

ASX Announcement 18 August 2006

Status of Takeover Offer for Sedimentary Holdings Ltd

AuSelect Limited (AuSelect) notes the announcement released this morning by Sedimentary Holdings Ltd (Sedimentary) in relation to a proposed merger between Sedimentary and Premier Gold Mines Limited (Premier).

Sedimentary has announced it has entered into a merger implementation agreement with Premier under which Premier is proposing to acquire, for cash, all of Sedimentary's shares for A\$0.31 each. The merger is subject to Sedimentary shareholder approval under a scheme of arrangement, which should take some months to complete, and a number of other significant defeating conditions (Premier's Scheme).

AuSelect's Offer is unconditional and remains open for acceptance until 1 September 2006. Sedimentary shareholders who accept AuSelect's Offer will receive their new AuSelect shares within 7 days. AuSelect's Offer is currently valued at \$0.29 per Sedimentary share (based on AuSelect's closing trading price on 18 August 2006) and **\$0.35 or \$0.32** respectively based on AuSelect's July monthly release of its pre and post-tax net tangible asset backing.

AuSelect is reviewing Premier's scheme and notes the merger proposal announced earlier today by Sedimentary is heavily conditional, including the following:

- Premier obtaining finance for its \$87.5 million offer within 10 business days. (AuSelect understands Premier is a new Canadian mining and exploration company not yet listed on Toronto Stock Exchange with no operating history, no producing mines, net assets of less than C\$30 million and only C\$2 million in cash);
- Lion Selection Group confirming its intention to vote in favour in the absence of a higher offer. **Lion retains the right to accept a higher offer.**
- Gold price must not fall below US\$575 per ounce (currently US\$614);
- Independent expert's review;

- Sedimentary shareholder approval;
- Premier shareholder approval.

AuSelect also welcomes the announcement of the Takeovers Panel not to conduct proceedings in relation to Sedimentary's application to the Panel lodged on 15 August 2006 regarding certain aspects of AuSelect's Offer for Sedimentary.

AuSelect will continue to update shareholders on the status of its Offer as appropriate in the lead up to the Offer closing date on 1 September 2006.

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