Financial Report Half Year Ended 31 January 2012**

**LION SELECTION GROUP LIMITED**

**Financial Report for the Half Year  
Ended 31 January 2012**

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# LION SELECTION GROUP LIMITED

## Directors' Report

The Directors of Lion Selection Group Limited ("Lion Selection" or "the Company") submit their report on the operations of the Company for the half-year ended 31 January 2012.

At the date of this report, Lion Selection had 88,029,353 (31 January 2011: 88,029,353) fully paid ordinary shares on issue.

### Directors

The names of the Company's directors in office during the whole half-year and until the date of this report are as below.

- Peter Maloney (Non-Executive Chairman) – appointed Chairman 2 December 2011
- Craig Smyth (Managing Director)
- Robin Widdup (Non-Executive Director)
- Barry Sullivan (Non-Executive Director) – appointed 2 December 2011
- Ewen Tyler (Non-Executive Chairman) – resigned 2 December 2011

### Principal Activities

During the half year the principal continuing activities of the Company were investment in mining and exploration companies.

### Results and Review of Operations

The Company's loss before tax for the half year was \$6.9 million (2011: gain \$18.7 million). This includes realised profits and losses from sale of investments and unrealised gains and losses from mark to market of its investment portfolio as set out in the table below:

<b>Gain/(Loss) attributable to movement in fair value of investments</b>	<b>2012 \$'000</b>	<b>2011 \$'000</b>
Mark to Market adjustment for period – investments realised during period	(191)	5,455
Mark to Market adjustment for period – investments held at end of period	(7,713)	15,083
<b>Gain/(Loss) attributable to movement in fair value of investments</b>	<b>(7,904)</b>	<b>20,538</b>
<b>Results of Investments Realised During Period</b>		
Sales Proceeds	150	13,637
Historical Cost of investments sales	(1,363)	(8,159)
<b>Gross profit/(loss) on investment realised</b>	<b>(1,213)</b>	<b>5,478</b>
Represented by:		
Mark to Market recognised in prior periods	(1,022)	23
Mark to Market recognised in current period	(191)	5,455
	<b>(1,213)</b>	<b>5,478</b>

The result for the half year reflects mark to market loss of \$7.9 million with respect to investments. This includes an unrealised loss of \$7.7 million (15% reduction compared with value of investments held at 31 July 2011) which is generally attributable to market movements rather than company specific developments. Base metals prices declined around 15% during the half year and negative investor sentiment was evident with the small resources index reducing 13% during the equivalent period. The unrealised mark to market loss of \$7.7 million at 31 January 2012 in the portfolio value includes:

- A decrease in the value of Lion Selection's direct holding in YTC Resources of \$2.2 million due to a reduction in copper prices and investor sentiment;
- A decrease in Lion Selection's direct and indirect holding in Mindoro Resources of \$1.3 million as a result of the reduction in the nickel price and investor sentiment;
- A reduction in Lion Selection's direct and indirect holdings in Copperbelt Minerals of \$1.2 million as a result of a reduced valuation following on-going delays in the relevant DRC approvals;
- A decrease in Lion Selection's indirect holding in Asian Mineral Resources of \$1.1 million due to a reduction in the nickel price and on-going delays in Vietnam;
- A reduction in Lion Selection's indirect holding in Erdene Resource Development of \$0.7 million.

Lion Selection's directors believe it is important for shareholders that its financial statements and this report explain both the effect of realisation of its investments and mark to market of its investments on its results for the half year.

Based on historical cost, the realised loss for the Company of \$1.2 million is largely a result of the partial sale of Lion Selection's investment in the African Lion Limited (AFL). AFL is being wound up after successfully investing in Africa since 1999 and returning more than US\$120 million to shareholders on an original investment of less than \$34 million.

At 31 January 2012 the Company held investments valued at \$45.2 million (31 July 2011: \$49.6 million), and cash of \$33.9 million (31 July 2011: \$35.9 million).

During the half year the Company made new or follow on investments totalling \$3.6 million as follows:

**Purchases:**

➤ African Lion 3 Limited	\$2.2 million
➤ Asian Lion Limited	\$0.7 million
➤ Doray Minerals	\$0.4 million
➤ Other investments	\$0.3 million
	<b>\$3.6 million</b>

Lion Selection also received distributions of \$0.4 million from AFL.

**Dividends**

No dividend was declared or paid in the half-year.

**Auditor Independence**

We have obtained an independence declaration from our auditors, PricewaterhouseCoopers, as required under section 307 of the Corporations Act 2001. A copy can be found on page 4 of this financial report.



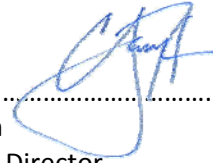
## **Rounding of Amounts**

The Company is of a kind specified in Australian Securities and Investments Commission Class Order 98/100. In accordance with that class order, amounts in the financial report and the Directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the directors.



.....  
**P J Maloney**  
Chairman  
Melbourne  
30 March 2012



.....  
**C K Smyth**  
Managing Director



## Auditor's Independence Declaration

As lead auditor for the review of Lion Selection Group Limited for the half year ended 31 January 2012, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Lion Selection Group Limited during the period.

A handwritten signature in black ink, appearing to read 'Chris Dodd', written in a cursive style.

Chris Dodd  
Partner  
PricewaterhouseCoopers

Melbourne  
30 March 2012

## LION SELECTION GROUP LIMITED

### Statement of Comprehensive Income for the Half Year ended 31 January 2012

	Notes	January 2012 \$'000	January 2011 \$'000
Gain /(loss) attributable to movement in fair value	2	(7,904)	20,538
Dividend Income		361	250
Interest Income		776	618
Unrealised gain/(loss) on foreign exchange		358	(1,964)
Management fees		(176)	(83)
Employee benefits		(98)	(453)
Other expenses		(223)	(189)
<b>Profit/(loss) before income tax</b>		<b>(6,906)</b>	<b>18,717</b>
Income tax (expense)/benefit		-	(604)
<b>Net profit/(loss) after income tax</b>		<b>(6,906)</b>	<b>18,113</b>
Other Comprehensive Income		-	-
Other Comprehensive Income (net of tax)		-	-
<b>Total Comprehensive Income for the half year</b>		<b>(6,906)</b>	<b>18,113</b>
Attributable to:			
Non-controlling interest		-	-
Members		(6,906)	18,113
		<b>Cents per share</b>	<b>Cents per share</b>
Basic earnings/(loss) per share		(7.8)	20.6
Diluted earnings/(loss) per share		(7.8)	20.6

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

**LION SELECTION GROUP LIMITED**  
**Statement of Financial Position**  
**as at 31 January 2012**

	January 2012 \$'000	July 2011 \$'000
<b>Current Assets</b>		
Cash and cash equivalents	33,930	35,919
Trade and other Receivables	88	544
<i>Total Current Assets</i>	<i>34,018</i>	<i>36,463</i>
<b>Non-Current Assets</b>		
Financial Assets	45,182	49,633
<i>Total Non-Current Assets</i>	<i>45,182</i>	<i>49,633</i>
<i>Total Assets</i>	<i>79,200</i>	<i>86,096</i>
<b>Current Liabilities</b>		
Trade and Other Payables	71	61
<i>Total Current Liabilities</i>	<i>71</i>	<i>61</i>
<i>Total Liabilities</i>	<i>71</i>	<i>61</i>
<b>Net Assets</b>	<b>79,129</b>	<b>86,035</b>
<b>Equity</b>		
Contributed equity	100,109	100,109
Retained profits/(Accumulated losses)	(20,980)	(14,074)
<b>Total Equity</b>	<b>79,129</b>	<b>86,035</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

# LION SELECTION GROUP LIMITED

## Statement of Cash Flows for the Half Year ended 31 January 2012

	January 2012 \$'000	January 2011 \$'000
<b>Cash flows from operating activities</b>		
Dividends Received	361	250
Interest received	1,220	584
Payments to suppliers and employees (including GST)	(476)	(693)
<i>Net operating cash flows</i>	<i>1,105</i>	<i>141</i>
<b>Cash flows from investing activities</b>		
Distributions Received	-	1,412
Payments for investments	(3,602)	(16,753)
Proceeds from investment sales	150	13,591
<i>Net investing cash flows</i>	<i>(3,452)</i>	<i>(1,750)</i>
<b>Cash flows from financing activities</b>		
Receipt from internal borrowings	-	-
Payments for internal borrowings	-	-
<i>Net financing cash flows</i>	<i>-</i>	<i>-</i>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>(2,347)</b>	<b>(1,609)</b>
Cash and cash equivalents at beginning of financial period	35,919	43,327
Effects of exchange rate changes on foreign currency denominated cash balances	358	(1,964)
<b>Cash and cash equivalents at end of financial period</b>	<b>33,930</b>	<b>39,754</b>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## LION SELECTION GROUP LIMITED

### Statement of Changes in Equity for the Half Year ended 31 January 2012

	Issued Capital	Retained Profits / (Accumulated Losses)	Total
	\$'000	\$'000	\$'000
<b>At 1 August 2011</b>	<b>100,109</b>	<b>(14,074)</b>	<b>86,035</b>
Total comprehensive income	-	(6,906)	(6,906)
<b>At 31 January 2012</b>	<b>100,109</b>	<b>(20,980)</b>	<b>79,129</b>

	Issued Capital	Retained Profits / (Accumulated Losses)	Total
	\$'000	\$'000	\$'000
<b>At 1 August 2010</b>	<b>100,109</b>	<b>(25,701)</b>	<b>74,408</b>
Total comprehensive income	-	18,113	18,113
<b>At 31 January 2011</b>	<b>100,109</b>	<b>(7,588)</b>	<b>92,521</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

# LION SELECTION GROUP LIMITED

## Notes to the Financial Statements for the Half Year ended 31 January 2012

### NOTE 1. BASIS OF PREPARATION

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Lion Selection Group Limited as at 31 July 2011, which was prepared based on Australian equivalents to International Financial Reporting Standards (AIFRS).

It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half year ended 31 January 2012 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

#### (a) Basis of accounting

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis, except for financial assets measured at fair value through profit and loss.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### (b) Impact of standards issued but not yet applied by the entity

**AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)** (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. The company is yet to assess its full impact. However, initial indications are that assets currently held as fair value through profit and loss will continue to be carried at fair value with all fair value gains/losses being recognised in profit and loss. The company has not yet decided when to adopt AASB 9.

**AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13** (effective from 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Company has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Company does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

**NOTE 1. BASIS OF PREPARATION (CONT'D)**

**(b) Impact of standards issued but not yet applied by the entity (Cont'd)**

**AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income** (effective from 1 July 2012)

In September 2011, the AASB made an amendment to AASB 101 *Presentation of Financial Statements* which requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. This will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The Company intends to adopt the new standard from 1 July 2012.

**AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements** (effective from 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 *Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

**(c) Summary of significant revised accounting policies**

The Company's accounting policies are consistent with those of the comparative periods. The full disclosure of accounting policies is available in the annual Financial Report of Lion Selection Group Limited as at 31 July 2011.



	January 2012 \$'000	January 2011 \$'000
<b>NOTE 2. PROFIT AND LOSS ITEMS</b>		
<b>Gain/(loss) attributable to movement in fair value of investments</b>		
Mark to Market adjustment for period – investments realised during period	(191)	5,455
Mark to Market adjustment for period – investments held at end of period	(7,713)	15,083
<b>Gain/(loss) attributable to movement in fair value of investments</b>	<b>(7,904)</b>	<b>20,538</b>

<b>Results of Investments Realised During Period</b>		
Sales Proceeds	150	13,637
Historical Cost of investments sales	(1,363)	(8,159)
<i>Gross profit / (loss) on investments realised</i>	<i>(1,213)</i>	<i>5,478</i>
Represented by:		
Mark to Market recognised in prior periods	(1,022)	23
Mark to Market recognised in current period	(191)	5,455
<b>Total Mark to Market</b>	<b>(1,213)</b>	<b>5,478</b>

<b>NOTE 3. DIVIDENDS PAID OR PROVIDED ON ORDINARY SHARES</b>		
Dividends declared and paid during the half year	-	-
<i>Total dividends paid or provided</i>	<i>-</i>	<i>-</i>

<b>NOTE 4. CONTRIBUTED EQUITY</b>		
	January 2012 \$'000	July 2011 \$'000
Issued and paid up capital (fully paid)		
Opening Balance	100,109	100,109
<b>Issued and paid up capital (fully paid)</b>	<b>100,109</b>	<b>100,109</b>

	January 2012 Shares	July 2011 Shares
<b>Share capital</b>		
Issued and paid up capital (fully paid)		
Opening Balance	88,029,353	88,029,353
<b>Issued and paid up capital (fully paid)</b>	<b>88,029,353</b>	<b>88,029,353</b>

**NOTE 5. SEGMENT INFORMATION**

Management has determined that the Company has only one operating segment based on reporting reviewed by the board to make strategic decisions. The Company provides patient equity capital to carefully selected small and medium mining enterprises. Lion Selection invests only in mining and exploration companies and projects with gold and base metal activities in Australia, Africa and South East Asia.

**NOTE 6. CONTINGENT LIABILITIES/ASSETS**

The Company has no contingent liabilities or assets as at 31 January 2012.

**NOTE 7. COMMITMENTS****a) Superannuation Commitments**

Lion Selection does not have its own superannuation plan. The only commitment to superannuation is with respect to statutory commitments. At of 31 January 2012, the Company was contributing to approved superannuation funds at the choice of employees at a minimum rate of 9% of salaries paid. Employees are able to make additional contributions to their chosen superannuation funds by way of salary sacrifice up to the age based deductible limits for taxation purposes.

**b) Investment Commitment AFL3 and Asian Lion**

Lion Selection entered into an agreement in June 2008 to commit US\$18.75 million in African Lion 3 Limited (AFL3), of which US\$9.4m remains undrawn at 31 January 2012. AFL3 is a follow-on investment fund from the companies existing investment in African Lion 2 Limited (AFL2) and the soon to be dissolved African Lion Limited (AFL).

Lion Selection also previously entered into an agreement to commit US\$21.4 million in Asian Lion Limited which was fully drawn at 31 January 2012.

**NOTE 8. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

There has not arisen in the interval between the end of the period and the date of this report, any item, transaction or event of a material or unusual nature which has or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future periods.

# LION SELECTION GROUP LIMITED

## Directors' Declaration

In accordance with a resolution of the directors of Lion Selection Group Limited, we declare that:


In the opinion of the directors:

- (a) the financial statements and notes set out on pages 5 to 12 of the Company and subsidiaries are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Company and subsidiaries as at 31 January 2012 and the performance for the half-year ended on that date; and
  - (ii) complying with the Accounting Standards, the Corporations Regulations 2010 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company and subsidiaries will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**P J Maloney**  
Chairman



**C K Smyth**  
Managing Director

Melbourne  
Date: 30 March 2012



## **Independent auditor's review report to the members of Lion Selection Group Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Lion Selection Group Limited ("the company"), which comprises the statement of financial position as at 31 January 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Lion Selection Group Limited.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 January 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Lion Selection Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

---

**PricewaterhouseCoopers, ABN 52 780 433 757**

Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
DX 77 Melbourne, Australia

T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

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## **Independent auditor's review report to the members of Lion Selection Group Limited (Continued)**

### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lion Selection Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 January 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of the company for the half-year ended 31 January 2012 included on Lion Selection Group Limited's web site. The company's directors are responsible for the integrity of the Lion Selection Group Limited's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Chris Dodd' in a cursive script.

Chris Dodd  
Partner

Melbourne  
30 March 2012