



AuSelect Limited Quarterly Report for the 3 months ended 31 October 2005

KEY POINTS

- Indophil**
 - Tampakan high grade copper zone extended.
 - Resource increased by 15% (8.9Mt copper, 11.6Moz gold).
 - Five drill rigs operating.
 - Potential for further large resource increases.

- African Lion**
 - Platmin: corporate activity surrounds emerging platinum company.
 - Mineral Deposits: high grade gold results from Sabodala project.
 - Albidon: new nickel discovery and aggressive exploration at Munali in Zambia.

- Asian Lion**
 - Late 2005/early 2006 start-up targeted.

INVESTMENT SUMMARY TABLE

Investment	ASX Code	Country/Activity	AUS Holding %	Amount Invested \$m	Market Value \$m
At 31/10/2005					
African Lion (AFL & AFL2) – AuSelect share of African Lion Investments					
Albidon Limited	ALB	Africa – explorer/Zambia – nickel	5.0	1.5	3.5
Gallery Gold	GGN	Botswana/Tanzania – gold	2.2	2.7	3.7
Mineral Deposits	MDL	Senegal – mineral sands/gold	1.4	1.2	2.5
Platmin Limited	unlisted	SA – PGMs	2.6	2.0	3.5
Sphere Investments	SPH	Mauritania – iron ore	2.4	0.5	1.1
Other				1.0	2.4
Total African Lion investment			20.9	8.8	16.8
Listed Investments					
Austindo Resources	ARX	Indonesia/Aust – gold	0.8	0.5	0.4
Equinox Minerals	EQN	Zambia/Aust – copper/gold	1.2	0.5	2.1
Gallery Gold	GGN	Botswana/Tanzania – gold	1.8	2.2	3.1
Indophil Resources	IRN	Philippines – copper/gold	10.7	11.0	17.8
Leviathan Resources	LVR	Australia – gold	5.0	3.6	3.2
Sedimentary Holdings	SED	Australia – gold	2.1	0.7	1.4
Westonia Mines	WEZ	Australia – gold	0.5	0.2	0.1
Total Investments				27.5	44.9
Additional cash committed to AFL2					4.0
Cash allocated to Asian Lion					9.3
Net cash after AFL2 and Asian Lion					4.0
Total Net Assets					62.3
Net Tangible Asset (NTA) before tax (cents per share)					121.3
Net Tangible Asset (NTA) after tax (cents per share)					111.1

Note: For NTA purposes, African Lion's portfolio values listed investments at market and unlisted investments at cost. A\$/US\$ exchange rate of 0.75

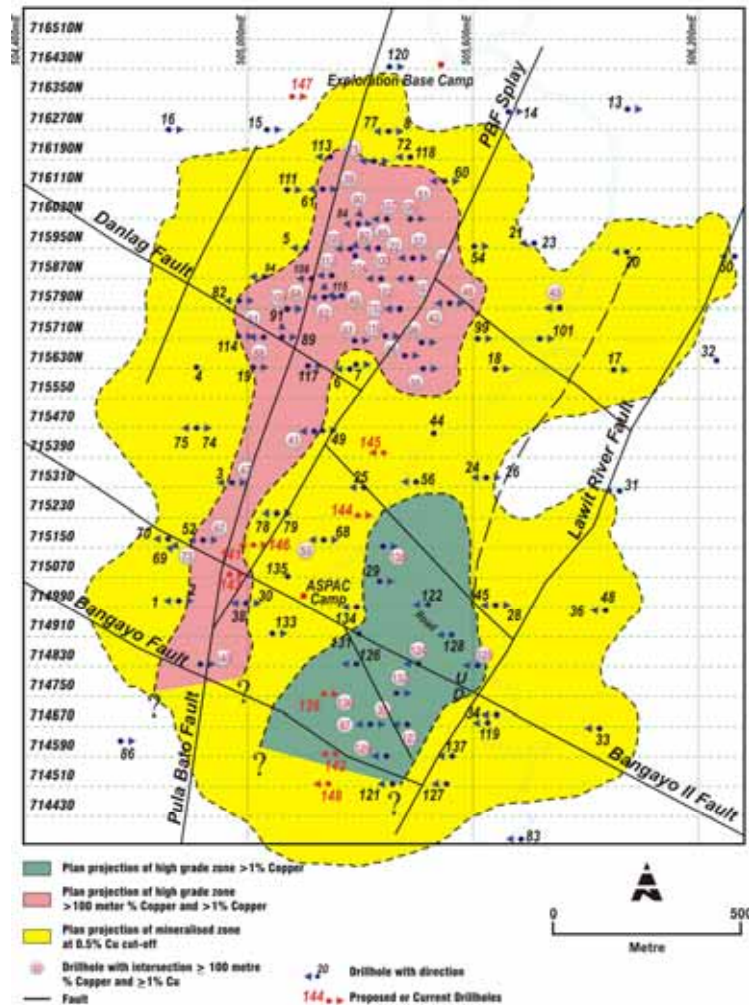
INVESTEE UPDATE

INDOPHIL RESOURCES NL - PHILIPPINES/COPPER & GOLD (AUSELECT – 10.7%)

- Subsequent to the end of the quarter, Indophil announced an **updated resource estimate for Tampakan copper-gold project in the Philippines, increasing the contained metal by around 15%**. The new estimate is a Measured, Indicated and Inferred Resource of 8.9 million tonnes of contained copper and 11.6 million ounces of gold at 0.3% copper cut-off grade. This updated estimate includes a Measured Resource for the first time which represents 34% of the resource. Previously, the Tampakan resource was reported to an Indicated and Inferred level.
- The updated estimate increases the known resources from 1.2 billion tonnes at 0.80% copper equivalent to 1.3 billion tonnes at 0.82% using a cut off grade of 0.3%. Indophil reported that there is exploration potential within a global reporting pit that is approximately 50% of the tonnage already defined by drilling (at a lower grade). Indophil believes that the defined resource, and this exploration potential, if realised, could be in the range of 1.8 – 2.2 billion tonnes.
- Indophil announced final assaying of a series of six drill holes drilled during the September quarter had lead to an **extension of the high grade zone at Tampakan**.
- Drill results include:

TMPD134	285 metres	@	0.55% Cu	0.18 g/t Au	84 ppm As	from	78 metres
TMPD135	240 metres	@	0.49% Cu	0.17 g/t Au	207ppm As	from	148 metres
TMPD136	217 metres	@	1.10% Cu	0.50 g/t Au	90 ppm As	from	256 metres
TMPD137	213 metres	@	0.43% Cu	0.20 g/t Au	26 ppm As	from	52 metres
TMPD138	134 metres	@	1.03% Cu	0.40 g/t Au	19 ppm As	from	144 metres
TMPD140	307 metres	@	1.43% Cu	0.49 g/t Au	244 ppm As	from	53 metres
- Pre-Feasibility work continued during the quarter. It is expected that the Pre-Feasibility Study will be completed in September 2006.
- In September, the Indophil Board and members of senior management of Xstrata Copper visited the Philippines and the Tampakan Project. The group met with senior government representatives in Manila, visited base camp, met local staff and inspected drill core. The group noted the high level of Philippines Government and local community support for the project. Xstrata Copper holds an option to acquire 62.5% of the Tampakan project from Indophil.
- Indophil announced plans to harness its Philippines expertise and consider new exploration opportunities.

TAMPAKAN PLAN PROJECTION OF MINERALISATION AND DRILL HOLE LOCATION



AFRICAN LION LTD – AFL (AUSELECT – 18.7%) AFRICAN LION 2 LTD – AFL2 (AUSELECT – 23.7%)

- Fund Activities

The AFL fund has now ceased active investment. African Lion 2 Limited (AFL2), made an initial investment of A\$3.1 million in Albidon Limited and a further investment of A\$1.5 million in Sphere Investments Limited during the quarter. AFL2 has now invested US\$10.9 million of its US\$25.4 million committed capital.

- Platmin Limited, Bushveld South Africa - PGMs (AFL 8.9%/ AFL2 4.1%)

The company is planning an AIM listing in the first half of 2006. Corporate activity has begun with Mineral Securities Limited acquiring 9.8% of Platmin for US\$9.5 million. Platmin is actively drilling to expand the current 21.7 million ounce resource on the Bushveld in South Africa.

- Albidon Limited, Africa - nickel/PGMs (AFL 19.6%/ AFL2 5.6%)

At the Munali project in Zambia, feasibility work on a new underground nickel mine continues. Drilling at the Enterprise deposit extends mineralisation. A new prospect named Voyager, 800

metres to the north of Enterprise, has been discovered with very similar geology. During the quarter, Albidon raised A\$13 million at 62 cents per share to further exploration and feasibility work.

Albidon has also entered a joint venture with Energy Ventures Limited over selected uranium and coal project areas held by Albidon within Zambia. Energy Ventures will spend A\$500,000 on exploration programs over the next two years to have an option to earn into the projects.

- Mineral Deposits Limited, Senegal – mineral sands/gold (AFL2 5.8%)

An aggressive drilling program is underway at Sabodala as part of an ongoing Bankable Feasibility Study. Recent results have continued to define continuity of high grade shoots. These results included a zone of near continuous mineralisation in hole SBRC080 from 14 metres to 111 metres comprising:

62 metres	@	9.3 g/t Au	from	14 metres
10 metres	@	3.6 g/t Au	from	80 metres
15 metres	@	3.8 g/t Au	from	96 metres

Other results in separate holes include: 54 metres @ 6.9 g/t Au, 58 metres @ 5.9 g/t Au and 29 metres @ 5.9 g/t Au.

In late October, a third rig arrived on site to commence drilling at Niakafiri, located 2.5 kilometres south of Sabodala.

At the Grande Côte zircon project, an environmental impact study was completed and submitted to the Senegalese authorities. A bulk sand sample (120 tonnes) was sent to Australia for metallurgical testwork.

- Sphere Investments Limited, Mauritania – iron ore (AFL 8.2%/ AFL2 5.4%)

Sphere has announced an Inferred Resource of 450 million tonnes at 36.6% Fe at the East Deposit of the Guelb el Aouj Iron Ore Project in Mauritania. The increase has trebled the Guelb el Aouj Inferred Resource to 675 million tonnes (36.4% Fe). Sphere was also awarded a new exploration licence over the Lebtheinia magnetite iron ore deposit in Mauritania during October.

- Gallery Gold, Botswana/Tanzania – gold (AFL 12.7%/AFL2 0.4%)

Gallery Gold is also a direct investment of AuSelect – please see the Gallery Gold section of this Quarterly Report.

- Kalahari Diamonds, Botswana - Diamonds (AFL 2.2%)

Petra Diamonds Limited (Petra) is currently acquiring Kalahari. Petra is a diamond producer and explorer with its main assets in Southern Africa including three diamond mines in South Africa.

More information on the African Lion funds is available on the website www.afl.co.za

AUSTINDO RESOURCES CORPORATION NL – INDONESIA & AUST/GOLD (AUSELECT – 0.8%)

- Subsequent to the end of the quarter, Austindo announced the commencement of site construction at the Cibaliung gold project, in Indonesia. Project development is on schedule for first gold production in the fourth quarter of 2006.

- Austindo completed the acquisition of a gold processing plant located at the Mount Olympus Mine near Paraburdoo in Western Australia for \$2.6 million. The 0.6 million tonnes per annum plant will be re-configured to suit the Cibaliung project. Engineering work associated with the dismantling, transportation, re-erection and modifications of the plant has commenced and is on schedule.
- Exploration commenced at Pekalongan in Central Java. In addition, an application was made for a new exploration tenement in Papua pursuant to Austindo's alliance with Anglo American Group to explore for large porphyry copper gold deposits.
- Austindo announced Mr Bruce Watson was appointed as Chairman of the Board, replacing Mr Pieter Greeff who resigned effective 30 June. Mr Watson has extensive corporate and commercial experience gained from the Australian banking sector.
- Subsequent to the end of the quarter, Austindo announced the issue of \$4 million of convertible notes to clients of Austock Corporate Finance Limited and Macquarie Bank Limited. The notes are to be issued to satisfy ANZ Bank project finance requirements to demonstrate additional capacity to fund contingencies that may arise during construction of the mine.

GALLERY GOLD LIMITED – BOTSWANA & TANZANIA/GOLD (AUSELECT – 1.8%)

Botswana

- Gold production for the quarter at the Mupane gold mine was lower than planned with 20,122 ounces of gold produced, due to the failure of the SAG mill motor in August and lower recoveries as the pit progressed through transitional ore.

Quarterly production	Sept Qtr 2005	June Qtr 2005	March Qtr 2005	Dec Qtr 2004
Ore treated - tonnes (million)	0.27	0.30	0.20	0.06
Ore - grade (g/t Au)	2.7	3.1	3.3	3.3
Recovery (%)	85	92	93	96
Gold (000's ounces)	20	27.5	24.5	6.5
Cash cost (US\$/oz)	326	237	233	N/A

- Mining continued at the Tau pit, moving from predominantly oxide to transitional ore types. Mining commenced at the nearby Tholo pit with first ore delivered to the mill in August. The development of Tholo will allow greater flexibility and utilisation of the mining fleet and additional blending capacity in the mill.

Tanzania

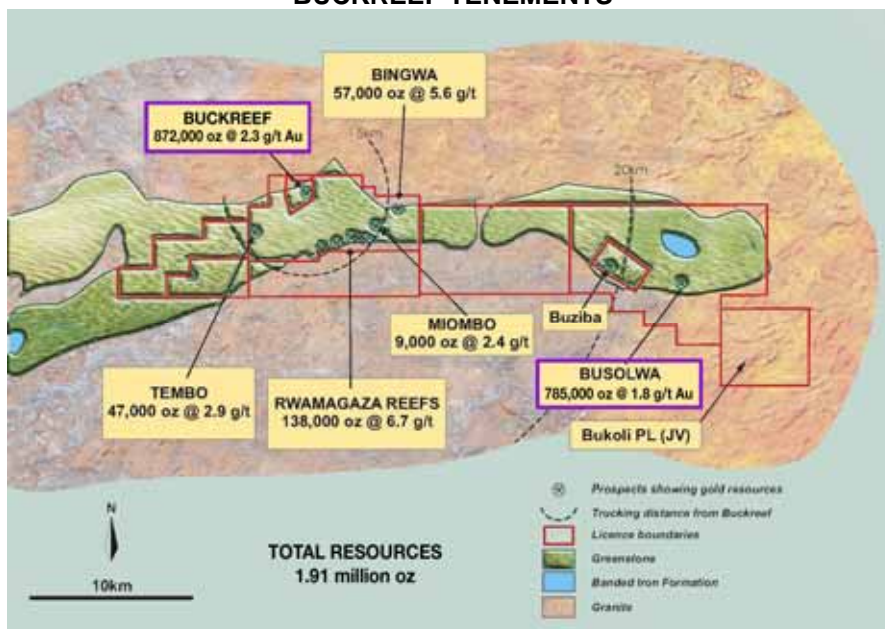
- Exploration in Tanzania focused on infill drilling at the Busolwa project to better define the inferred resource and to test extensions to the west and east as well as testing the newly discovered Njombo zone. Best intersections include:

BPDD02	21 metres	@	7.2 g/t Au	from	10 metres
BPRC261	16 metres	@	6.7 g/t Au	from	77 metres

MWBR487	7 metres	@	62.2 g/t Au	from	19 metres
MWBR490	14 metres	@	4.2 g/t Au	from	10 metres

Exploration is ongoing at these projects.

BUCKREEF TENEMENTS



Corporate

- In September, Gallery completed a share placement raising \$22.3 million at 30 cents per share. Subsequent to quarter end, a share purchase plan raised an additional \$1.89 million. Funds raised are to be used towards project feasibility studies at Buckreef in Tanzania, and exploration in Tanzania and Botswana.

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

- At Stawell Gold mine, gold production during the June quarter was 29,721 ounces. Ore grade was marginally less than the June quarter but still above target levels for the year. Lower gold production and higher mining costs contributed to higher unit cash costs.

Stawell Gold Mine (LVR – 100%)	Sept Qtr 2005	June Qtr 2005	March Qtr 2005	Dec Qtr 2004
Quarterly production				
Ore treated - tonnes (million)	0.17	0.17	0.17	0.20
Ore - grade (g/t Au)	5.7	5.9	5.0	6.0
Recovery (%)	94	94	92	93
Gold (000's ounces)	29.7	30.3	25.5	35.3
Cash cost (A\$/oz)	446	431	393	357



- Resource definition drilling accelerated during the quarter with the arrival of a fifth underground drill rig in June. Drilling to convert resources to the reserve target of 450,000 ounces by year end is on schedule.
- The near mine exploration program is aimed at extending the mine life at Stawell beyond the current estimate of five years. Positive exploration results provide increasing confidence about the prospects for adding to the resource base. In October, Leviathan announced a high grade gold intercept of 7.9 metres at 10.0 g/t gold, 300 metres north of the Magdala orebody. This intercept suggests that whereas the orebody was previously thought to narrow at depth, it now appears to extend further up-dip and thicken to the north. Drilling over the current months will aim to test the extent of mineralisation.
- A new, near mine gold prospect was confirmed by an intercept of 3.3 metres at 6.9 g/t gold. This suggests economic mineralisation may exist in a relatively shallow position within 400 metres of the Stawell treatment plant.

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

- Westonia is nearing completion of its pit dewatering program and has prepared a section of the pit floor for drilling. It is anticipated that the pit will be fully dewatered by the end of November.
- The planned program of RC drilling from within the pit comprises two components, totalling over 17,000 metres and will run for 4-5 months. The drilling commenced in November. The first component of over 10,000 metres will be a program of grade control (5 metre by 5 metre pattern) drilled to 20-25 metres below the pit floor. This drilling is to validate that the resource grade may be underestimated by the current resource calculation methodology, and to obtain a much improved understanding of the higher grade structures. The second component involves around 7,000 metres of deeper drilling, which is targeted at the known data gaps, thereby adding to the resource as well as converting Inferred material to Indicated Resources and improving the grade.
- Westonia committed to a short term regional exploration strategy in the June quarter and has identified its top ranked targets for testing. As a result of that work, initial drill testing of a near mine target, an airborne geophysical survey, and drill testing of a base metals prospect is planned for the March 2006 quarter. In addition, Westonia has committed to a longer term exploration strategy with a Structural and Prospectivity Review of the Greenstone Belt to take place over the coming months.

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

Quarterly production (Sedimentary's share)	Sept Qtr 2005	June Qtr 2005	March Qtr 2005	Dec Qtr 2004
Ore treated - tonnes (million)	0.02	0.02	0.02	0.01
Ore - grade (g/t Au)	11.1	11.7	9.2	9.4
Recovery (%)	94	90	90	92
Gold (000's ounces)	6.8	6.2	4.1	0.4
Cash cost (US\$/oz)	307	310	417	405



- Recoveries during the quarter attained budget levels and averaged 94.1%. The increased recoveries were achieved with higher grinding and reagent costs. Optimisation of the plant continues.
- Decline development continued during the quarter on both the Royal and Crown shoots in addition to 1,638 metres of lateral development. Construction of the main 3.5 metre diameter ventilation shaft for Crown commenced.
- Drilling was focused on the recently discovered Kilkenny mineralised structure with two drill rigs in operation. Significant new results included:

CBK181	21 metres	@	11 g/t Au	from	873 metres
including	9 metres	@	20 g/t Au	from	884 metres
CBK184	25 metres	@	5.4 g/t Au	from	676 metres
including	5 metres	@	15.0 g/t Au	from	676 metres

The Kilkenny mineralisation is open at depth and along strike with high grade intersections being recorded along 300 metres of the structure over a vertical interval of 200 metres.

ASIAN LION

A fourth partner is at the final stages of approval of up to US\$6 million, which if successful will result in start-up of the new Asian Lion fund. Current committed capital to US\$17.5 million is from the following participants

	US\$m
AuSelect	7.0
ABN AMRO	7.5
Proparco	3.0

ANNUAL GENERAL MEETING

The 2005 AuSelect Annual General Meeting will be held in Melbourne on Friday 9 December. The meeting will commence at 10.15am (or as soon thereafter as the annual general meeting of Lion Selection Group Limited has concluded or adjourned) in the ASX Theatre, 530 Collins Street, Melbourne.

SHAREHOLDER INFORMATION

Issued shares:	51.3 million	Share price at quarter end:	\$0.92
Quarter high:	\$0.94	Quarter low:	\$0.84
Volume traded:	2.2 million	NTA after tax:	\$1.11

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