



Quarterly Report for the 3 months ended 30 April 2003

KEY POINTS

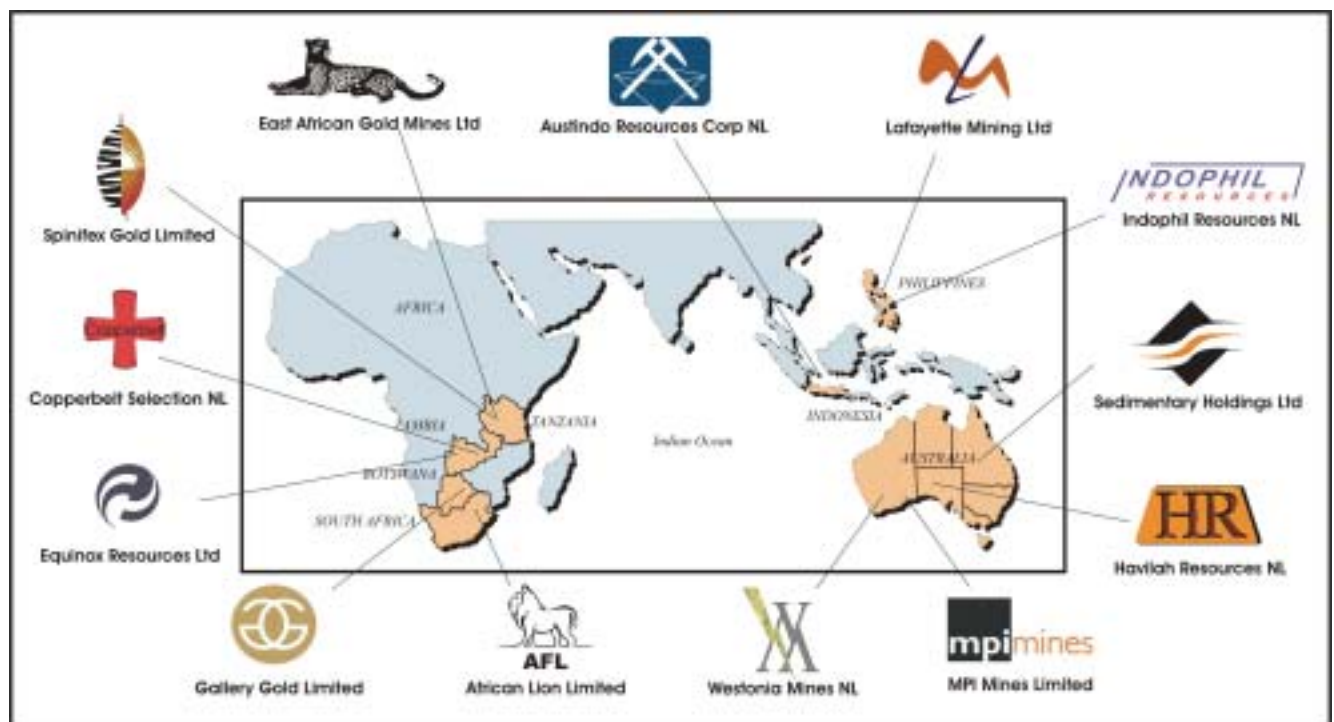
- MPI Mines**
 - Outstanding progress
 - Potential significant increase in nickel production
- EAGM**
 - Gold production 43,195 oz @ US\$208/oz
 - Another exploration success at Dett

4 investees in final stages of project feasibility with construction imminent:

- Lafayette**
 - Open pit gold, copper, zinc and silver, Philippines
- Sedimentary**
 - Underground gold, Queensland
- Westonia**
 - Open pit gold, Western Australia
- Gallery**
 - Open pit gold, Botswana

The rising US dollar gold price is universally positive for Lion's investee companies and market sentiment. Gold has been termed the "anti-dollar" as its price is rising as the US dollar falls. However, the weaker US currency can have a negative impact on costs in currencies other than US dollars.

INVESTMENTS





INVESTMENT SUMMARY TABLE

Investment	ASX Code	Activity	LSG Holding %	Amount Invested** \$m	Market Value or Cost of Unlisted* \$m
At 30/04/03					
Unlisted Investments					
African Lion (AFL)		Africa - mining investment	14.8	6.9	6.9
Copperbelt Selection		Africa – copper	32.5	0.3	0.2
East African Gold Mines		Tanzania – gold	11.0	10.2	10.2
Listed Investments					
Austindo Resources	ARX	Indonesia/Aust – gold	15.6	3.6	1.2
Equinox Resources	EQR	Zambia/Aust – copper/gold	10.9	1.3	1.1
Gallery Gold	GGN	Botswana – gold	43.3	13.1	20.2
Havilah Resources	HAV	Australia - gold/base metals	22.0	1.9	1.1
Indophil Resources	IRN	Philippines - copper/gold	42.4	7.8	7.3
Lafayette Mining	LAF	Philippines - gold/base metals	32.6	9.8	8.8
MPI Mines	MPM	Australia – gold/nickel	15.1	9.5	8.3
Sedimentary Holdings	SED	Australia – gold	28.7	6.7	8.0
Spinifex Gold	SPX	Tanzania – gold	19.1	9.5	6.3
Westonia Mines	WEZ	Australia – gold	41.4	4.0	13.9
Other Investments				4.9	3.8
Sub total Investments				89.5	97.3
Net Cash					19.5
Total Investments					116.8
Net Asset Value (NAV) before tax (cents per share)					116.7
Net Asset Value (NAV) after tax (cents per share)					115.5

* For NAV purposes, the value of listed investments is at market and unlisted investments at the lower of cost or net realisable value

** Includes amounts invested by Australian Selection Pty Limited



INVESTEE UPDATE

MPI MINES LIMITED – AUSTRALIA/GOLD & NICKEL (LION - 16%)

	March Qtr 2003	Dec Qtr 2002
Black Swan Nickel Mine Production (MPI – 80%)		
Nickel production ('000 lb)	5,917	6,532
Total production cost (A\$/lb)	4.55	4.45
Stawell Mine Production (MPI – 50%)		
Gold production (ozs)	25,812	26,292
Total production cost (A\$/oz)	542	486
Coolgardie Gold Joint Venture (MPI- 25%)		
Gold production (oz)	7,915	1,724
Total production cost (A\$/oz)	816	n/a

Note:

1. *March 2003 quarter unit costs at Black Swan are based on nickel contained in concentrate shipped. Previous quarterly reports have shown unit costs based on nickel contained in concentrate produced. The nickel in concentrate shipped basis provides better matching of costs and revenue and will be used in the future.*
2. *Unit costs at Coolgardie JV were impacted by the development costs at Empress and will reduce significantly when stoping commences in the next quarter.*

Ore production at the **Black Swan Nickel Project** continued at better than target rates, with 2,684 tonnes of nickel in concentrate produced in the March quarter. Mined grades improved as mining progressed from the narrower extremities of the ore body to the wider zones.

The ongoing drill program to evaluate the down dip continuation of the Silver Swan massive ore body continued. Nine new mineralised intercepts were recorded, with better results including 14.4 metres @ 14.4% Ni, 17.3 metres @ 11.3% Ni and 7.6 metres @ 13.8% Ni. In the main Silver Swan channel a total of four mineralised intercepts were completed. Combined with the existing intercepts over the 400 metre depth extension the results demonstrate the high grade of nickel mineralisation in this channel. MPI plans to increase the density of drilling in the top 100 metres of this zone in the next quarter, with the aim of converting the mineralisation to an Indicated Resource. In the southern channel five mineralised intercepts were recorded, indicating further high grade mineralisation. Additional drilling will be required to establish the full potential over the total 400 metre vertical extent.

Further progress was reported on the feasibility of the **Black Swan disseminated deposit** (7.4 million tonnes @ 0.8% Ni). An investment decision to develop a 3,000 – 6,000 tonnes of nickel per annum open pit will be considered before year end. **Development of the deposit has the potential to increase total Black Swan Project production from around 10,000 to 15,000 tonnes of nickel per annum.**

MPI Nickel has established a project group to undertake prefeasibility work on the **Honeymoon Well project**. Former owner Outokumpu reported an Indicated Resource of 118 million tonnes @ 0.8% Ni, containing around 1 million tonnes of nickel metal. Within the project area there are several occurrences of higher grade massive sulphide mineralisation, including Wedgetail where previous owners reported a 2.5 million tonne resource @ 3.36% nickel. The project program will incorporate exploratory and evaluation drilling to further delineate the massive sulphide occurrences and feasibility studies on both the massive and disseminated zones which exist at Honeymoon Well.



At the **Stawell Gold Mine** in Victoria mill throughput of 213,311 tonnes at 4.38 g/t gold remained at the record 2002 rate. The concept study on extending mine life for up to ten years, including the Magdala and Golden Gift areas, was further refined. Access to the 640,000 ounce Golden Gift ore body is already in progress and trial mining of an 80,000 tonne block has been approved.

The **Coolgardie Gold Mine Joint Venture** mined 162,618 tonnes at 2.2 g/t gold during the quarter. The mine is expected to produce approximately 40,000 ounces of gold in 2003. Drilling to assist with development layout and stope design at the Empress underground mine produced encouraging results, including:

Hole	Interval (m)	Grade (g/t Au)
ED 037	8.5	6.8
	1.1	14.0
ED 038	0.5	30.0
ED 039	5.0	8.5
	0.8	18.0
ED 040	6.8	6.3
	0.7	192.0
ED 041A	10.2	22.7
	0.7	73.6
ED 042	16.6	22.2
ED 043	11.9	18.8
	7.2	24.3

MPI announced on 23 April that it had successfully concluded arrangements for a \$10 million placement of new shares. A total of 25 million new shares were placed at 40 cents per share through an extended offer to clients of Paterson Ord Minnett and **Lion invested a further \$1.9 million**. The funds raised will be used for continued assessment and development of the company's projects, including the pre-feasibility study of Golden Gift at Stawell.

EAST AFRICAN GOLD MINES LIMITED - TANZANIA/GOLD (LION - 11%)

Production from the Nyabirama mine in Tanzania totalled 43,195 ounces of gold at a total cash cost of US\$208/ounce for the three months ending 31 March. Ore treated, recovery, gold produced and costs were all in line with budget forecasts.

Exploration in the North Mara project area produced encouraging intersections of gold mineralisation at the Dett East prospect from an initial shallow drilling program. Wide mineralised zones were intersected in many holes and better intercepts included 19 metres @ 2.3 g/t Au, 5 metres @ 9.8 g/t Au, 17 metres @ 2.2 g/t Au and 26 metres @ 2.4 g/t Au.

Further drilling is required to determine the strike orientation and true widths of the mineralisation but results to date demonstrate potential for the economic development of the very large Dett geochemical anomaly. Exploration during the next six months will include regional work in the surrounding and largely unexplored Ochuna and Roria areas. The proposed programs will include an aeromagnetic survey and reconnaissance geochemical sampling.

New priority targets have been identified on the Mara Shear Zone, along strike from the Nyabirama mine, following an Induced Polarisation (IP) survey on the Nyabirama orebody and the Komarera prospect. The new targets, including Nyandora, Mnanka West and Mnaka Far West, will be drilled in June and August as part of a 12,000 metre RAB program. More new targets are likely to be identified as the results of the IP data are assessed.



Further drilling commenced at Gokona in early April with the aim of extending the resource base down another 100 metres to 250 vertical metres and the reserve base to at least 175 vertical metres. The program also aims to provide the additional data required to determine the likely economic depth of an open cut mining operation and to provide an assessment of underground mining feasibility.

Progress on the development of Nyabigena and Gokona has advanced considerably since the start of the year. Grade control drilling of the eastern half of the Nyabigena deposit has been completed and a blast hole drilling program is currently underway. EAGM anticipates that pre-production mining from Nyabigena and overburden removal from Gokona will commence in the next quarter. A new mine plan, incorporating anticipated reserves after completion of current drilling at Gokona, will be finalised in October. The plan will include possible underground mine development and possible expansion of the existing plant.

WESTONIA MINES LIMITED - WESTERN AUSTRALIA/GOLD (LION – 41%)

Ongoing detailed reserve estimate work, as part of the Bankable Feasibility Study (BFS) for the Westonia gold mine, identified a number of zones within the current pit design where drilling density is less than optimal for the geostatistical estimates. As a result, a new resource estimate using standard geostatistical techniques is likely to contain fewer ounces in the pit design than was indicated in the first pass Stage One study. Westonia is confident that infill drilling in these zones will enhance resources and the company is currently considering the alternatives of commencing an early drill program or deferring such a program until mine production recommences.

Westonia aims to finalise project financing as soon as practicable after receipt of the BFS, which is being co-ordinated by Lycopodium Pty Limited. Financing arrangements will be determined according to BFS projections, the gold price and market conditions. In preparation, advisers have been appointed on project financing and treasury operations. Discussions are also being held with a number of banks and stockbrokers.

The company announced in May that it had agreed to acquire the principal components of a CIP plant from Interquip Pty Limited. The specifications of the plant will be input into the BFS and Lycopodium has advised that the plant can be satisfactorily upgraded to handle an increase from the planned 1.5 million tonnes per annum throughput to the 2.5 million tonnes per annum being evaluated.

Subsequent to the end of the quarter Westonia announced the discovery of strong nickel sulphide mineralisation immediately adjacent to the planned open cut gold mine. Nickel assaying of a recent RC drill hole returned a result of 16 metres @ 1.77% Ni from 44 metres, within a broader nickel sulphide zone between 42 and 74 metres. Another hole, 700 metres to the west, returned 10 metres @ 1.61% Ni from 30 metres, with an interpreted true width of approximately 6 metres. A first pass geophysical survey has provided additional drill targets for follow up. This is the first known intersection of nickel sulphide mineralisation in the Westonia greenstone belt.

Any eventual economic accumulations of nickel mineralisation near the Westonia mine could be extracted by an extension of the proposed open pit or by underground access from the pre-existing decline that extends to a vertical depth of 260 metres. While remaining focused on initiating early gold production from the existing mine, Westonia intends to follow up the potential of the nickel mineralisation, particularly in the areas in or adjacent to the planned open pit. Lycopodium has been requested to ensure that the design of the newly acquired plant could accommodate the addition of a future nickel concentrate circuit.



Tenements under Westonia's control increased from 7 square kilometres to approximately 748 square kilometres during the quarter. Land has been acquired via an Exploration Licence application and by six deals with third parties. Westonia has also negotiated a right of first refusal over an additional 491 square kilometres. The tenements cover most of the Westonia greenstone belt and include the old West Westonia field. Exploration has been initiated on the newly acquired properties, with the intention of following up the nickel mineralisation potential.

Westonia has announced plans to evaluate the economic potential of the Westonia gold system at depth. The initiative has been named "Westonia Deeps" and has an initial budget of \$0.5 million. Subsequent to the end of the quarter the company announced that an infill assaying program on prospective sections of diamond drill core drilled by previous owners had produced encouraging results. Better gold intersections recorded beyond the planned open cut included 5 metres @ 50 g/t, 5 metres @ 38.7 g/t, 13 metres @ 16.9 g/t and 12 metres @ 11.4 g/t. The widespread occurrence of gold at depth and laterally beyond the zone likely to be mined by the renewed open cut indicates the potential for a long term underground mining operation. Deep drilling in this area is planned to determine the extent of mineable ore which can be readily accessed from Westonia's existing 264 metre deep decline.

INDOPHIL RESOURCES NL - PHILIPPINES/COPPER & GOLD (LION – 42%)

The initial data review of the Tampakan copper-gold project in the Philippines has been highly encouraging. Results of the work by the previous owner include:

- strong potential for a high grade copper zone containing more than 100 million tonnes grading +1.5% Cu equivalent, within the main orebody, which could be the foundation for a start up with improved economics
- outstanding drill intersections including 375 metres @ 1.08% Cu and 0.58 g/t Au and 7 metres @ 2.2% Cu and 0.5 g/t Au
- drilling results that indicate potential for gold enriched zones
- highly encouraging exploration data external to the main Tampakan deposit which has not been followed up
- an optimised scoping study indicating strong financial performance

The project is now sufficiently advanced to enable Indophil to accelerate the current development schedule. Indophil aims to bring forward the completion of the prefeasibility study (PFS), which would allow a definitive feasibility study to commence in early 2005. Indophil believes it may be in a position to make a project development decision as early as the end of 2005.

The PFS will include a major drilling program to provide a robust resource estimate on which detailed mine studies can be based as well as metallurgical testing to establish an optimal treatment process for the operation. Detailed work and environmental programs have been prepared for submission to the Bureau of Mines and Geosciences and drilling is scheduled to commence in the third quarter.

The company's focus on early economic development of the Tampakan project has been complemented by changes to strengthen the board and executive management.



Mr Alan Roberts has been appointed as Managing Director, effective 1 July 2003, and Mr Richard Laufmann joined the board as a non executive director on 1 May 2003. Alan has had a long career with the Rio Tinto group and was previously Chief Executive Officer of Lihir Gold Limited. He has held executive positions in Australia, South America, the UK and Indonesia, where he was Managing Director of PT Kelian Equatorial Mining. Richard is Managing Director of Ballarat Goldfields, and has previously held board or senior management positions with Goldfields Australia Pty Ltd (subsidiary of Goldfields South Africa) and WMC Resources. He was the Project Study Manager of the Tampakan project for WMC from 1996-97.

Tony Robbins, Indophil's founding Managing Director, has been appointed Director of Operations and will be based in the Philippines. Chris Middleton retired as a director on 30 April to assume the position of General Manager – Technical Services.

GALLERY GOLD LIMITED - BOTSWANA/GOLD (LION - 43%)

The Definitive Feasibility Study (DFS) for development of Gallery's Mupane Gold Project in Botswana is nearing completion. Subject to Gallery board approval of the DFS results and approval of the Mining Licence by the Botswana Government, mine development is scheduled to commence in August, with gold production planned for July 2004.

Gallery's March quarterly reported that a dramatic strengthening of the South African rand against the US dollar of around 35% since the start of the feasibility study had been responsible for an increase in plant capital and operating costs. A more complex metallurgical process has also increased costs. The company has indicated that these additional costs may cause a small reduction in the gold reserve that was announced in December 2002. The completion of metallurgical test work has resulted in reduction of overall gold recovery from around 92% to 90%.

Two banking groups, Macquarie/Investec and Standard/Societe Generale have been short listed to undertake due diligence on Mupane and firm up on their term sheets. Gallery anticipates the selection process will be completed in the latter half of June with drawdown of funds available during August.

A deep diamond drilling program is underway on the gold deposit Tau to assess the underground potential beneath the proposed open pit reserve. Drilling is concentrated on the central high grade shoot, which averages approximately 6 g/t gold and continues beneath the presently designed open pit. An intersection of 19.2 metres of moderate to strong gold mineralisation, approximately 50 metres down dip from previous reserve drilling, is still in potential mineralisation. Additional drilling may be planned subject to assay results.

A review of all data from past exploration programs at Mupane was conducted during the quarter. The review has identified eighteen localities where there is clear potential for open pitable gold resources of greater than 50,000 ounces. All are located near the proposed Mupane mine and are geologically within or near the graphitic iron formation which hosts the Tau, Kwena and Tolo ore bodies. Many of the targets will require further work before they can be drill tested and a program involving 350 metres of trenching, infill soil sampling and geological mapping is underway. Six of the targets are drill ready and a 15 hole RC percussion program will commence in the next few months.

Regionally, drilling has resumed on the Matsiloje and Jim's Luck prospects to follow up encouraging results from the initial program in late 2002. Results for seven holes at Jim's Luck have produced best intersections of:



Hole	From (m)	To (m)	Interval (m)	Grade (g/t Au)
JIMC 006	77	80	3	3.4
JIMC 011	24	33	9	2.4
<i>Including</i>	30	33	3	5.9

Five new Prospecting Licences were granted by the Botswana Government during the quarter. Acquisition of these tenements more than doubles Gallery's gold and base metal holdings in Botswana to 3,725 square kilometres. The new tenements include:

- Maitengwe 1,000 square kilometre tenement covering the entire 15 kilometre long Maitengwe greenstone belt and sand covered western extension
- Vumba 1,000 square kilometre tenement over the Vumba greenstone belt, replacing Gallery's previous 222 square kilometre Prospecting Licence.
- Pingare 517 square kilometre tenement on the northern margin of the Tati greenstone belt, surrounding the Phoenix nickel mine

Several other tenements within the Tati greenstone belt were renewed in full.

It is anticipated that the proposed merger with Spinifex, announced in February, will be completed by the end of June, subject to approval by Spinifex shareholders, ASIC and the Supreme Court. Gallery and Spinifex are confident that the merger will create a significant new pan-African company, with approximately 3 million ounces of gold resources in quality assets in Botswana and Tanzania. The development of the Mupane Gold Project will provide exploration funding for the new company.

Subsequent to the end of the quarter Gallery announced that Mr Hamish Bohannan has been appointed as a non executive director. Hamish is a mining engineer with extensive experience in gold mining operations in Australia and South Africa.

SPINIFEX GOLD LIMITED - TANZANIA/GOLD (LION - 19%)

Exploration work was limited during the quarter, pending finalisation of the proposed merger with Gallery by end June. Spinifex is completing the Scheme of Arrangement documents, including the preparation of an independent expert's report, prior to obtaining court orders to convene meetings to seek shareholder approval for the merger.

Around the Buckreef project area six trenches were completed for 158 metres at the Buckreef South, New Nyamazama and Bingwa prospects. One trench at Bingwa was manually excavated to determine the strike and dip of mineralisation defined by previous drilling. A 2 metre quartz vein was exposed and returned a combined result of 6 metres @ 13.29 g/t gold. The structure will be drill tested in the coming months.

A detailed drilling program is planned for Rwamagaza once the proposed merger with Gallery is finalised. The program will focus on the new interpreted structures identified in the Sabora, Buckreef Southwest and Nyamahuna prospect areas and will aim to define the continuity of known mineralisation at New Nyamazama, Nyamazama Lineament, Isseni, Tembo and Bingwa.

Drilling continued at the Nyakafuru Joint Venture (Resolute earning up to 66%) during the quarter. Fourteen holes were drilled at the Voyager prospect, to define the ore zones on current sections and to intercept mineralisation along strike to the north and south. Further wide zones of mineralisation were recorded, including best intersections of:



Hole	From (m)	To (m)	Interval (m)	Grade (g/t Au)
KGRC 014	1	71	70	1.43
KGRC 017	103	108	5	9.81
KGRC 019	11	19	8	7.01
KGRC 019	26	42	16	2.38

First pass aircore drilling of the Redgate prospect, within the Nyakafuru joint venture tenements, has produced encouraging results, including 8 metres @ 4.82 g/t Au and 8 metres @ 12.39 g/t Au, including 4 metres @ 23.90 g/t Au.

Spinifex has completed the disposal of its 45% interest in Ikina Reefs to Canadian listed Lakota Resources Inc. Spinifex received 800,000 Lakota shares in consideration, representing approximately 6.3% of the company. Lakota has since announced an indicative offer from Gold Fields Limited, proposing to subscribe to 215,000 shares in Lakota at an issue price of C\$4.65 each, which would value Spinifex's interest at around A\$4 million. At the end of the March quarter, Spinifex retained \$7.8 million cash, which translates into cash and liquids of 18 cents per share.

LAFAYETTE MINING LIMITED - PHILIPPINES/GOLD & BASE METALS (LION - 33%)

Lafayette has completed its credit submission to Macquarie Bank and Standard Bank London. Subject to bank finance approval, Lafayette should commence construction of the Rapu Rapu mine by the end of June and target mine commissioning by mid 2004. Total production over the initial forecast six year mine life is estimated at approximately 60,000 tonnes of copper, 339,000 ounces of gold, 104,000 tonnes of zinc and 3,380,000 ounces of silver.

Land purchase agreements have been finalised for the 225 hectares required to commence construction of the project. A foreshore lease has also been secured, allowing access for construction of the wharf and loading facilities.

Lafayette announced in April that it had reached agreement with Leighton Contractors (Asia) Limited to commence construction of the Rapu Rapu mine with a guaranteed maximum price contract. Under the agreed terms Lafayette will benefit from any savings derived through design and procurement efficiencies but cost increases will be capped by the original contracted price. Leighton will undertake construction of both the gold and base metals processing plants, pier and concentrate loading facilities and accommodation camp, together with other necessary infrastructure such as offices and roads. Leighton will also construct the tailings storage facility and undertake the mine pre-strip.

Leighton has also been contracted to undertake the mining operations at Rapu Rapu, on terms that closely approximate Lafayette's previously determined cost of an owner-operated program.

SEDIMENTARY HOLDINGS LIMITED - QUEENSLAND/GOLD (LION - 29%)

Three new zones of mineralisation were discovered at the Cracow Joint Venture during the quarter. The new zones (Phoenix, West of Empire and Between Klondyke & Phoenix) extend the width of the mineralised corridor around the Crown and Royal Shoots to the west and substantially increase the prospectivity of the area.

Intersections recorded on both the Empire and the new Phoenix structures displayed evidence of similar high grade occurrences observed in the Crown and Royal Shoot veins. At Empire, gold mineralisation intersected in widely spaced holes now extends for over 450 metres strike in length.



Phoenix was the first new structure to be intersected during the quarter. Wide spaced drilling has extended epithermal veining to over 300 metres in strike length. The mineralisation is open along strike and at depth and the vein is striking in a northerly direction toward the Crown shoot.

Eighteen holes were completed during the quarter, for a total of 11,540 metres. Better intersections recorded were:

Structure	Drill hole	Interval (m)	Grade (g/t Au)
Empire	CBK 092	1.2	7.5
	<i>including</i>	0.7	12.0
	CBK 095	4.69	3.2
	<i>including</i>	0.96	8.4
Phoenix	CBK 091	12.15	13.0
	CBK 099	3.8	3.2
	<i>including</i>	0.55	8.0
	<i>and</i>	7.7	6.6
	<i>including</i>	0.94	21.0
	CBK 103	2.4	27.0
West of Empire	CBK 093	3.15	2.8
Between Klondyke & Empire	KDD 180 ext	1.1	18.0
	<i>and</i>	1.8	12.0

The joint venture partners are in the process of finalising the required agreements to undertake mine development and documentation is expected to be completed in the coming months. Progress has been made in negotiations for a funding package for Sedimentary's share of development expenditure at Cracow.

AUSTINDO RESOURCES CORPORATION NL – INDONESIA & AUST/GOLD (LION - 16%)

Austindo announced in April that the resource estimate for the Cibaliung Gold Project in western Java, Indonesia, had been increased following additional infill and extension drilling.

Measured, Indicated and Inferred Resources now equal 554,500 ounces of contained gold at 9.6 g/t Au and 4.62 million ounces of contained silver at 80 g/t Ag. The new resources amount to 610,200 equivalent gold ounces and contain 31% more gold and silver than the previous estimate of July 2001. Confidence in the resource has also improved, with 38% classified as Measured, 29% as Indicated and 33% Inferred. Previously only 36% was classified as Indicated with 64% classified as Inferred.

Austindo is revising the 2002 Prefeasibility Study, which indicated that project economics at Cibaliung would be improved with increased resources. The company is using the newly estimated resources to develop a new mining plan and revise project costs. This work should be completed by June 2003, when a decision will be made on proceeding to a full feasibility study.

Scout exploration carried out to date at Rorah Kadal, 800 metres south west of the Cibitung shoot, has defined a vein fault system striking over 190 metres and over widths of 0.5 to 3.5 metres, with moderate gold grades of 1 to 15 g/t. There are structural similarities with the Cikoneng and Cibitung vein systems and results to date have been encouraging. A full structural assessment will be conducted to define follow up drill targets.



Data review and compilation work continued on the Mt Alexander Goldfields and Sebastian/Raywood projects in Victoria. The data review is well advanced and should be completed by mid 2003. The study will provide data to build structural and predictive models of the leases, which will then be used to define, select and prioritise targets for exploration drilling.

Austindo announced the appointment of Mr Pieter Greeff as non executive Chairman in March. Pieter replaces Mr George Tahija, who will continue as a non executive director, re-affirming the commitment of major shareholder, PT Austindo Nusantara Jaya, as Austindo moves into a new phase of development.

HAVILAH RESOURCES NL - SOUTH AUSTRALIA/GOLD & BASE METALS (LION – 22%)

Havilah has reached agreement on the terms to acquire several key exploration licences (EL) in the Curnamona Craton, subject to final approval. The company believes this Precambrian terrain is one of the most prospective and under explored in Australia. The agreements allow Havilah to earn interests of 70% of the Benagerie, Emu Dam, Lake Charles and Billeroo West ELs and 100% of the Kalkaroo EL.

The Benagerie and Emu Dam ELs were previously explored by the Pasminco-Werrie Gold joint venture and include the Portia, North Portia, Shylock and Lorenzo prospects. These prospects returned very encouraging gold and copper results in drilling campaigns completed during 1997/98. The purchase terms require Havilah to keep the tenements in good standing, make a staged payment to Pasminco and sole fund \$1 million exploration expenditure on the ELs in a new joint venture with Lynch Mining Limited. Havilah will also issue 1.5 million ordinary shares and 1.5 million five year options exercisable at 20 cents to Lynch Mining.

Several drilling campaigns by major companies, including the Placer-MIM joint venture, have discovered widespread low grade copper and gold mineralisation at the Kalkaroo prospect. The mineralisation is in a structural setting that is favourable for further discoveries and a number of other prospective structural/geophysical targets on the surrounding EL warrant further exploration work. Havilah has acquired the Kalkaroo tenement for no cash outlay on the agreement that the vendor companies may elect to either re-enter the project if a mineral discovery of sufficient size is made or accept a 2% production royalty.

A second round of drilling commenced on the Mulyungarie project area (EL 2740) during the quarter. A minimum program of 2,000 metres is planned to further test gold and base metal prospects identified in earlier reconnaissance drilling. The program will follow up several previously reported gold anomalies at the Jack Dam prospect, as well as gravity and magnetic features that could be indicative of a mineralised shear system. Havilah also plans to test the strike extent of earlier wide lead and zinc intersections obtained by former operator Pasminco at the McBrides Dam prospect as well as the large Homestead gravity anomaly.

EQUINOX RESOURCES LIMITED - ZAMBIA/COPPER (LION – 11%)

Mineral resource estimations for the Malundwe and Chimiwungo copper deposits were completed as part of the Bankable Feasibility Study (BFS) on the Lumwana copper project. Equinox announced in April that the measured, indicated and inferred mineral resources at Lumwana, defined to JORC code standards, using a 0.2% copper cut off, are:

Deposit	Total Tonnes (mt)	Grade (% Cu)	Contained Copper (Cu Mt)
Malundwe	161.7	0.89	1.4
Chimiwungo	739.6	0.66	4.9
Total	901.2	0.70	6.3



Confidence in the resource estimation has improved with a substantial movement of resource from the 'Indicated' and 'Inferred' categories into the 'Measured' category. BFS measured resources now total 129.5 million tonnes, which equates to approximately seven years of production at the annual mining rate of 18 million tonnes proposed in the BFS.

Discrete uranium zones have been defined within the copper pit shells and these will be separately mined and processed. A separate uranium Indicated and Inferred mineral resource estimate for both Malundwe and Chimiwungo, using a 100 ppm uranium cut off, is calculated to be 12.1 million tonnes at 0.07% uranium.

The draft terms of reference for the Environmental Impact Assessment (EIA) report submitted to the Environmental Council of Zambia were approved by the Zambian Government during the quarter. Preparation of the final EIA report is well advanced and should be completed by July.

Exploration of the highly prospective 1,350 square kilometre area surrounding the Lumwana deposits has identified a number of exploration targets that warrant further evaluation. These targets will be prioritised in the coming months.

AFRICAN LION LTD – AFL (AUSTRALIAN SELECTION - 15%)

An additional US\$300,000 investment was made in Gallery Gold during the quarter. African Lion has now invested US\$21.7 million and continues to evaluate new investment opportunities.

AFL Investment	Country / Activity	AFL Holding %	Amount Invested US\$m	Market Value or Cost of Unlisted* US\$m
At 30/04/03				
Unlisted Investments				
Albidon	Africa – junior explorer	20.0	0.5	0.5
Copperbelt Selection	Africa - copper	32.5	0.2	0.2
East African Gold Mines	Tanzania - gold	6.1	5.3	5.3
Kalahari Diamonds	Botswana - diamonds	2.6	0.5	0.5
Listed Investments				
Afriore	South Africa – anthracite	11.8	1.0	1.7
Equinox Resources	Zambia – copper	4.4	0.2	0.3
Gallery Gold	Botswana - gold	10.6	2.1	3.1
LionOre International Mining	Botswana – nickel	0.5	1.9	3.0
Red Back Mining	Ghana – gold	11.5	2.0	3.3
Resolute Mining	Tanzania/Ghana - gold	3.1	2.0	2.0
Spinifex Gold	Tanzania - gold	25.5	4.9	5.2
Total Investments			21.7	25.0
Net Cash				2.9
Total Net Assets				27.9
Funds to be drawn				6.8

*For NAV purposes, the value of listed investments is at market and unlisted investments at cost, net realisable value or last sale



SHAREHOLDER INFORMATION

Issued shares:	100.1 million	Share price at quarter end:	\$1.37
Quarter High:	\$1.45	Quarter Low:	\$1.24
Volume traded:	16.9 million shares	NAV after tax:	\$1.16

Further enquiries:
Judith Russell, Investor Relations Manager
Lion Selection Group Limited
ABN 26 077 729 572

Level 4, 15 Queen Street, Melbourne Victoria 3000
Telephone: 61 3 9614 8008 Facsimile: 61 3 9614 8009 Email: lionselection@lsg.com.au

www.lionselection.com.au