



ASX Release

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Lion Closes Out Cracow Forward Gold Sales

Lion Selection Limited (Lion) owns 30% of the Cracow Gold mine in Queensland with Newcrest Mining Limited owning the other 70% and managing the operation.

Lion had approximately 63,000 ounces of gold forward sold at A\$664 per ounce through to December 2009 (approximately 75% of Lion's share of forecast gold production over the period). Lion has closed out the forward sales and replaced them with put options to sell 63,000 ounces of gold at A\$664 over the same period.

The cost of closing out of the forward sales program was approximately A\$9.4 million. The cost of the puts was less than A\$0.3 million. The result of these transactions is that Lion will receive spot gold prices (currently A\$780 per ounce) for all of its production. It will also benefit from any increase in the gold price while maintaining downside protection through the put options.

Lion holds approximately \$45 million cash after this transaction.

Cracow Gold Mine

Cracow is one of the lowest cost gold producers in Australia. The cash cost at Cracow over the last 12 months has averaged less than A\$350 per ounce. Lion's pro rata share of production from Cracow is approximately 35,000 ounces per annum.

Quarterly Production Summary (Lion Share)				
3 months to	Jul-06	Oct-06	Jan-07	Apr-07
Ore treated (tonnes)	28,413	28,739	29,573	27,816
Ore- grade (g/t Au)	11.1	9	10.1	11.5
Recovery (%)	94	93	94	95
Gold Produced (oz)	9,684	7,580	8,854	9,965
Cash cost (A\$/oz)	335	348	301	281

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