

# ASX RELEASE

## 25 February 2008

### Allegiance Update

#### ASX Codes

Ordinary shares: LST  
Listed options: LSTO

Issued shares: 191.0m

Share price: \$1.31

Issued options: 5.8m

Option price: \$0.37  
(151c April 09)

Market cap: \$252m

NTA pre tax  
(31/01/08): \$1.78

NTA post tax  
(31/01/08): \$1.78

#### Further enquiries:

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#### Allegiance

##### ➤ Takeovers Panel returns Lion's Allegiance shareholding.

Lion currently holds 37.9 million Allegiance Mining NL (Allegiance) shares and has signalled that it will sell its Allegiance shares but is seeking the best price.

#### Background

On Friday 8 February 2008, Lion accepted the Zinifex Limited (Zinifex) \$1.00 per share offer for its Allegiance shares at the close of the offer. Lion believed the offer had not been extended as no announcement had been made to the market. If the offer had been extended, Lion would not have accepted in order to retain the alternatives of either accepting a higher alternative offer or selling at a higher price in the market. Zinifex subsequently announced the offer had been extended.

Lion was concerned about the circumstances of Zinifex's extension of its offer and, with other parties, raised its concerns with the Takeovers Panel. The Takeovers Panel has ruled in favour of Lion, the effect of which is to restore Lion's options for disposing its shareholding (which include accepting the bid, accepting a higher alternative offer or selling into the market.)

#### Use of Funds

The sale of Lion's Allegiance shares at the current Allegiance bid price would deliver approximately \$38 million and would lift Lion's cash position to \$110 million after accounting for tax.

Lion's vision remains to transform from an investment company to a mining company. The cash raised from the sale of its Allegiance shares may be applied to acquire, through its pre-emptive right, the other 70% of Cracow Gold Mine in Queensland.

Detailed information on Lion Selection Limited can be found on the company's website [www.lionselection.com.au](http://www.lionselection.com.au).