

Preliminary Final Report for the half year ended 31 January 2015

Rule 4.2A.3

KEY POINTS

- Mark to market loss of \$23.7 million with respect to investments.
- For the purposes of Lion's accounts, the valuation One Asia Resources, Lion's largest investment has been reduced from \$0.75/share to \$0.30/share. As set out in further detail in Note 2 to the accounts, the Lion Board formed the view during the half year that the risks associated with the Pani Project had increased given its ongoing ownership challenge. The ultimate realised value of an investment in One Asia could be in a very wide range, reflecting the tenure risk, early stage of the Pani project, resource upside, development risk, gold price, and other factors.
- One Asia continues to liaise with local authorities and its advisors to ensure that contractual obligations with respect to the Pani Project are honoured, and continues to work on-site.
- One Asia has been negotiating a joint venture over the Pani Project with Provident Capital Partners Pte Ltd. Lion has been involved with Provident for a number of years as co-investors in Sihayo Gold, and is strongly supportive of Provident's strategic involvement with One Asia. Lion's experience with Provident confirms its bona fides as a long term, supportive investor which understands the mining industry, and has the proven track record of operating effectively in Indonesia, including specific familiarity in the Pani region.
- Strong balance sheet with no debt and \$10.0 million cash.

Half-Year ended 31 January	2015 \$000's	2014 \$000's
Investments		
Gain/(Loss) attributable to movement in fair value	(23,684)	1,648
<i>Cash Inflows/Outflows</i>		
Proceeds from sale of investments	727	2,300
Payments for Investments	(1,214)	(10,665)

Appendix 4D
Preliminary Final Report

1. Company Details

LION SELECTION GROUP LIMITED		
ABN or equivalent company reference	Half Year ended (‘current period’)	Half Year ended (‘previous period’)
26 077 729 572	31 January 2015	31 January 2014

2. Results for announcement to the market

A\$’000

2.1	Revenue	Down 20%	to	193
2.2	Profit (loss) for the year	Down 2,161%	to	(24,220)
2.3	Profit (loss) for the year attributable to members of the parent	Down 2,161%	to	(24,220)
	Dividends	Current Period		Previous Corresponding Period
2.4	Franking Rate Applicable	N/A		N/A
	Interim Dividend			
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 Half Year ended 31 January 2015.

3. Net tangible assets per ordinary security

Based on the attached Balance Sheet, the net tangible assets (NTA) per security based on the Net Assets of the Company at 31 January 2015 was \$0.37. This NTA is based on the valuation of investments at fair value, as disclosed in the attached accounts. The NTA per security for the comparative period (31 July 2014) was \$0.60.

4. Controlled Entities

Lion did not control any entities during the period.

5. Dividends

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

6. Dividend/distribution reinvestment plan

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

7. Associates

	Current Period	Previous Corresponding Period
Company	% Held	% Held
African Lion 2 Ltd	24.9	24.9
African Lion 3 Ltd	23.7	23.7
Asian Lion Ltd	62.9	62.9

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

While Lion's ownership and economic interest in Asian Lion Ltd ("Asian Lion") is 62.9%, the directors have determined that Lion does not control Asian Lion as the Asian Lion Subscription and Shareholders Agreement ("SSA") restricts the ability of Lion to influence and direct the financial and operating decisions of Asian Lion. The SSA restricts Lion's voting power such that it is not commensurate with its ownership interest and it is unable to control the appointment or removal of directors or of members of the investment committee to which investment decisions have been delegated.

Lion continues to carry its investment in Asian Lion as a financial asset at fair value through profit and loss.

8. Foreign Accounting Standards

Not Applicable

9. Audit

This report is based on financial statements which have been reviewed by its auditor, PricewaterhouseCoopers, and it continues as an auditor of the Company.

For more information please refer to the attached Financial Statements.

Lion Selection Group Limited

ABN: 26 077 729 572

Interim Financial Report Half Year Ended 31 January 2015

LION SELECTION GROUP LIMITED

**Financial Report for the Half Year
Ended 31 January 2015**

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LION SELECTION GROUP LIMITED

Directors' Report

The Directors of Lion Selection Group Limited ("Lion" or "the Company") submit their report on the operations of the Company for the half-year ended 31 January 2015.

At the date of this report, Lion had 106,911,630 fully paid ordinary shares on issue.

Directors

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

- Peter Maloney (Non-Executive Chairman)
- Robin Widdup (Director)
- Barry Sullivan (Non-Executive Director)
- Chris Melloy (Non-Executive Director)

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 \$24.2 million (2014: \$1.2 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:

Gain/(Loss) attributable to movement in fair value of investments

Mark to Market adjustment for period – investments realised during period

Mark to Market adjustment for period – investments held at end of period

Gain/(Loss) attributable to movement in fair value of investments

Gross (loss)/profit on investments realised during the period includes mark to market adjustments realised in the current period as well as mark to market adjustments recognised in the Statement of Comprehensive Income in prior periods as set out in the table below.

Results of Investments Realised During Period

Sales Proceeds

Historical Cost of investments sales

Gross profit/(loss) measured at historical cost

Represented by:

Mark to Market recognised in prior periods

Mark to Market recognised in current period

	2015 \$'000	2014 \$'000
Mark to Market adjustment for period – investments realised during period	243	690
Mark to Market adjustment for period – investments held at end of period	(23,927)	958
Gain/(Loss) attributable to movement in fair value of investments	(23,684)	1,648
Gross (loss)/profit on investments realised during the period includes mark to market adjustments realised in the current period as well as mark to market adjustments recognised in the Statement of Comprehensive Income in prior periods as set out in the table below.		
Results of Investments Realised During Period		
Sales Proceeds	872	2,300
Historical Cost of investments sales	(796)	(3,823)
Gross profit/(loss) measured at historical cost	76	(1,523)
Represented by:		
Mark to Market recognised in prior periods	(167)	(2,213)
Mark to Market recognised in current period	243	690
	76	(95)



Lion Selection Group

The result for the half-year reflects mark to market loss of \$23.7 million with respect to investments, with key movements in the portfolio value outlined below:

- A decrease in the value of Lion's direct and indirect holdings in the unlisted One Asia Resources of \$17.8 million. For the purposes of Lion's accounts, the One Asia valuation has been reduced from \$0.75/share to \$0.30/share. As set out in further detail in Note 2 to the accounts, the Lion Board formed the view during the half year that the risks associated with the Pani project had increased.
- One Asia's interest in the Pani project tenement is under an Izin Usaha Pertambangan licence (the Pani IUP) held by a regional co-operative, KUD Dharma Tani (KUD), formed under Indonesian law. One Asia holds its economic interest in Pani through contractual arrangements with the KUD as its local joint venture partner. A shareholder update received from One Asia advises that Indonesian media reports on 24 December 2013 indicate that the KUD has signed a co-operation agreement with a subsidiary of publicly listed Indonesian company J Resources over the Pani IUP which conflicts with the contractual obligations the KUD has with One Asia. One Asia advises that all legal agreements with the KUD remain in place under Indonesian law. One Asia has been negotiating a joint venture over the Pani Project with Provident Capital Partners Pte Ltd (Provident), introducing Provident as One Asia's local partner. In addition One Asia continues to liaise with local authorities and its advisors to ensure that those contractual obligations are honoured, and continues to work on-site at the Pani project.
- A decrease in the value of Lion's direct investment in Doray Minerals of \$2.4 million following a period of higher cost production from Doray's Andy Well project.

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. Based on historical cost, Lion made a gain of \$0.1 million on the sale of investments.

At 31 January 2015 the Company held investments valued at \$29.5 million (31 July 2014: \$52.8 million), and cash of \$10.0 million (31 July 2014: \$11.1 million).

During the half-year the Company made new or follow-on investments totalling \$1.2 million as follows:

Purchases:

➤ African Lion 3 Limited	\$0.9 million
➤ Other investments	\$0.3 million
	\$1.2 million

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.


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P J Maloney
Chairman
Melbourne
27 March 2015


.....

R Widdup
Director



Auditor's Independence Declaration

As lead auditor for the review of Lion Selection Group Limited for the half-year ended 31 January 2015, 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.

A handwritten signature in blue ink, appearing to read 'A. Cronin', with a stylized flourish at the end.

Andrew Cronin
Partner
PricewaterhouseCoopers

Melbourne
27 March 2015

PricewaterhouseCoopers, ABN 52 780 433 757

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LION SELECTION GROUP LIMITED

Statement of Comprehensive Income for the Half Year ended 31 January 2015

	NOTES	January 2015 \$'000	January 2014 \$'000
Gain/(loss) attributable to movement in fair value	3	(23,684)	1,648
Other Income		-	17
Interest Income		193	225
Unrealised gain/(loss) on foreign exchange		-	-
Management fees		(405)	(405)
Employee benefits		(113)	(114)
Other expenses		(211)	(196)
Profit/(Loss) before income tax		(24,220)	1,175
Income tax (expense)/benefit		-	-
Net (loss)/profit after tax		(24,220)	1,175
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		-	-
Attributable to:		(24,220)	1,175
Non-controlling interest		-	-
Members		(24,220)	1,175
		Cents per share	Cents per share
Basic earnings/(loss) per share		(22.7)	1.1
Diluted earnings/(loss) per share		(22.7)	1.1

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 2015

	January 2015 \$'000	July 2014 \$'000
Current Assets		
Cash and cash equivalents	10,041	11,086
Trade and other Receivables	200	39
<i>Total Current Assets</i>	10,242	11,125
Non-Current Assets		
Financial Assets	29,457	52,798
Other Fixed Assets	22	29
<i>Total Non-Current Assets</i>	29,478	52,827
Total Assets	39,720	63,952
Current Liabilities		
Trade and Other Payables	36	48
<i>Total Current Liabilities</i>	36	48
Non-Current Liabilities		
<i>Total Non-Current Liabilities</i>	-	-
Total Liabilities	36	48
Net Assets	39,684	63,904
Equity		
Contributed equity	109,770	109,770
Shares to be Issued Reserve	-	-
Retained profits/(Accumulated losses)	(70,086)	(45,866)
Total Equity	39,684	63,904

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 2015

	January 2015 \$'000	January 2014 \$'000
Cash flows from operating activities		
Other income received	-	17
Interest received	164	280
Payments to suppliers and employees (including GST)	(722)	(730)
<i>Net operating cash flows</i>	<i>(558)</i>	<i>(433)</i>
Cash flows from investing activities		
Payments for investments	(1,214)	(10,665)
Proceeds from investment sales	727	2,300
<i>Net investing cash flows</i>	<i>(487)</i>	<i>(8,365)</i>
Cash flows from financing activities		
Issue of capital	-	2,389
<i>Net financing cash flows</i>	<i>-</i>	<i>2,389</i>
<i>Net increase/(decrease) in cash and cash equivalents held</i>	<i>(1,045)</i>	<i>(6,409)</i>
Cash and cash equivalents at beginning of financial period	11,086	17,938
Effects of exchange rate changes on foreign currency denominated cash balances	-	-
<i>Cash and cash equivalents at end of financial period</i>	<i>10,041</i>	<i>11,529</i>

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 2015**

	CONTRIBUTED EQUITY \$'000	RETAINED PROFITS / (ACCUMULATED LOSSES) \$'000	TOTAL \$'000
At 1 August 2014	109,770	(45,866)	63,904
Total comprehensive loss	-	(24,220)	(24,220)
Transactions with owners in their capacity as owners:	-	-	-
Total transactions with owners in their capacity as owners	-	-	-
At 31 January 2015	109,770	(70,086)	39,684

	CONTRIBUTED EQUITY \$'000	SHARES TO BE ISSUED RESERVE \$'000	RETAINED PROFITS / (ACCUMULATED LOSSES) \$'000	TOTAL \$'000
At 1 August 2013	103,684	3,697	(43,599)	63,782
Total comprehensive income for the half-year	-	-	1,175	1,175
Transactions with owners in their capacity as owners:				
Shares issued	6,090	(3,697)	-	2,393
Share issue expense	(4)	-	-	(4)
At 31 January 2014	109,770	-	(42,424)	67,346

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 2015

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 2014, which was prepared based on Australian equivalents to International Financial Reporting Standards (AIFRS). The half-year financial report has been prepared during the same accounting policies and methods of computation as used in the most recent annual Financial Report, except for the impact of the Standards and Interpretations as described below.

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 2015 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

(a) Basis of accounting

The half-year financial report 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) New or Revised Australian Accounting Standards and Interpretations that are first effective in the current reporting period

The Company had to change some of its accounting policies as the result of new and revised accounting standards which became effective for the annual reporting period commencing on 1 August 2014.

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 2015)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The new standard now applies however no differences were identified. The Company continues to carry assets as fair value through profit and loss with all fair value gains/losses being recognised in profit and loss.

(c) Summary of significant revised accounting policies

Other than discussed above, 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 2014.

NOTE 2. FAIR VALUE MEASUREMENTS

The Company carries its investments at fair value with changes in value recognised in profit or loss.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

Recognised fair value measurements

The following tables present the Company's assets and liabilities measured and recognised at fair value for the periods ended 31 January 2015 and 31 July 2014.

At 31 January 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Investments	7,660	8,853	12,944	24,457
Total Assets	7,660	8,853	12,944	24,457
At 31 July 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Investments	11,552	10,291	30,955	52,798
Total Assets	11,552	10,291	30,955	52,798

The Level 3 balance relates principally to Lion's investment in One Asia, an unlisted exploration company focused on the exploration for gold resources and development of gold mines in Sulawesi, Indonesia. The valuation of this investment has been reduced to \$0.30/share with significant unobservable inputs contributing to this fair value measurement at 31 January 2015 and therefore resulted in the level 3 classification the end of the reporting period. In addition, Lion's entire investment in Asian Lion is also classified to level 3 due to One Asia representing a significant component of Asian Lion's portfolio.

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, unlisted investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments are applied in accordance with the International Private Equity and Venture Capital Valuation Guidelines, including:

- Price of recent investment.
- Net assets, looking through to the underlying assets held through interposed investment vehicles.
- The fair value of unlisted option contracts is determined using a Black Scholes valuation at the reporting date.
- The use of quoted market prices or dealer quotes for similar instruments where available.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Valuation Processes

The Lion Manager includes a team that performs monthly valuations of the financial instruments required for financial reporting purposes, including level 3 fair values. This team reports directly to the Lion Board. Discussions of valuation processes and results are held between the Lion Manager and the Lion Board at least once every six months in line with Lion's half-yearly reporting dates, including changes in level 2 and 3 fair values.

One Asia Resources

As previously announced, Lion has reduced its One Asia valuation to \$0.30/share for the period ending 31 January 2015. Lion and Asian Lion own a combined equity interest of 35% of One Asia, an Australian unlisted public company. One Asia is focused on the development of two gold mines in Sulawesi, Indonesia.

As announced on 2 December 2014, One Asia was seeking to structure a joint venture with Provident Capital Partners Pte Limited (Provident) for its Pani project. At this time the Lion Board formed the view that the risks associated with the Pani project had increased, and accordingly reviewed the valuation for One Asia and adjusted it from 75cps to 30cps for the purposes of the Net Tangible Asset backing. On 10 March 2015 One Asia announced negotiations with Provident with respect to structuring the Pani joint venture were substantially complete. The proposed terms will see One Asia's interests in the Pani IUP transferred into a special purpose vehicle (SPV) along with a commitment of cash from both One Asia and Provident, with the ultimate ownership of the SPV being 66.6% Provident and 33.3% One Asia.

The ultimate realised value of an investment in One Asia could be in a very wide range, reflecting the tenure risk, early stage of the Pani project, resource upside, development risk, gold price, and other factors.

In the event that the current Pani project ownership dispute is not satisfactorily resolved, the ultimate realised value could be less than 30 cents per One Asia share. Conversely, the ultimate realised value could be far more than 30 cents per One Asia share as the project is de-risked. In light of information available, the board considers that 30c is the valuation within this range that is most reasonably representative of the fair value under current market conditions.

NOTE 2. FAIR VALUE MEASUREMENTS - CONTINUED

One Asia remains Lion's largest investment, representing a material component of Lion's portfolio. Lion will be keeping its valuation of One Asia under review and will advise shareholders of developments in a timely manner as information is made available by One Asia to its shareholders.

Lion has been involved with Provident for a number of years as co-investors in Sihayo Gold, and is strongly supportive of Provident's strategic involvement with One Asia. Lion's experience with Provident confirms its bona fides as a long term, supportive investor which understands the mining industry, and has the proven track record of operating effectively in Indonesia, including specific familiarity in the Pani region.

One Asia's Awak Mas project is held under a 7th generation Contract of Work.

A revised pre-feasibility study for Awak Mas was released in March 2015 with improved economics incorporating Salu Bulu and Tarra satellite deposits, and materially reducing the costs of the project:

US\$198m capex, 10 year life, 1.0Moz at C1 cash cost US\$565/oz, open pit, CIL.

NOTE 3. PROFIT AND LOSS ITEMS

Gain/(loss) attributable to movement in fair value of investments

Mark to Market adjustment for period – investments realised during period

Mark to Market adjustment for period – investments held at end of period

Gain/(loss) attributable to movement in fair value of investments

Gross (loss)/profit on investments realised during the period includes mark to market adjustments realised in the current period as well as mark to market adjustments recognised in the Statement of Comprehensive Income in prior periods as set out in the table below

Results of Investments Realised During Period

Sales Proceeds

Historical Cost of investments sales

Gross profit / (loss) measured at historical cost

Represented by:

Mark to Market recognised in prior periods

Mark to Market recognised in current period

Other Income

Interest Received

Other Income

	January 2015 \$'000	January 2014 \$'000
Gain/(loss) attributable to movement in fair value of investments		
Mark to Market adjustment for period – investments realised during period	243	690
Mark to Market adjustment for period – investments held at end of period	(22,927)	958
Gain/(loss) attributable to movement in fair value of investments	(23,684)	1,648
Results of Investments Realised During Period		
Sales Proceeds	872	2,300
Historical Cost of investments sales	(796)	(3,823)
<i>Gross profit / (loss) measured at historical cost</i>	<i>76</i>	<i>(1,523)</i>
Represented by:		
Mark to Market recognised in prior periods	(167)	(2,213)
Mark to Market recognised in current period	243	690
	76	(1,523)
Other Income		
Interest Received	193	
Other Income	193	

NOTE 4. DIVIDENDS PAID OR PROVIDED ON ORDINARY SHARES

Dividends declared and paid during the half-year

Total dividends paid or provided

-	-
-	-

NOTE 5. SEGMENT INFORMATION

Management has determined the Company's segments based on the internal reporting reviewed by the Board to make strategic decisions. The Company provides patient equity capital to carefully selected small and medium mining enterprises. Lion invests only in mining and exploration companies and projects with the majority of investments focussed on gold and base metal activities in Australia, Africa, South East Asia and the Americas.

Six Months Ended 31 January 2015	AUSTRALIA \$'000	AFRICA \$'000	ASIA \$'000	AMERICAS \$'000	UNALLOCATED \$'000	TOTAL \$'000
Segment Revenue	-	-	-	-	193	193
Mark to Market adjustment	(3,659)	(1,729)	(18,219)	(77)	-	(23,684)
Segment Income	(3,659)	(1,729)	(18,219)	(77)	193	(23,491)
Segment Expense	-	-	-	-	(729)	(729)
Segment Result Before Tax	(3,659)	(1,729)	(18,219)	(77)	(536)	(24,220)
Segment Assets	5,663	7,995	15,571	227	10,264	39,720
Segment Liabilities	-	-	-	-	36	36
Other Segment Information						
Assets Acquired during the period	-	946	268	-	-	1,214
Cash Flow Information						
Net Cash flow from operating activities	-	-	-	-	(558)	(558)
Net Cash flow from investing activities	31	(932)	414	-	-	(487)
Net Cash flow from financing activities	-	-	-	-	-	-

Six Months Ended 31 January 2014	AUSTRALIA \$'000	AFRICA \$'000	ASIA \$'000	AMERICAS \$'000	UNALLOCATED \$'000	TOTAL \$'000
Segment Revenue	-	-	17	-	225	242
Mark to Market adjustment	858	346	216	228	-	1,648
Segment Income	858	346	233	228	225	1,890
Segment Expense	-	-	-	-	(715)	(715)
Segment Result Before Tax	858	346	233	228	(490)	1,175
Segment Assets	10,626	9,301	35,171	728	11,553	67,379
Segment Liabilities	-	-	-	-	33	33
Other Segment Information						
Assets Acquired during the period	1,000	993	8,672	-	-	10,665
Cash Flow Information						
Net Cash flow from operating activities	-	-	17	-	(450)	(433)
Net Cash flow from investing activities	1,281	(993)	(8,653)	-	-	(8,365)
Net Cash flow from financing activities	-	-	-	-	2,389	2,389

NOTE 6. CONTINGENT LIABILITIES/ASSETS

The Company has no contingent liabilities or assets as at 31 January 2015.

NOTE 7. COMMITMENTS

a) Superannuation Commitments

Lion does not have its own superannuation plan. The only commitment to superannuation is with respect to statutory commitments. At of 31 January 2015, the Company was contributing to approved superannuation funds at the choice of employees at a minimum rate of 9.5% 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 entered into an agreement in June 2008 to commit US\$18.75 million in African Lion 3 Limited (AFL3), of which US\$1.4m remains undrawn at 31 January 2015 (Australian Dollar equivalent of \$1.8 million).

c) Lion Selection Limited

Under the arrangements associated with the 2009 demerger of Lion from its previous holding company, Lion Selection Limited, LSG provided an indemnity to Lion Selection Limited and its subsidiaries in respect of certain liabilities that pre-date the arrangements. This includes any tax liabilities of Lion Selection Limited and its subsidiaries for the period before 31 July 2009 and any employee & management fee liabilities prior to the demerger. Lion is not aware of any amount payable associated with this indemnity as at 31 January 2015.

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

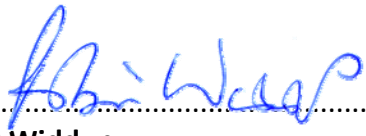
In accordance with a resolution of the directors of Lion Selection Group Limited, we declare that:

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 4 to 13 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 at 31 January 2015 and the performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2010 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board


.....
P J Maloney
Chairman


.....
R Widdup
Director

Melbourne
Date: 27 March 2015



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 2015, 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.

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 Australian 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 entity's financial position as at 31 January 2015 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*.

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 entity's financial position as at 31 January 2015 and of its performance for the half-year ended on that date;

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- b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of matter

We draw attention to Note 2 to the financial statements which describe the uncertainty related to the outcome of the Pani Project ownership dispute and its impact on the company's valuation of One Asia Resources Limited. Our conclusion is not modified in respect of this matter.

A handwritten signature in blue ink, appearing to read "PricewaterhouseCoopers", written over a faint, light blue rectangular background.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read "A Cronin", written over a faint, light blue rectangular background.

Andrew Cronin
Partner

Melbourne
27 March 2015