



AuSelect Limited

Quarterly Report for the 3 months ended 30 April 2005

KEY POINTS

- AuSelect**
 - Following a further \$10 million committed to Indophil, AuSelect is fully invested once funds are drawn down into African Lion and Asian Lion.
- Indophil**
 - Becomes AuSelect's largest single exposure accounting for approximately 20% of total assets.
 - A feasibility program has started which should lead to construction within 3 years, of a major copper/gold mine with over 50 year life at Tampakan in the Philippines.
- African Lion**
 - Further platinum and mineral sands/gold investments made in South Africa and Senegal.
- Gallery**
 - Forecast commencement of development of second gold operation in 2006 at Buckreef-Rwamagaza.

INVESTMENT SUMMARY TABLE

Investment	ASX Code	Country/Activity	AUS Holding %	Amount Invested \$m	Market Value \$m
At 30/04/2005					
African Lion (AFL & AFL2) – AuSelect share of African Lion Investments					
Albidon Limited	ALB	Africa – explorer/Zambia – nickel	4.8	0.7	3.3
Gallery Gold	GGN	Botswana/Tanzania – gold	2.5	2.7	5.4
Mineral Deposits	MDL	Senegal – Mineral sands/gold	1.1	0.6	0.9
Platmin Limited	unlisted	SA – PGMs	2.6	1.7	1.8
Sphere Investments	SPH	Mauritania – iron ore	2.1	0.2	0.8
Other				1.6	1.4
Total African Lion investment			20.4	7.4	13.6
Listed Investments					
Austindo Resources	ARX	Indonesia/Aust – gold	1.6	0.5	0.4
Equinox Minerals	EQN	Zambia/Aust – copper/gold	4.3	1.1	2.1
Gallery Gold	GGN	Botswana/Tanzania – gold	2.1	2.2	3.7
Indophil Resources	IRN	Philippines – copper/gold	2.8	1.0*	2.6
Leviathan Resources	LVR	Australia – gold	5.0	3.6	3.2
Sedimentary Holdings	SED	Australia – gold	2.1	0.7	1.0
Westonia Mines	WEZ	Australia – gold	0.5	0.1	0.1
Total Investments				16.7	26.7
Indophil committed					10.0
Additional cash committed to AFL2					5.2
Cash allocated to Asian Lion					7.7
Net cash after AFL2, Asian Lion & Indophil					3.6
Total Net Assets					53.3
Net Asset Value (NAV) before tax (cents per share)					103.8
Net Asset Value (NAV) after tax (cents per share)					98.0

Note: For NAV purposes, African Lion's portfolio values listed investments at market and unlisted investments at cost. *A\$/US\$ exchange rate of 0.78*

* \$10 million to invest in Indophil

INVESTEE UPDATE

INDOPHIL RESOURCES NL - PHILIPPINES/COPPER & GOLD (AUSELECT – 2.8%)

- Amendments were agreed to the Option Agreement between Indophil and Xstrata Copper which result in:
 - bringing forward Xstrata's option exercise date from 31 December 2007 to September 2006; or
 - requiring Xstrata to sole fund project expenditure between the above dates; and
 - limiting Indophil's commitment to sole fund feasibility studies to \$27 million.

These amendments facilitate the acceleration of pre-feasibility work for the development of the Tampakan copper-gold project.

- A share placement at 40 cents per share undertaken following the amendments to the Option Agreement raised \$30 million. **AuSelect committed \$10 million to this capital raising which will bring the holding in Indophil to 10.7%.**
- Subsequent to the end of the quarter, Indophil announced assays from four further drill holes which continue to confirm the presence of low arsenic mineralisation in the southern part of the Tampakan deposit. Best results include:

TMPD 125	276 metres	@	0.84% Cu	0.42 g/t Au	49 ppm As	from 83 metres
including	123 metres	@	1.16% Cu	0.43 g/t Au	97 ppm As	from 236 metres

Further positive results from differential flotation testwork that confirm the differential flotation process can generate marketable concentrates with acceptable arsenic levels were reported.

- The following changes to its board of directors have been made: Mr Brian Phillips was appointed as Chairman replacing Mr Bryan Davis, and Mr John O'Reilly replaced Robin Widdup. Mr Phillips, a mining engineer, was previously Managing Director of MPI Mines and is currently Chairman of Leviathan Resources. Mr O'Reilly, a metallurgical engineer, held a number of senior management positions with Rio Tinto Group, including Head of Technology and Head of Gold and Other Minerals and is a Director of AuSelect. Both appointments enhance the large scale mine development skills on the Indophil Board.
- Subsequent to the quarter end, Indophil announced that Mr George Widelski will join the Company as Pre-Feasibility Study Manager effective mid-June. Mr Widelski has relevant experience in roles with BHP Engineering, Fluor Daniel Australia and WMC Resources, as well as a number of other large mining companies.

GALLERY GOLD LIMITED – BOTSWANA & TANZANIA/GOLD (AUSELECT – 2.1%)

Botswana

- Production at the Mupane gold mine in Botswana during the quarter was 24,494 ounces of gold, with Gallery on track to meet the 100,000 ounce per annum target for 2005. Feed grades and recoveries were above plan by 17% and 3% respectively. Cash costs were US\$233 per ounce for the quarter.

- Resource definition drilling completed at Tholo and Kwena has increased reserves by 17,000 ounces. Current drilling has the potential to add further reserves.
- Map Nora studies have commenced to evaluate the viability of an estimated 254,000 ounce high grade remnant underground orebody.

Tanzania

- Drilling at the Buckreef-Rwamagaza project in Tanzania has identified significant extensions at Busolwa and Buziba. Best results from 100 RC holes are tabled below:

Buziba

BPRC07	13 metres	@	37.8 g/t Au
including	2 metres	@	237 g/t Au
BPRC32	23 metres	@	4.5 g/t Au
BPRC03	32 metres	@	2.9 g/t Au
BPRC12	4 metres	@	19.0 g/t Au

Busolwa – Mawe Meru PL (Gallery earning 75%)

MWBR01	14 metres	@	34.4 g/t Au
including	2 metres	@	230 g/t Au
MWBR02	20 metres	@	4.3 g/t Au
MWBR06	36 metres	@	2.3 g/t Au
MWBR010	18 metres	@	5.8 g/t Au
MWBR012	31 metres	@	3.4 g/t Au
MWBR017	32 metres	@	2.6 g/t Au

Near surface discoveries at Busolwa and Buziba have shifted the Buckreef-Rwamagaza feasibility focus to potential open pit deposits. Gallery expects to commence development of Buckreef-Rwamagaza as its second gold operation in 2006.

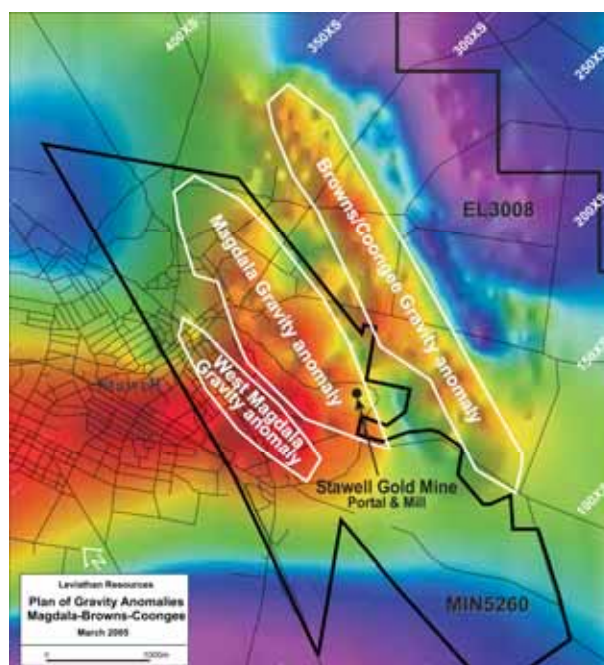
- At Buckreef, drilling has identified a second high grade underground shoot with best results of 19 metres @ 5.4 g/t gold and 6 metres @ 12.1 g/t gold.
- Gallery will follow up the discovery of a nickel enriched oxidised zone identified by a short RC traverse on the Buziba tenements. Intersections include 17 metres @ 1.4% nickel and 9 metres at 1.7% nickel. Two coincident IP/geochemical anomalies have been identified at Magic Hole (2.3 kilometres strike) and Glass Reef (1.2 kilometre strike). Additional soil sampling, IP and drilling programs are still in progress.

LEVIATHAN RESOURCES LIMITED – AUSTRALIA/GOLD (AUSELECT – 5.0%)

- At the Stawell Gold mine, ore mined was 9% below the previous quarter. Current operating conditions will improve during the June quarter, following the commissioning of a ventilation upgrade, the final delivery of a new loader and haul truck completing a mining fleet upgrade, and after improved development access permits the preparation of more operating stopes. **Leviathan stated the company remains on track to meet its 2005 prospectus forecasts, which include production of 125,000 ounces of gold.**

Stawell Gold Mine (LVR – 100%)	March Qtr 2005	Dec Qtr 2004	Sept Qtr 2004	Jun Qtr 2004
Quarterly production				
Ore Treated (million tonnes)	0.17	0.19	0.20	0.16
Ore Grade (g/t)	5.0	6.0	5.1	4.7
Recovery (%)	92	93	87	86
Gold production (000's oz)	25.5	35.3	27.8	23.0
Cash cost (A\$/oz)	393	357	447	512

- Mine lease exploration continues to generate positive results. Leviathan expects to increase its reserve base to 450,000 ounces by December 2005. Recent drilling in the Golden Gift orebody has indicated a wider stockwork zone in the GG1 block than previously estimated (55.5 metres at 5.6 g/t; 21.4 metres at 3.8 g/t); a new zone, GG9, has been discovered to the north (16.7 metres at 14 g/t); and drilling in the GG5 block shows this zone is open to the north and at depth. The level of exploration activity is anticipated to increase significantly in the June quarter with six drill rigs and crews mobilised on surface drilling. A further five rigs and crews are operating underground.
- Golden Gift South drilling has not yet intersected economic mineralisation but the program will continue to assess sections further to the south.
- Processing of gravity data and compilation of previous drill results have highlighted the Brown's/Coongee Dome which is only 2 kilometres east of the Magdala Dome. Aircore and RC/diamond drilling will test this dome for gold mineralisation during the June quarter.



- At Wildwood, drilling to test underground mineralised extensions has recommenced. Drill results will be used to reassess the feasibility of an open pit operation leading to a potential small high grade resource. Also, a drill program has commenced to test other targets in the Stawell Corridor and in the recently acquired Ballarat/Bendigo Corridor.

AUSTINDO RESOURCES CORPORATION NL – INDONESIA & AUST/GOLD (AUS – 1.6%)

- Credit approval has been received for the ANZ Bank to provide a US\$26 million debt facility for the Cibaliung gold project in Indonesia. Additional equity funds are planned to be raised enabling the commencement of construction in the first half of 2005 with first gold production in mid 2006.
- The regulatory approval process continued according to schedule during the quarter and key permits are expected to be granted in the second quarter 2005.
- Alexander Resources Limited (Alexander) was listed on the Australian Stock Exchange (ASX Code: AXD) during the quarter. Alexander is independently managed and funded with Austindo holding a 44.6% interest.
- Subsequent to the end of the quarter, Austindo made two announcements relating to the Company's growth strategy:
 - Austindo entered into a strategic alliance with Anglo American Group to explore for large copper gold porphyry deposits in the provinces of Papua and West Irian Jaya in Indonesia.
 - A new exploration tenement in Central Java, Pekalongan, has been granted in which Austindo will have a significant joint venture interest. Exploration will start in the near future and it is expected that targets could be drill tested in the second half of 2005.
- In May, Austindo also announced the appointment of Mr Mike Diemar as an advisor to the Board. Mr Diemar, formerly Managing Director of Kingsgate Consolidated Limited, will advise the Board on a range of matters including issues relating to the acquisition and development of new projects.

SEDIMENTARY HOLDINGS LIMITED – AUSTRALIA/GOLD (AUSELECT – 2.1%)

- Production at the Cracow Gold mine in Queensland is ramping up to name plate capacity following the first gold pour in November 2004. March quarterly production was 4,122 ounces with cash costs of \$417 per ounce. Decline development continued for both the Royal and Crown shoots, advancing to 300 metres and 200 metres below surface respectively.
- Subsequent to the end of the quarter, Sedimentary announced that for the four year period commencing July 2005, the current estimate is for operating cash costs of \$270 per ounce and total production costs of \$420 per ounce. A new life of mine plan estimates a mine head grade averaging 11.5 g/t gold. A flat forward gold sales program of 122,800 ounces is in place at a price of \$664 per ounce compared with a current spot of around \$550 per ounce.
- Stopping has commenced in the upper sections of the Royal Shoot, with eight levels now developed.

- Drilling focused on further definition of the Sovereign structure, with the following results reported:

Sovereign

CBK150	26 metres	@	5.7 g/t Au	from 416 metres
CBK151	32 metres	@	4.4 g/t Au	from 382 metres
CBK153	31 metres	@	6.5 g/t Au	from 368 metres
CBK156	3 metres	@	28 g/t Au	From 329 metres
CBK156W	11 metres	@	3.5 g/t Au	From 328 metres

With the Sovereign structure located 250 metres north of the Crown shoot and at similar depth, these results enhance the potential for this gold mineralisation to be included in future mine development plans.

- The off market offer for NuStar Mining closed on 25 February with Sedimentary holding an 18.1% interest in the company.

WESTONIA MINES LIMITED - WESTERN AUSTRALIA/GOLD (AUSELECT – 0.5%)

- Westonia announced that due to significant adverse movements in contract mining and construction costs, the Westonia project has become marginal to develop in its current form.
- A Strategic Review was conducted by Mr David Hatch in January/February 2005 and it concluded that the currently modelled resource may significantly understate the contained metal and further drilling is required.
- A new initiative comprising a dewatering program to enable intensive grade control and resource drilling directly below the existing pit floor is planned. This initiative aims to upgrade the overall robustness of the project and lead to the subsequent development of the Westonia Gold mine.
- In order to implement the new initiative, Westonia announced that Mr David Hatch has joined the company as Managing Director following the resignation of Mr Andrew Drummond. Mr Drummond will consult to Westonia.
- To fund this initiative, Westonia is undertaking a fully underwritten renounceable 11 for 10 rights issue at 6 cents per share to raise approximately \$6.6 million after the costs of the issue.

EQUINOX MINERALS LIMITED - ZAMBIA/COPPER (AUSELECT – 4.3%)

- Equinox has awarded the Front End Engineering and Development (FEED) contract and Preferred Construction Contractor status on the Lumwana copper project in Zambia to GRD Minproc Limited. The FEED program is underway and includes an updating of project capital and operating cost estimates and an optimisation of project design.
- The arrangement of project financing and capital with the prospective bank working group continues to progress on schedule, with financing completion due late in 2005.

- Equinox Copper Ventures Limited, a 100% owned Zambian subsidiary of Equinox, has signed a Letter of Intent for the future supply and sale of copper concentrate from the Lumwana project with Palabora Mining Company of South Africa.
- During the quarter, Equinox raised C\$8.6 million via an underwritten private placement, with funds to be used for general working capital and the FEED program.
- Subsequent to the end of the quarter, Equinox released a resource for uranium mineralisation contained within the current optimised pit designs at Lumwana. This resource is 7.7 million tonnes at 0.081% U₃O₈. Equinox is currently evaluating the commercial potential of this resource.

AFRICAN LION LTD – AFL (AUS – 18.7%)

AFL Investment	Country / Activity	AFL Holding %	Amount Invested US\$m	Market Value or Cost of Unlisted US\$m
At 30/04/05				
Unlisted Investments				
Copperbelt Selection	Africa - copper	32.5	0.2	0.2
Kalahari Diamonds	Botswana - diamonds	2.6	0.5	0.5
Platmin Limited	South Africa – PGMs	10.1	4.3	4.3
Listed Investments				
Albidon	Africa – nickel/PGMs	25.6	2.4	11.5
Equinox Minerals	Zambia – copper	2.6	0.8	1.0
Gallery Gold	Botswana/Tanzania - gold	12.7	7.1	17.7
Sphere Investments	Mauritania – iron ore	9.1	0.5	2.4
Total Investments			15.8	37.6
Net Cash				2.6
Total Net Assets after tax			14.9*	37.2**
Returns to Shareholders			18.8	26.8
Total Funding and Returns			33.8	64.1

Note: For Net Asset purposes, the value of listed investments is at market & unlisted investments at cost, net realisable value or last sale

* Funds advanced for investment less redemptions. After capital return of US\$18.8 million

** After return of US\$26.8 million. Total return of AFL to date is 90%

Note: AuSelect's **A\$4.8 million** investment (after redemptions), valued on the basis of the AFL portfolio as shown above is **A\$10.8 million** including the value of the AFL Options at A\$/US\$ exchange rate of 0.78

- **Fund Activity**

A further investment of US\$1.5 million was made in Platmin Limited.

No sales were made during the quarter.

- **Albidon Limited, Africa - nickel/PGMs (AFL 25.6%)**

At Munali (Zambia), a phased feasibility study has commenced to consider developing a 500,000 to 750,000 tonnes per annum underground mine. A new resource estimate of 4.1 million tonnes at 1.35% nickel, 0.17% copper, 0.07% cobalt and 0.95 g/t platinum/palladium, will form the basis for this evaluation. This is a 25% increase in contained metal relative to the previous resource estimate.

Resource and exploration drilling has continued at Munali, and regional exploration work continued in Zambia, Botswana, Tanzania and Tunisia. An extensive area of previously unrecognised gold mineralisation was discovered at Kef El Agueb in Tunisia. Drilling is planned in Malawi (Mpemba project) in the coming quarter.

- Platmin Limited, Bushveld South Africa – PGMs (AFL 10.1%)

Platmin have continued to explore on their key Bushveld project areas of Pilanesberg, M'Phatlele, and Loskop. The company, market conditions permitting, is looking to list on the Toronto Stock Exchange.

- Kalahari Diamonds, Botswana – diamonds (AFL 2.6%)

Kalahari continues an exploration program in Botswana on targets generated by BHP Billiton's airborne gravity system and other geological tools.

- Gallery Gold, Botswana/Tanzania – gold (AFL 12.7%)

Gallery is also a direct investment of AuSelect – please see the Gallery section of this quarterly report.

- Equinox Minerals, Zambia – copper (AFL 2.6%)

Equinox is also a direct investment of AuSelect – please see the Equinox section of this quarterly report.

- Sphere Investments Limited, Mauritania – iron ore (AFL 9.1%)

The company raised \$1.75 million in January (as previously reported, AFL2 participated in this raising). Exploration activity in Mauritania is set to increase with an application lodged over an iron ore target (Lebtheyniye) and also a number of copper gold targets identified in a review conducted in 2004. In a departure from its previous minerals focus the company was awarded on shore petroleum exploration licences in the Republic of Mali.

AFRICAN LION 2 LTD – AFL2 (AUS – 23.7%)

AFL2 Investment	Country / Activity	AFL2 Holding %	Amount Invested US\$m	Market Value or Cost of Unlisted US\$m
At 30/04/05				
Unlisted Investments				
Platmin Limited	South Africa – PGMs	3.1	1.7	1.7
Listed Investments				
Gallery Gold	Botswana/Tanzania - gold	0.5	0.8	0.7
Mineral Deposits	Senegal – mineral sands/gold	4.7	2.0 [^]	2.8
Sphere Investments	Mauritania – iron ore	1.5	0.2	0.4
Total Investments			4.6	5.5
Net Cash				3.3
Total Net Assets after tax			8.2*	8.9

Note: For Net Asset purposes, the value of listed investments is at market & unlisted investments at cost or net realisable value

* Funds advanced for investment

[^] Plus US\$1.87 million investment after quarter end

AuSelect's A\$2.6 million investment (after redemptions), valued on the basis of the AFL2 portfolio as shown above, is A\$2.7 million including the value of the AFL2 Options at a A\$/US\$ exchange rate of 0.78

- Fund size

The African Lion 2 fund (AFL2) was further boosted by a commitment of US\$5 million by CDC Capital Partners. CDC is wholly owned by the UK Government and has been an investor in emerging markets for over 50 years. The European Investment Bank has also committed further funds to maintain its 25% ownership of AFL2. The AFL2 committed capital has now grown from US\$18.6 million to US \$25.4 million.

- Fund Activity

The fund made a further investment in Platmin of US\$0.7 million.

Subsequent to the end of the quarter, AFL2 made an additional investment of US\$1.87 million in Mineral Deposits Limited.

The fund continues to see a strong flow of opportunities in Africa.

ASIAN LION

Three parties – AuSelect (US\$6 million), ABN Amro (30% to a maximum of US\$7.5 million) and Proparco (US\$3 million) have committed funding to Asian Lion. A fourth shareholder is required before sufficient funding is available to commence activity. Several investment opportunities are available after the recent market pullback.

SHAREHOLDER INFORMATION

Issued shares:	51.3 million	Share price at quarter end	\$0.89
Quarter high	\$0.98	Quarter low	\$0.88
Volume traded	3.2 million	NAV after tax:	\$0.98

Further enquiries:

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Any resource estimates provided within this quarterly report were sourced from relevant investee company quarterly reports and announcements.