

Appendix 4D

Half year report

1. Company Details

LION SELECTION LIMITED		
ABN or equivalent company reference	Half Year ended (‘current period’)	Half year ended (‘previous period’)
53 123 217 112	31 January 2008	31 January 2007

2. Results for announcement to the market

This interim report of Lion Selection Limited and the entities it controls (“the Consolidated Entity”) reflects the merger of Lion Selection Group Limited (“LSG”) and AuSelect Limited (“AuSelect”) that took place on 17 April 2007. These financial statements include consolidated results for LSG, AuSelect and its subsidiaries, although as required by Australian equivalents to International Financial Reporting Standards (“AIFRS”) Comparative figures for the half-year to 31 January 2007 reflect the accounts of LSG only and as a result, comparison to the prior year is less relevant.

This interim report is prepared using AIFRS, and therefore includes the result of the “mark-to-market” of the Consolidated Entity’s investment portfolio in both the Income Statement and Balance Sheet. Lion’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.

The Consolidated Entity’s Loss after tax was \$63.6 million (2007 Profit: \$19.7 million) and a loss per share of 33.3c (2007: earnings per share of 19.7c). The loss before tax for the half year was \$68.9 million. This result reflects unrealised mark to market losses of \$91.7 million with respect to investments held at 31 January 2008, substantially due to a decline in the market value of investees following uncertainty in the global financial markets, the reduction in the value of Lion’s investment in African Lion due to the realisation of cash dividends, and the transition of two of Lion’s investments into Administration.

The market value of investments held at 31 January 2008 exceeded the historic cost of those investments by \$95.8 million, with Lion holding investments worth \$203.3 million with a historic cost of \$107.5 million.

The result for the half year also includes dividends from Lion’s African Lion investments totalling \$23.7 million derived from the sale of investments in Platmin Limited, profit from gold mining, and realised losses from sales of investments as set out in the table below.

Gains/(loss) attributable to movement in fair value of investments	2008	2007
	\$000	\$000
Mark to Market adjustment for period – investments realised during period	(607)	(631)
Mark to Market adjustment for period – investments held at end of period	(91,672)	24,096
Gains/(loss) attributable to movement in fair value of investments	(92,279)	23,465

Results of Investments Realised During Period	2008	2007
	\$000	\$000
Sales Proceeds	10,248	17,736
Historical Cost of sales	(17,161)	(8,053)
Gross profit measured at historical cost	(6,913)	9,683
Represented by:		
Mark to Market recognised in prior periods	(6,306)	10,314
Mark to Market recognised in current period	(607)	(631)
	(6,913)	9,683

The unrealised mark to market loss of \$91.7 million with respect to investments held at 31 January 2008 was substantially due to a decline in the market value of investees following uncertainty in the global financial markets, the reduction in the value of Lion's investment in African Lion due to the realisation of cash dividends, and the transition of two of Lion's investments into Administration. Specifically, the net decrease in the portfolio value includes;

- A decrease in the value of Indophil Resources NL of \$36.2 million.
- A decrease in the value of African Lion Limited of \$22.6 million, reflecting realisation of investment by way of distributions to shareholders as a result of realising investments in Platmin.
- A decrease in the value of Havilah Resources NL of \$15.0 million.
- An increase in the value of Allegiance Mining NL of \$13.9 million reflecting a takeover offer by Zinifex, initially of \$1.00 per share, increased to \$1.10 per share in February 2008. Subsequent to Balance date, Lion accepted the takeover, realising \$45 million cash.
- A decrease in the value of View Resources by \$11.5 million due to technical difficulties and production shortfalls at its Bronzewing Gold Project. Ferrier Hodgson has been appointed on the 8th of February 2008 as Administrators and is looking to restructure the company.
- A decrease in the value of Lafayette Mining Limited of \$7.5 million due to operational and financing difficulties, which resulted in the company entering administration.
- A decrease in the value of African Lion 2 Limited of \$4.4 million, primarily resulting from the underlying reduction in the market value of that fund's investment in Sphere Investments Limited and Mineral Deposits Limited.

At 31 January 2008 the Consolidated Entity held investments valued at \$203.3 million (31 July 2007: \$299.9 million), and cash of \$74.3 million (2007: \$46.7 million). During the year, the Consolidated Entity made new or follow on investments totaling \$6.0 million including the following investees:

Asian Lion Limited	\$2.5 million	
African Lion 2 Limited	\$0.6 million	
Tectonic Resources NL	\$0.9 million	
Mindoro Resources Limited	\$0.6 million	
View Resources Ltd	\$0.9 million	(Shares subsequently sold on market)
Perseverance Corporation Limited	\$0.5 million	(Shares subsequently sold on market)

As a result of merger, the Consolidated Entities' activities now include gold mining. Lion acquired a 30% interest in the Cracow Gold Mine in Queensland with Newcrest Mining Limited owning the other 70% interest in the joint venture and managing the operation. Cracow is a low cost underground operation which produced 52,887 ounces of gold for the half year. Lion's 30% share was 15,865 ounces and average cash cost was A\$472 per ounce. The average gold sale price achieved was \$875 per ounce.

Results of Gold Mining Activities	2008	2007
	\$000	\$000
Sales Revenue – Gold	14,599	-
Cost of Gold Sales	(7,271)	-
Gross Profit/(loss)	7,328	-

Results

Half year ended 31 January 2008			\$'000	% Change		\$'000
2.1	Revenue from continuing operations	Up	14,599	N/A	To	14,599
2.2	Profit/(loss) from continuing operations after tax attributable to members	Down	(83,374)	422%	To	(63,639)
2.3	Net Profit/(loss) for the period attributable to members	Down	(83,374)	422%	To	(63,639)
2.4	Dividends per share	Amount per security		Franked Amount per security		
	Dividend – paid on 22 February 2008, record date 1 February 2008	3.0c		1.3c		

3. Net tangible assets per ordinary security

The net tangible assets (NTA) per security based on the Net Assets of the Consolidated Entity at 31 January 2008 was \$1.69. This is after allowing for dividends declared during the half-year period representing 3 cents per security. This NTA is based on the valuation of investments at fair value, as disclosed in the attached accounts, including a number of AIFRS related accounting adjustments. The NTA per security for the comparative period was \$1.86, although the comparison is less relevant as this NTA is for Lion Selection Group Limited only.

The NTA per share at 31 January 2008 reflects accounting related adjustments as follows:

- A notional deferred tax liability of \$11.3 million (6 cents per share) that has been recognised with respect to the revaluation of Cracow's assets. This reflects that tax depreciation will not be available on the fair value uplift and will unwind over the life of the Cracow Gold Mine.
- Other AIFRS adjustments, such as the requirement to use of the closing market bid price in determining the fair value of assets.

4. Controlled Entities

The Consolidated Entity did not gain or lose control over any entities during the six months ended 31 January 2008. As noted above, LSG and AuSelect merged on 17 April 2007 and these financial



statements include consolidated results for LSG, AuSelect and its subsidiaries, although as required by AIFRS, Comparative figures for the half-year to 31 January 2007 reflect the accounts of LSG only and as a result, comparison to the prior year is less relevant

5. Dividends

Details of dividends/distributions declared or paid during or subsequent to the six months ended 31 January 2008 are as follows:

Record Date	Payment Date	Amount per security	Total Dividend \$000's	Franked amount \$000's	Foreign sourced dividend amount per security
1 February 2008	22 February 2008	3.0¢	5,730	2,456	N/A

6. Dividend/distribution reinvestment plan

The Consolidated Entity does not currently operate a dividend/distribution reinvestment plan.

7. Associates

The Consolidated Entity has a 30% joint venture interest in the Cracow Mining Joint Venture in Queensland with Newcrest Mining Limited owning the other 70% joint venture interest and managing the operation. This joint venture comprises the Operations segment in the attached accounts.

The Consolidated Entity does not have any associates. Due to the adoption of AIFRS, the Consolidated Entity ceased using the equity method. Investments are measured at fair value through the profit and loss due to the parent entity being a venture capital entity.

8. Foreign Accounting Standards

Not Applicable

9. Audit

This report is based on the attached accounts that have been reviewed.

For more information please refer to the attached Financial Statements.



Lion Selection Limited

ABN: 53 123 217 112

Condensed Financial Report Half Year Ended 31 January 2008



LION SELECTION LIMITED

Financial Report for the Half Year Ended 31 January 2008

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LION SELECTION LIMITED

Directors' Report

The directors of Lion Selection Limited ("Lion" or "the Company") submit their report on the operations of the Company and the entities it controlled ("the Consolidated Entity") for the half year ended 31 January 2008. This interim report of the Consolidated Entity reflects the merger of Lion Selection Group Limited ("LSG") and AuSelect Limited ("AuSelect") that took place on 17 April 2007. These financial statements include consolidated results for LSG, AuSelect and its subsidiaries, although as required by Australian equivalents to International Financial Reporting Standards ("AIFRS") Comparative figures for the half-year to 31 January 2007 reflect the accounts of LSG only.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period.

E W J Tyler AM (Non-Executive Chairman)
 R A Widdup (Managing Director)
 J F O'Reilly (Non-Executive Director)
 G R Freestone (Non-Executive Director)

Results and Review of Operations

This interim report is prepared using AIFRS, and therefore includes the result of the "mark-to-market" of the Consolidated Entity's investment portfolio in both the Income Statement and Balance Sheet. Lion'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.

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Results of Gold Mining Activities	2008	2007
	\$000	\$000
Sales Revenue – Gold	14,599	-
Cost of Gold Sales	(7,271)	-
Gross Profit/(loss)	7,328	-

Dividends

During the half-year Lion declared a fully franked dividend to members of 3 cents per share (totalling \$5.7 million). Subsequent to Balance Sheet date, this dividend was paid to shareholders on 22 February 2008.

In the prior period, a 50% franked dividend of 27.7 cents per share (totalling \$27.7 million) was paid to shareholders of Lion Selection Group Limited (10 cents cash, 17.7 in specie). In addition an unfranked dividend of 10 cents per share (totalling \$10.0 million) was declared to shareholders of Lion Selection Group Limited.

Auditor Independence

We have obtained an independence declaration from our auditors, PricewaterhouseCoopers. A copy can be found on page 4 of this condensed financial report.

Rounding of Amounts

The parent entity is a Company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. 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.

.....
E W J Tyler
Chairman
Melbourne
27 March 2008

.....
R A Widdup
Managing Director



PricewaterhouseCoopers
ABN 52 780 433 757

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Auditors' Independence Declaration

As lead auditor for the review of Lion Selection Limited for the half year ended 31 January 2008 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 Limited and the entities it controlled during the period.

Tim Goldsmith
Partner
PricewaterhouseCoopers

Melbourne
27 March 2008



LION SELECTION LIMITED

Income Statement for the Half Year ended 31 January 2008

CONSOLIDATED			
	Notes	January 2008 \$'000	January 2007 \$'000
Gold Sales Revenue		14,599	-
Cost of Gold Sales		(7,271)	-
Gross profit/(loss)		7,328	-
Gain /(loss) attributable to movement in fair value	2	(92,279)	23,465
Other revenue	2	25,859	2,146
Management fees		(1,653)	(1,720)
Exploration and evaluation		(90)	-
Depreciation and amortisation		(6,142)	-
Employee benefits		(552)	(262)
Finance costs		(413)	-
Other expenses		(986)	(236)
Profit/(loss) before income tax		(68,928)	23,393
Income tax (expense)/benefit		5,277	(3,658)
Net profit after tax		(63,651)	19,735
Attributable to:			
Minority interest		(12)	-
Members of the parent		(63,639)	19,735
		Cents per share	Cents per share
Basic earnings per share		(33.3)	19.7
Diluted earnings per share		(33.2)	19.7



LION SELECTION LIMITED
Balance Sheet
as at 31 January 2008

	Notes	CONSOLIDATED	
		January 2008 \$000	July 2007 \$000
Current Assets			
Cash and cash equivalents		74,382	46,683
Trade and other Receivables		870	3,988
Inventories		1,432	1,568
Current Tax Asset		47	-
Other		2,646	2,752
<i>Total Current Assets</i>		<i>79,377</i>	<i>54,991</i>
Non-Current Assets			
Inventories		3	16
Property, Plant and Equipment		9,147	10,106
Mine Development		53,946	56,817
Financial Assets		203,253	299,929
Deferred tax assets		6,270	3,850
<i>Total Non-Current Assets</i>		<i>272,619</i>	<i>370,718</i>
<i>Total Assets</i>		<i>351,996</i>	<i>425,709</i>
Current Liabilities			
Trade and Other Payables		2,001	2,950
Interest bearing liabilities		7,078	9,000
Current tax liabilities		-	1,572
Provisions		455	408
<i>Total Current Liabilities</i>		<i>9,534</i>	<i>13,930</i>
Non-Current Liabilities			
Interest bearing liabilities		-	2,078
Provisions		6,518	772
Deferred tax liabilities		12,707	15,853
<i>Total Non Current Liabilities</i>		<i>19,225</i>	<i>18,703</i>
<i>Total Liabilities</i>		<i>28,759</i>	<i>32,632</i>
Net Assets		323,237	393,076
Equity			
Contributed equity		250,962	250,913
Reserves		2,621	3,128
Retained profits/(accumulated losses)		69,660	139,029
<i>Total parent entity interest</i>		<i>323,243</i>	<i>393,070</i>
<i>Total minority interest</i>		<i>(6)</i>	<i>6</i>
Total Equity		323,237	393,076



LION SELECTION LIMITED

Statement of Cash Flows for the Half Year ended 31 January 2008

	CONSOLIDATED	
	January 2008 \$000	January 2007 \$000
Cash flows from operating activities		
Receipts from customers	14,310	5
Dividends Received	23,732	-
Interest received	1,776	1,998
Interest paid	(441)	-
Payments to suppliers and employees	(10,969)	(3,708)
Income taxes paid	(1,686)	(5,400)
<i>Net operating cash flows</i>	<i>26,722</i>	<i>(7,105)</i>
Cash flows from investing activities		
Payments for property plant & equipment	(54)	-
Payments for mine development	(2,316)	-
Payments for investments	(6,018)	(5,158)
Proceeds from investment sales	13,321	10
<i>Net investing cash flows</i>	<i>4,933</i>	<i>(5,148)</i>
Cash flows from financing activities		
Proceeds from issues of shares on exercise of options	49	-
Payments of external borrowings	(4,000)	-
Exchange rate variations on foreign cash balances	(5)	-
Dividends paid	-	(10,011)
<i>Net financing cash flows</i>	<i>(3,956)</i>	<i>(10,011)</i>
<i>Net increase/(decrease) in cash and cash equivalents held</i>	<i>27,699</i>	<i>(22,264)</i>
Cash and cash equivalents at beginning of financial period	46,683	73,446
<i>Cash and cash equivalents at end of financial period</i>	<i>74,382</i>	<i>51,182</i>

LION SELECTION LIMITED

Statement of Changes in Equity for the Half Year ended 31 January 2008

CONSOLIDATED	Issued Capital \$'000	Retained Earnings \$'000	Hedge Reserve¹ \$'000	Minority Interest \$'000	Total \$'000
At 1 August 2006	100,109	104,051	-	-	204,160
<i>Total income (expense) recognised directly in equity</i>	-	-	-	-	-
Profit for the period	-	19,735	-	-	19,735
<i>Total recognised income and expense for the period</i>	-	19,735	-	-	19,735
Dividends Paid or Payable	-	(37,749)	-	-	(37,749)
At 31 January 2007	100,109	86,037	-	-	186,146
At 1 August 2007	250,913	139,029	3,128	6	393,076
Unwind of effective gold cashflow hedges	-	-	(507)	-	(507)
<i>Total income (expense) recognised directly in equity</i>	-	-	(507)	-	(507)
Profit/(Loss) for the period	-	(63,639)	-	(12)	(63,651)
<i>Total recognised income and expense for the period</i>	-	(63,639)	(507)	(12)	(64,158)
Dividends Paid or Payable	-	(5,730)	-	-	(5,730)
Issue of Shares - Exercise Options	49	-	-	-	49
At 31 January 2008	250,962	69,660	2,621	(6)	323,237

¹ Hedge Reserves are with respect to effective gold cash flow hedges. Hedge positions were closed out on 27 July 2007, and the reserve will release over the period to December 2009 in accordance with the hedge profile.



LION SELECTION LIMITED

Notes to the Financial Statements for the Half Year Ended 31 January 2008

NOTE 1. BASIS OF PREPARATION

BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

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 Limited as at 31 July 2007, 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 2008 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 derivative financial instruments and financial assets that have been measured at fair value.

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

(b) Summary of significant revised accounting policies

The Consolidated Entity's accounting policies are consistent with those of the comparative periods, except to the extent that the Consolidated Entity has adopted additional policies in relation to the acquisition of its operations division. The full disclosure of accounting policies is available in the annual Financial Report of Lion Selection Limited as at 31 July 2007.

CONSOLIDATED

	January 2008 \$000	January 2007 \$000
NOTE 2. PROFIT AND LOSS ITEMS		
Gains/(loss) attributable to movement in fair value of investments		
Mark to Market adjustment for period – investments realised during period	(607)	(631)
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Represented by:		
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Mark to Market recognised in current period	(607)	(631)
Total Mark to Market	(6,913)	(9,683)
Other income		
Interest income	1,986	2,039
Dividends received	23,732	-
Sundry income	141	107
Total other income	25,859	2,146
The profit is after charging the following expenses:		
Management fees	1,653	1,720
Employee benefits	552	262
Other	2,136	236



CONSOLIDATED

	January 2008 \$000	January 2007 \$000
NOTE 3. DIVIDENDS PAID OR PROVIDED ON ORDINARY SHARES		
Fully franked dividends declared and recognised as a liability, but not paid at Balance Date (2007: unfranked dividend)	5,730	10,011
50% franked dividends paid (\$10,011,000 cash, \$17,738,000 in specie)	-	27,738
<i>Total dividends paid or provided</i>	<i>5,730</i>	<i>37,749</i>

NOTE 4. EQUITY SECURITIES ISSUED	January 2008 Shares	January 2007 Shares
Issues of ordinary shares during the half year		
Exercise of options	32,311	-
	32,311	
	January 2008 \$000	January 2007 \$000
Issues of ordinary shares during the half year		
Exercise of options	49	-
	49	-

NOTE 5. SEGMENT INFORMATION

The Consolidated Entity invests in mining and exploration companies and projects, operating in two divisions: Investments and Operations. The Operations division comprises a 30% interest (through Sedimentary Holdings) in the Cracow Gold Mine in Queensland. This is a joint venture with Newcrest Mining which operates both mining and exploration activities and holds the remaining 70% interest. The Investments Division provides patient equity capital to carefully selected Small and Medium Enterprises. Lion Selection invests in mining and exploration companies and projects with gold and base metal activities in Australia, Africa and South East Asia.

Unallocated items includes interest revenue, management fee expense, cash and deferred tax assets and liabilities.

	Investments \$'000	Operations \$'000	Unallocated \$'000	Total \$'000
Half-Year 2008				
Segment Income	(66,420)	14,599	-	(51,821)
Segment Result Before Tax	(66,420)	1,186	(3,694)	(68,928)
Half-Year 2007				
Segment Income	23,465	-	2,146	25,611
Segment Result Before Tax	23,465	-	(72)	23,393

NOTE 6. CONTINGENT LIABILITIES/ASSETS

Performance Incentive

As noted in the last annual accounts, the Consolidated Entity has a contingent liability in relation to the performance fee arrangements with the Lion Manager Pty Ltd (the Manager). The Manager is entitled to a performance fee of 10% of the amount by which the average market capitalisation of the Consolidated Entity exceeds a benchmark (or hurdle).

At 31 January 2008 and at the date of this report, no performance fee had been triggered. In accordance with AASB 2 *Share Based Payments*, a provision of \$0.25 million reflecting the theoretical value of the cash settled, share based performance incentive for the period has been provided. Any amount that actually becomes payable to the Manager will vary from the \$0.25 million expensed in the period depending on the movements in Lion's share price until 31 July 2008, and this will be the expense for the year to 31 July 2008.

NOTE 7. SUBSEQUENT EVENTS

Since the balance date for the Consolidated Entity, the following events have taken place:

- Lion sold its shareholding in Allegiance Mining NL on the 7th of March, realising \$45 million
- A dividend of \$5.7 million has been paid on the 22nd of February 2008.
- View Resources, a Lion investee, had previously announced technical difficulties and production shortfalls at its Bronzewing Gold Project. Ferrier Hodgson has been appointed on the 8th of February 2008 as Administrators and is looking to restructure the company.
- On 18 March 2008, Indophil Resources NL ("Indophil") an ASX listed company and existing Lion investee, announced that it would be making an offer for the ordinary shares and options in Lion Selection Limited. Lion's Board have advised shareholders to take no action on this hostile offer until Indophil's Bidders Statement is provided and the Lion Board issues its formal recommendation regarding the offer. The proposed offer is subject to a number of conditions, including 50.1% acceptance by Lion Shareholders. The proposed consideration of the offer is 2.5 Indophil shares for each Lion share increasing to 2.7 Indophil shares for each Lion share in the event that Indophil achieves acceptances of 90% or more, receives Lion Board recommendation or declares the bid unconditional.



LION SELECTION LIMITED

Directors' Declaration

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

In the opinion of the directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the company as at 31 January 2008 and the performance for the half-year ended on that date; and
 - (ii) complying with the Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board

.....
E W J Tyler
Chairman

.....
R A Widdup
Managing Director

Melbourne
Date: 27 March 2008

**INDEPENDENT AUDITOR'S REVIEW REPORT
to the members of Lion Selection Limited**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lion Selection Limited, which comprises the balance sheet as at 31 January 2008 and the income statement, statement of changes in equity cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for Lion Selection Limited (consolidated entity). The consolidated entity comprises both Lion Selection Limited (the company) and the entities it controlled during that half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 consolidated entity's financial position as at 31 January 2008 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 Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

PRICEWATERHOUSECOOPERS

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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

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

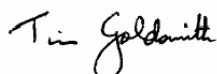
Conclusion

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 Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 January 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



Tim Goldsmith
Partner

Melbourne
27 March 2008