



Quarterly Report for the 3 months ended 30 April 2000

KEY POINTS

Lion's portfolio valuation (NTA) increased from \$1.18 to \$1.23 over the quarter, while the share price remained around 78 cents - a 35% discount.

EAGM Nyabirama mining lease appeal dismissed - positive step towards development of a new 186,000 oz pa gold mine in Tanzania.

MPI Production at record levels and on track to exceed 100,000 oz pa.
Exploration success below South Fault is now targeting a +1 million oz gold discovery.

Lafayette Bankable feasibility study on Rapu Rapu project in Philippines planned for completion in September.

7 year life, 0.8 mtpa, 9,000 tpa copper, 12,000 tpa zinc, 45,000 oz pa gold.

CSM Benchmark manganese price for Japan increased by 6.8%.

In addition to two existing mines there are now a further five potential mines in Lion's portfolio, representing tremendous growth opportunity.

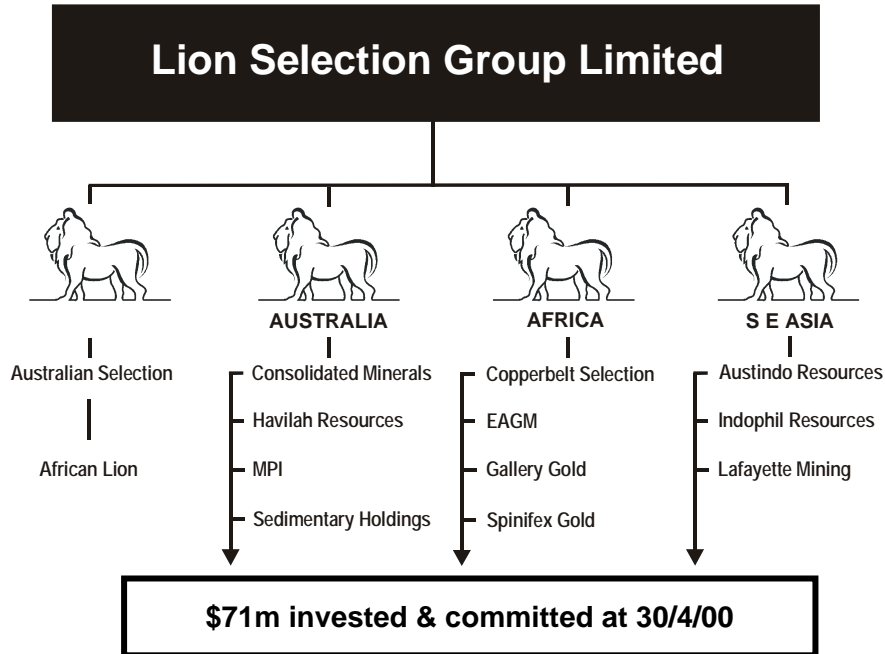
Company Progress during the Quarter

Potential New Mines	Exploration Success	Watch Drilling in Progress at:
Gold		
EAGM - North Mara Sedimentary - Cracow Austindo - Cibaliung Havilah - Burkes Flat (Fones)	MPI - Stawell Mine Sedimentary - Roses Pride Spinifex - Nyakafuru	EAGM - North Mara MPI - Stawell Mine Indophil - Manat Spinifex - several projects Sedimentary - Cracow Austindo - Cibaliung Gallery - Mupane
Metals		
Lafayette - Rapu Rapu		CSM - Woodie Woodie Lafayette - Rapu Rapu Copperbelt - Lubanda



LION SELECTION GROUP LIMITED

COMPANY STRUCTURE



INVESTMENT SUMMARY TABLE

Investment	Code	LSG Holding %	Investee Capitalisation \$m	Amount Invested \$m	Market Value or Cost of Unlisted \$m
At 28/04/00					
Unlisted Investments					
Copperbelt Selection		32.5%	1.0	0.3	0.3
East African Gold Mines	EAGM	12.7%	111.1	9.8	9.8
Indophil Resources		80.0%	7.8	6.3	6.3
Havilah Resources		58.2%	2.4	1.4	1.4
Mining Project Investors	MPI	16.3%	38.4	6.1	6.1
Listed Investments					
Austindo Resources	ARX	13.9%	11.5	2.0	1.6
Consolidated Minerals	CSM	34.3%	74.1	8.0	27.3
Gallery Gold	GGN	49.2%	10.5	4.6	5.4
Lafayette Mining	LAF	23.2%	34.1	5.5	8.4
Sedimentary Holdings	SED	18.7%	18.5	2.3	3.5
Spinifex Gold	SPX	23.8%	46.3	6.6	10.7
African Lion	AFL	18.5%	17.1	3.1	3.2
Other Investments				9.4	9.4
Total Investments				65.2	93.3
Net Cash					34.0
Total per Share				97.5c	127.2c
Net Tangible Assets (NTA) after tax					123.0c

For NTA purposes, the value of listed investments is at market and unlisted investments at the lower of cost or written down value.



INVESTMENTS

East African Gold Mines Limited - EAGM (Lion - 12%)

Subsequent to the end of the quarter, Lion was pleased to announce that the legal challenge by Mobrama Gold Corporation against the Tanzanian Government had been dismissed. Mobrama was challenging the right of the Government to grant the Mining Licence containing the Nyabirama gold deposit to Afrika Mashariki Gold Mines, a wholly owned subsidiary of EAGM.

The confirmation of the validity of the mining title is a very positive step towards the development of EAGM's North Mara Gold Project.

As previously announced, the North Mara project has a gold reserve of 2.2 million oz/Au (19.6mt @ 3.5g/t) contained within a resource of 3.6 million oz/Au (41.3mt @ 2.7g/t).

Mining Project Investors Pty Limited - MPI (Lion - 16%)

	1999 (year)	2000 (March qtr)
Ore treated (t)	798,000	195,841
Grade (g/t)	4.37	5.27
Recovery (%)	84.2	88.7
Gold proved (oz)	94,400	29,461
Total production cost (A\$/oz)	459	378

Stawell production in the March quarter was at record levels, reflecting above average grade and high recoveries.

Further excellent drilling results were achieved, confirming the existence of extensive mineralisation below the current operation in a new zone below the South Fault. Follow up drilling during 2000 could result in significant additional resources (target +1 million ounces). The new area could increase known mineralisation from the current average of 15,000 t/v metre to 30,000 t/v metre, which has has the potential to considerably enhance the economics of the Stawell Mine.

Regional fieldwork was also successful during the quarter in defining the potential for new basalt domes, capable of hosting Stawell-style deposits.



Lafayette Mining NL (Lion - 23%)

Drilling for the bankable feasibility study at the Rapu Rapu Project in the Philippines made good progress during the quarter. A program of 4,151m of diamond drilling and 6,194m of RC drilling was completed. Results to date confirm the quality of the Rapu Rapu deposit. An updated reserve and resource statement is being prepared. The bankable feasibility study by Signet Engineering is due for completion in September.

Subsequent to the end of the quarter, Lafayette shareholders approved a placement to Lion of 27.9 million shares and options at 14 cents per share with 27.9 million free attaching options, exercisable at 20 cents by 31 December 2003. This placement is part of Lion's total subscription of \$5.47 million, announced in December 1999.

Spinifex Gold NL (Lion - 24%)

Spinifex announced a 39% increase in the resource at the Nyakafuru Project in Tanzania during the quarter. Following the completion of a 37 RC hole drilling program the resource of 364,000 oz @ 4.6g/t Au was increased to 506,000 oz @ 4.7g/t Au uncut. The global resource on Spinifex's Tanzanian projects (Buckreef/Rwamagaza, Kitongo and Nyakafuru) now amounts to 1.4 million ounces.

Spinifex plans to continue the RC drilling program at Nyakafuru and commence a diamond drilling program in the next quarter, with the aim of establishing 750,000 oz of resources by the end of September.

Airborne magnetic and radiometric surveys were flown over the Buckreef/Rwamagaza and Kitongo properties, where Spinifex is in joint venture with Ashanti Goldfields, to prepare for a major exploration effort in second half 2000. This will include a substantial drill program at both locations.

Consolidated Minerals Limited (Lion - 37%)

Mining continued from two pits, commenced a third and is due to commence from a fourth shortly. As the table below indicates, mining operations were disrupted during the quarter due to unusually heavy rain. The operation is now operating at higher than normal capacity to recover lost production.

Wet tonnes	Qtr ending 31/3/00	Qtr ending 31/12/99
Manganese lump produced	43,610	63,357
Manganese fines produced	12,991	19,119
Manganese product exported	36,562	103,809

The heavy rains also delayed the commencement of field exploration. The scheduled 12,000 metre RC drilling program will now commence following the completion of development and drilling at the recently acquired Bells Pit. Twenty anomalies have been prioritised from over 300 generated by geophysical interpretation of the Woodie Woodie database and they will be targeted in the drilling program.

Following the annual manganese price negotiations completed in late May, the benchmark price for shipments to Japan increased by 6.8% to US\$2.03 per manganese unit effective from 1 April 2000.



Sedimentary Holdings NL (Lion - 19%)

Exploration at the Cracow Joint Venture (Sedimentary 30%) focused on Roses Pride and the Klondyke vein.

The Klondyke vein is located beneath the old Royal Standard Workings in a high grade zone known as the Royal Shoot. An infill drilling program was completed in this area during the quarter. A study based on metal accumulation values (estimated true width x grade) indicates that the Royal Shoot is a south plunging body some 200 metres wide comprising a higher value core zone (>50mg/t Au) surrounded by a 'peripheral zone' (5-50 mg/t Au). Significant results from the Royal Shoot core zone included:

26m	@	22g/t Au	from	201-227m	downhole	in	KDD129
19m	@	27g/t Au	from	364-383m	downhole	in	KDD131
25m	@	20g/t Au	from	370-395m	downhole	in	KDD135

Drilling at Roses Pride confirmed the multiple lode character of the prospect. Significant results included:

4m	@	11g/t Au	from	185-189m	downhole	in	CRD11
4m	@	12g/t Au	from	214-218m	downhole	in	CRD11
4m	@	8.9g/t Au	from	158-162m	downhole	in	CRD13
2m	@	21g/t Au	from	194-196m	downhole	in	CRD13

Work on the Royal Shoot prefeasibility study included permitting, geotechnical drilling and logging, and planning for a decline access. Metallurgical testwork confirmed gold recoveries over 90% can be achieved by conventional methods. An evaluation of Sedimentary's 300,000 tpa gold processing plant at Cracow was commenced by Newcrest.

Gallery Gold Limited (Lion - 49%)

Gallery continued to focus attention on the Botswana Gold Project in the Tati greenstone belt during the quarter. Second pass drilling commenced at the Mupane Prospect and the planned 86 hole Phase 2 program should be completed by the end of July. The program is designed to test the continuity of the widespread gold mineralisation intersected by the initial RC percussion drilling program in July-August 1999 and define possible areas for subsequent detailed reserve drilling.

Gold mineralisation at Mupane has been defined by soil sampling, trenching and drilling over a composite strike length in excess of 6.5 km. To date, Gallery has completed 3 diamond holes totalling 656 metres and 55 RC percussion holes totalling 5,510 metres. Analytical results are still to be received.

Additional trenching was undertaken at the Molomolo and Matopi West prospects to define the limits of previously identified gold mineralisation. Channel sampling of the trenches is currently in progress and both prospects should be ready for drill testing by mid-year.

Gallery's regional exploration program was placed on hold for some time during the quarter as a result of heavy rains. Field programs at the Mupane, Matopi West and Molomolo prospects have since recommenced.



Austindo Resources Corporation NL (Lion - 14%)

Drilling commenced at the Cibaliung Gold Project in West Java in Indonesia during the quarter. Austindo has previously announced an Inferred Resource of 993,000 tonnes @ 9.8g/t Au and 57.4g/t Ag containing 312,230 oz gold and 1.83m oz silver at this project.

Subsequent to the end of the quarter Austindo announced the results of the first 3 holes of the drilling program at the main Cikoneng shoot:

10.5m	@	25.9g/t Au, 193g/t Ag	from	222-232m	in	AC-1
8.0m	@	13.7g/t Au, 153g/t Ag	from	83-91m	in	AC-2
9.3m	@	8.1g/t Au	from	171-180m	in	AC-3

The 2000 work program is designed to upgrade the current resource from Inferred to Indicated category and advance knowledge of the project so that a feasibility study can be commenced in 2001. A budget of US\$1.4 million has been approved and a drilling program of 10,000 metres is planned. The program aims to define a potentially mineable resource of approximately 1 million tonnes with grades similar to the current Inferred Resource.

Havilah Resources NL (Lion – 58%)

During the quarter Havilah established an indicated resource of 29,000 oz gold at Burkes Flat. Havilah is now examining the feasibility of mining and processing the ore through a neighbouring mill to provide cashflow.

In Indonesia, Havilah has negotiated the right to earn a 51% interest in the Pani prospect in North Sulawesi. The previous evaluation by reputable mining groups calculated that the deposit contained over 0.5 million oz gold at 2.2g/t. Havilah is in the process of reassessing historical data to confirm this estimate and believes the deposit has the potential to more than double in size by extending known mineralisation at depth.

Information that relates to Mineral Resources or Ore Reserves was compiled by Dr Chris Giles, Managing Director of Havilah Resources NL and a Member of the Australian Institute of Geosciences. Dr Giles has sufficient experience in the style of mineralisation and type of deposit to qualify as a Competent Person and has consented to the inclusion of this information in this report in the form and context in which it appears.

Indophil Resources NL (Lion – 80%)

Indophil recommenced drilling at the Manat project in the Philippines, where previous exploration drilling had intersected encouraging epithermal gold-silver mineralisation associated with a north-west trending structure over a 450m strike length. The current program will focus on likely strike extensions to the northwest based on surface vein exposures and soil geochemical anomalies.

An 11 hole drilling program at the Labo project has intersected anomalous gold mineralisation in hydrothermally altered host rocks associated with shear zones and pyritic replacement bodies and stockwork zones. Results from the program are encouraging and their significance is currently being evaluated.

Follow up sampling at Hinotongan has resulted in several significant and coherent soil copper anomalies associated with areas of strong hydrothermal silicification and brecciation. Geophysical surveys (induced polarisation) are planned to facilitate the selection of drilling targets.

The company plans to float over the next six to twelve months subject to market conditions.

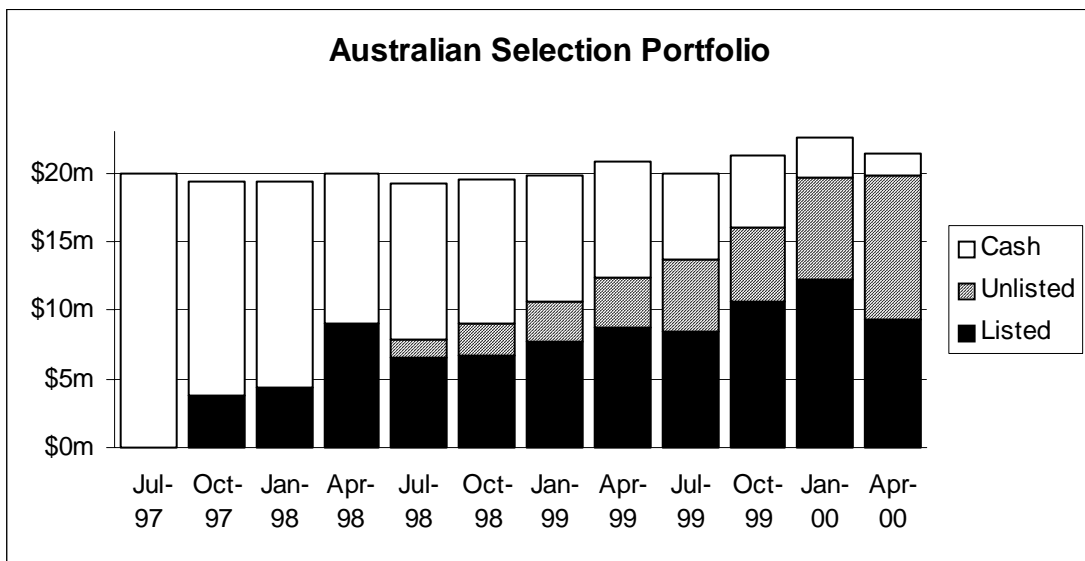


Copperbelt Selection NL (Lion – 32%)

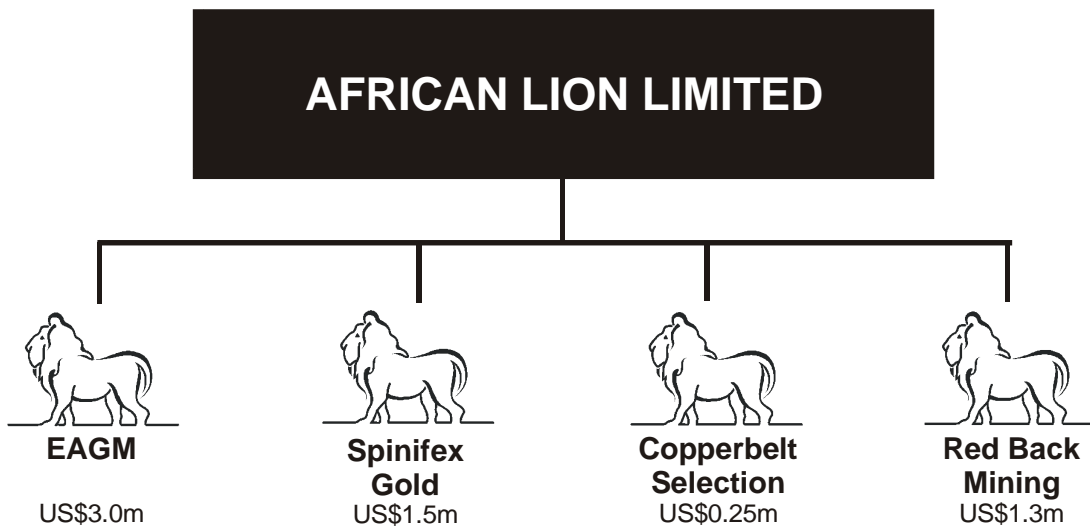
Drilling has commenced at the Lubanda high grade copper prospect in the northern province of Zambia, near the border with the Democratic Republic of Congo. A large exploration licence surrounding Lubanda was granted during the quarter.

Australian Selection Pty Ltd (Lion - 100%)

The following chart illustrates the composition of the Australian Selection portfolio since inception. The listed investments are shown at market value, the unlisted shown at cost.



African Lion Ltd – AFL (Australian Selection - 19%)





SHAREHOLDER INFORMATION

Issued shares:	100.1 million	Share price at quarter end:	\$0.72
Quarter High:	\$0.92	Quarter Low:	\$0.70
Volume traded:	12.49 million shares		

ANNUAL REPORT

All shareholders are invited to submit lion photos for the cover of the 2000 annual report. The "cover competition" is open only to shareholders and entries should be received at Lion's office no later than **31 July 2000**.

Shareholders can submit as many photos as they wish. Good quality, 5" x 7" prints are preferred and competitors are requested to provide address details if they wish to have their photos returned.

The "cover photo" will be selected by the Lion team and the winner will be attributed on the inside cover of the report.

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