



ASX Announcement 2 March 2006

AuSelect sells holding in Gallery Gold

AuSelect and its partly owned investee companies, African Lion Limited (AFL) and African Lion 2 Limited (AFL2), have sold their stakes in Gallery Gold Limited (Gallery) at 51 cents per share. Gallery is currently merging by Scheme of Arrangement with IAMGOLD Corporation, under which IAMGOLD will acquire all the shares in Gallery.

AuSelect sold its 10.4 million Gallery shares. AFL, in which AuSelect holds an 18.7% interest, sold its 63 million Gallery shares, and AFL2, in which AuSelect holds a 23.7% interest, sold its 2.4 million Gallery shares.

The financial outcome for AuSelect and the African Lion funds is as follows:

	\$ invested	\$ received	Pre-tax profit
AuSelect	A\$2.2 million	A\$5.3 million	A\$3.1 million
African Lion funds	US\$7.9 million	US\$24.8 million	US\$16.9 million

In addition to A\$4.4 million after tax proceeds on its holding, AuSelect will receive approximately A\$5 million after tax proceeds from its interest in AFL and AFL2.

As a result of this sale, AFL's original US\$33.75 million capital (plus compounded interest of 8% per annum) will be repaid. This triggers a performance incentive which will increase AuSelect's shareholding in AFL from 18.7% to 23.1%. AuSelect's proceeds receivable from AFL above, includes A\$0.4 million derived from the increased shareholding from the performance incentive.

AuSelect's managing director, Robin Widdup, said today "AuSelect is now in a strong position to take advantage of new opportunities, with cash available of approximately A\$13 million after existing commitments."

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