

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

KEY POINTS

- Indophil**
 - Tampakan: major copper-gold project:
 - Project manager appointed for \$27 million Pre Feasibility Study.
 - Five drill rigs operating.

- African Lion**
 - Platmin: late 2005 IPO planned for substantial new PGM resource in South Africa.
 - Albidon: Munali feasibility study underway on underground nickel mine, Zambia.
 - Mineral Deposits: drilling underway on Sabodala Gold project, Senegal.

- Equinox**
 - US\$305 million debt finance mandated for Lumwana Copper project in Zambia.

INVESTMENT SUMMARY TABLE

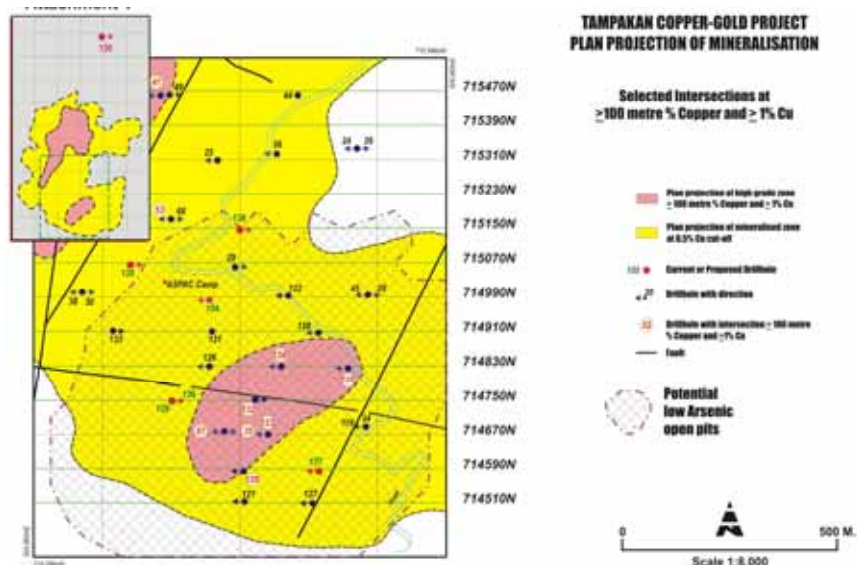
Investment	ASX Code	Country/Activity	AUS Holding %	Amount Invested \$m	Market Value \$m
At 29/07/2005					
African Lion (AFL & AFL2) – AuSelect share of African Lion Investments					
Albidon Limited	ALB	Africa – explorer/Zambia – nickel	4.8	0.7	2.1
Gallery Gold	GGN	Botswana/Tanzania – gold	2.5	2.7	4.7
Mineral Deposits	MDL	Senegal – Mineral sands/gold	1.4	1.2	1.7
Platmin Limited	unlisted	SA – PGMs	3.1	2.0	1.9
Sphere Investments	SPH	Mauritania – iron ore	1.8	0.2	0.7
Other				1.3	1.9
Total African Lion investment			20.6	8.0	12.9
Listed Investments					
Austindo Resources	ARX	Indonesia/Aust – gold	0.8	0.5	0.4
Equinox Minerals	EQN	Zambia/Aust – copper/gold	3.4	0.9	1.9
Gallery Gold	GGN	Botswana/Tanzania – gold	2.1	2.2	3.9
Indophil Resources	IRN	Philippines – copper/gold	10.7	11.0	10.3
Leviathan Resources	LVR	Australia – gold	5.0	3.6	2.8
Sedimentary Holdings	SED	Australia – gold	2.1	0.7	1.2
Westonia Mines	WEZ	Australia – gold	0.5	0.2	0.1
Total Investments				27.1	33.5
Additional cash committed to AFL2					4.7
Cash allocated to Asian Lion					7.9
Net cash after AFL2 and Asian Lion					3.7
Total Net Assets					49.7
Net Tangible Asset (NTA) before tax (cents per share)					96.9
Net Tangible Asset (NTA) after tax (cents per share)					93.2

Note: For NTA purposes, African Lion's portfolio values listed investments at market and unlisted investments at cost. A\$/US\$ exchange rate of 0.76

INVESTEE UPDATE

INDOPHIL RESOURCES NL - PHILIPPINES/COPPER & GOLD (LION – 21.5%)

- Agreed amendments to the Option Agreement between Indophil and Xstrata Copper have resulted in:
 - bringing forward Xstrata's option exercise date from 31 December 2007 to 30 September 2006;
 - or requiring Xstrata to sole fund project expenditure between the above mentioned dates; and
 - limiting Indophil's commitment to sole fund pre-feasibility studies to \$27 million.
- George Widelski has been appointed as the Pre-Feasibility Study Manager. Mr Widelski has worked for over 30 years in the mining industry and has extensive experience in study and project management.
- Subsequent to the end of the quarter, Xstrata in their Interim Report 2005, commented that Indophil's Tampakan project mineral resource inventory "revealed the emerging scale of the deposit". On reporting that the pre-feasibility study was well underway they further commented that this "augers well for the project."
- Indophil successfully completed its equity raising program on 3 June 2005 to raise over \$30 million in order to finance the \$27 million pre-feasibility study commitment agreed with Xstrata Copper and to provide working capital. Around 20% of the equity raising was sourced from European institutions.
- Signing of the Principal Agreement with the Kiblawan municipality means that all agreements with all provincial and local government units and indigenous peoples in the Tampakan project area have been completed.
- Latest drilling results for the first half of 2005 now take the total number of drill holes that have returned greater than 1% copper with thicknesses greater than 100 metres to 18 out of the 36 holes drilled since 1 July 2003. Five drill rigs are currently operating.





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 31/07/05				
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	10.5	4.5	4.5
Listed Investments				
Albidon	Africa – nickel/PGMs	25.6	2.4	8.5
Equinox Minerals	Zambia – copper	2.6	0.8	1.1
Gallery Gold	Botswana/Tanzania - gold	12.7	7.1	18.3
Sphere Investments	Mauritania – iron ore	8.2	0.5	2.2
Total Investments			16.0	35.3
Net Cash				1.6
Total Net Tangible Assets after tax			14.9*	32.1**
Returns to Shareholders			18.8	26.8
Total Funding and Returns			33.8	59.0

Note: For Net Tangible 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 75%

Note: AuSelect's **A\$4.8 million** investment (after redemptions), valued on the basis of the AFL portfolio as shown above is **A\$9.4million** including the value of the AFL Options at A\$/US\$ exchange rate of 0.76

- Fund Activity

The fund further increased its investment in Platmin Limited by \$0.2 million, to US\$4.5 million. The AFL fund has now ceased its active investment period. No sales were made during the quarter.

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

A staged feasibility study has commenced on the Munali project. The first stage including a revised resource and additional metallurgical testwork is expected to be completed by September 2005. A successful stage one outcome will lead to detailed mine design, scheduling, engineering studies, concentrate marketing and financial analysis. The initial scoping study envisages a production rate of 500,000 to 750,000 tonnes of ore per annum feeding a sulphide flotation concentrator to produce a bulk nickel-copper-cobalt-PGM concentrate.

- Platmin Limited, Bushveld South Africa, PGMs (AFL 10.5%)

Platmin have continued to make excellent progress on their suite of South African PGM projects. The company have advised that it has established a total Resource of 21.7 million ounces split as follows:

	Tonnes (m)	Grade g/t PGM*	Mozs*
Measured	2.7	4.8	0.41
Indicated	21.9	4.8	3.35
Inferred	129.8	4.3	17.91
TOTAL			21.7

* 3PGE + gold

The portion of this resource that is directly attributable to Platmin is 13.8 million ounces. All of Platmin's projects at Pilanesberg, M'Phatlele, Loskop and Grootboom have the main target mineralisation outcropping at surface. This has significant positive implications for any future development. The flagship Pilanesberg project has had a scoping study completed in-house, which is now being reviewed by independent consultants. The project looks likely to evolve as a series of discrete open pits based on outcropping reefs, with significant exploration upside. At Loskop (a joint venture with Lonmin plc), it is anticipated that a first resource will be estimated by the end of this year.

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

Kalahari have continued to explore their extensive tenement position in Botswana. The exploration approach, utilising airborne gravity surveys combined with other geophysical and geochemical methods, has generated many hundreds of targets. These targets have been prioritised and some drilled but without significant success to date. This dataset is being reviewed to further finesse target generation, at the same time new target areas are being flown. The company is in negotiations with a listed company with a view to a merger.

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

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

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

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

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

Sphere has made significant progress at the Guelb el Aouj iron ore project in Mauritania. Drilling has outlined extensive iron ore mineralisation at the East Deposit (the existing resource is on the Central Deposit). Positive metallurgical results have been released from the East Deposit testwork. This provides encouragement for establishing a large resource in Sphere's joint venture areas. The board was strengthened with the appointment of experienced iron ore executives Bob Cornelius and John Bylsma. A military coup took place in Mauritania in August, but there has been no impact on Sphere's work plans.

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 31/0705				
Unlisted Investments				
Platmin Limited	South Africa – PGMs	4.9	2.6	2.6
Listed Investments				
Gallery Gold	Botswana/Tanzania - gold	0.5	0.8	0.7
Mineral Deposits	Senegal – mineral sands/gold	5.8	3.8	5.3
Sphere Investments	Mauritania – iron ore	1.4	0.2	0.4
Total Investments			7.4	9.0
Net Cash				2.2
Total Net Tangible Assets after tax			10.2*	11.2

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

* Funds advanced for investment

AuSelect's **A\$3.2 million** investment (after redemptions), valued on the basis of the AFL2 portfolio as shown above, is **A\$3.5 million** including the value of the AFL2 Options at a A\$/US\$ exchange rate of 0.76

- Fund Activity

An investment in Mineral Deposits Limited (MDL) was concluded during the quarter. This brings the total invested in MDL to \$3.8 million and the total invested by the fund to \$7.4 million.

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

At the Sabodala gold project resource drilling has commenced and first assay results are expected in late August. An extensive regional aeromagnetic survey has commenced. At the Grande Cote Zircon project some preparatory drilling is underway.

A A\$30.5 million capital raising was completed during the quarter to advance MDL's gold and zircon projects.

EQUINOX MINERALS LIMITED - ZAMBIA/COPPER (AUSELECT – 3.4%)

- Equinox, with GRD Minproc, is advancing the Front End Engineering Design which is upgrading the completed Bankable Feasibility Study (BFS) at the Lumwana copper project, located in the northwest province of Zambia. Capital and operating costs estimates and project optimisation studies will be reviewed under this process.
- Equinox has signed a Letter of Intent (LOI) for the future supply and sale of copper concentrate from the Lumwana project with Ongopolo Mining & Processing Limited (Namibia). This is the second LOI that Equinox has signed with a major regional smelter.
- Equinox successfully restructured the Zambezi joint venture with Anglo American, giving Equinox 100% control of an extensive, 19,300 km² highly prospective land package in Zambia.
- After quarter end, Equinox announced that it had mandated a group of lenders to provide a total of US\$305 million in senior and subordinated project finance facilities for the Lumwana project.
- In addition, Equinox announced that it has closed an underwritten private placement to raise C\$28.76 million. These funds are to be used towards a portion of the initial capital cost of the Lumwana project, debt financing costs, exploration activities and general working capital purposes.

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

Botswana

- Gold production at the Mupane gold mine in Botswana during the quarter was higher than the previous quarter with 27,523 ounces of gold produced, well ahead of Gallery's 100,000 ounce per annum target for 2005.
- Mill throughput at Mupane increased to a total of 299,713 tonnes at a head grade of 3.1 g/t gold. Throughput rates were 8% above forecast by the end of June at a monthly annualised rate of 1.3 million tonnes per annum. Gold recovery was 92%, 2% above forecast. Cash costs were US\$237 per ounce for the quarter.

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- Mining continued at the Tau pit where mined grades were slightly lower than forecast. Deeper, higher grade material will become available during the September quarter. Preparation for mining at the nearby Tholo pit commenced during the quarter.

Tanzania

- Gallery announced that total resources for the Buckreef-Rwamagaza project in Tanzania increased by 36% to 1.91 million ounces. Following detailed infill drilling at the Busolwa prospect, 20 kilometres from Buckreef, a significant upgrade was made to the existing resource figure. Total inferred resource increased to 13.7 million tonnes at 1.8 g/t gold for a contained 785,000 ounces based on a one gram per tonne cut off grade. This represents a 506,000 ounce increase over the previous estimate.

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

- During the quarter, Austindo reported the successful completion of a placement and Share Purchase Plan (SPP) underwritten by Austock Corporate Finance Limited. The placement and SPP raised a total of \$18.7 million and will be used to fund the development of the Cibaliung gold project in Indonesia and exploration activities.
- Austindo have agreed to purchase a gold processing plant located at the Mount Olympus Mine near Paraburdoo in Western Australia for \$2.57 million. The overall cost, including modifications and transportation, is expected to be less than allowed for in the project feasibility study which had budgeted for all new equipment.
- Environmental approval to proceed with the development of the mine, in accordance with the Company's development plan, was granted during the quarter. This approval will enable Austindo to finalise other local regulatory authorities permits. Subject to final regulatory approvals, construction on the Cibaliung project is expected to commence shortly with first gold production in 2006.
- In May, Austindo reported two key alliances had been made, expanding potential mining opportunities in Indonesia. A strategic alliance was formed with Anglo American Group to explore for large copper gold porphyry deposits in Papua. Shortly after, Austindo announced that a new 5,618 ha exploration tenement (prospective for low sulphidation epithermal gold/silver deposits) in Central Java, known as Pekalongan, had been granted in which it will have a significant joint venture interest with PT Sumber Mineral Nusantara.

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

- Westonia announced during the quarter the successful completion of its capital raising, with proceeds of \$6.6 million, net of expenses, being received. AuSelect took up its allocation in the rights issue.
- A program of pit dewatering and infill drilling is planned to commence in late August with contracts awarded during the quarter. Site works have commenced following the Department of Industry and Resources approval of the Notice of Intent. All statutory permits for Westonia site activities are in place, with the exception of the Department of Environmental Protection Licence to Operate. This application is expected to be submitted at the start of August, once the dewatering line and first evaporation pond is completed, with the approval process taking approximately three weeks. Pumping will then commence in late August and drilling is expected to commence in November 2005.

- Westonia announced the following Board changes: Mr David Macoboy resigned from the Board due to work commitments. Subsequent to the end of the quarter, Mr Mark Fitzpatrick joined the Westonia Board as a non executive director. Mr Fitzpatrick has wide experience in venture capital and investment banking throughout Australia.

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

- Gold production at the Cracow gold mine in Queensland continued to ramp up as stoping increased and more development levels were accessed during the quarter. June quarterly production was 6,203 ounces with cash costs of \$310 per ounce. For the year to date, Sedimentary's share of gold poured totals 10,777 ounces. Mined grade for the quarter was 11.7 g/t gold.
- Additional mineral resources from the Sovereign and Klondyke North tenements combined with the Royal and Crown Shoots will result in a new Life of Mine plan. It is anticipated that plant throughput will increase from 300,000 to 360,000 tonnes per annum in 2007. Attributable gold production for Sedimentary is estimated at 250,000 ounces over nine years.
- During the quarter, a new zone of mineralisation named Kilkenny was discovered 400 metres west of the Crown Shoot. Drilling reported the following result:

CBK173 24 metres (10.8 metres true width) @ 7.4 g/t Au from 627 metres down hole

- NuStar Mining's (Sedimentary 18.1% interest) Paulsens gold mine successfully commenced production during the quarter recovering 7,358 ounces of gold at a cash cost of \$378 per ounce and pouring 5,118 ounces.
- Subsequent to the end of the quarter, Sedimentary announced further encouraging results from the new discovery zone at Kilkenny:

CBK181 21 metres (13.1 metres true width) @ 9.6 g/t Au from 819 metres down hole

and 20.6 metres (13 metres true width) @ 11.0 g/t Au from 873 metres down hole

CBK183 1 metre (0.5 metres true width) @ 103 g/t Au from 656 metres down hole

CBK179 9.8 metres (5.5 metres true width) @ 3.1 g/t Au from 582 metres down hole

CBK180 2.2 metres (0.8 metres true width) @ 9.3 g/t Au from 595 metres down hole

Two drill rigs are currently focusing on the strike and down dip potential of Kilkenny

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

- At Stawell gold mine, gold production during the June quarter was 30,334 ounces, which was close to the rate forecast in the 2005 prospectus and 19% higher than the March quarter.



Stawell Gold Mine (LVR – 100%)	June Qtr 2005	March Qtr 2005	Dec Qtr 2004	Sept Qtr 2004
Quarterly production				
Tonnes (million)	0.17	0.17	0.20	0.20
Grade (g/t)	5.6	5.0	6.0	5.1
Recovery (%)	94	92	93	87
Gold (000's ounces)	30.3	25.5	35.3	27.8
Cash cost (A\$/oz)	431	393	357	447

- Leviathan announced in their quarterly report that due to a production shortfall in the first half of the year, the company would record a loss for the first half. Leviathan noted that, whilst production is scheduled to increase in the second part of the year with financial results to improve, in total for 2005 a small loss is expected.
- Drilling during the quarter was targeted at conversion of resource to reserve and grade control. Drilling rates increased as working conditions underground improved, following completion of the 728 ventilation decline in May. A fifth underground drill rig that arrived in June will enable increased drilling rates in the December half, with an updated reserve/resource statement to be released in the December quarterly report.
- At the Brown's/Coongee Dome, 2 kilometres east of Magdala, a total of 40 aircore holes for 3,178 metres tested the northern end of an interpreted 3 kilometre basalt dome. A large gold anomaly has been defined which is at least one kilometre long and open to the north and south.
- At the Coolgardie gold mine, open pit production ceased in February and underground production closed in April. Subsequently, Leviathan announced on 9 August that its interest in the Coolgardie joint venture had been sold to Austminex for \$2.5 million in cash and shares.

ASIAN LION

A fourth potential shareholder is completing due diligence work, which if successful, would allow start-up with initial funds of around US\$20 million.

INVESTMENT BRIEFINGS

The joint AuSelect and Lion investment briefings, which were originally scheduled for the week commencing 3 October, will now be taking place during week commencing 14 November 2005. Invitations to the briefings, which includes details of the dates, times and venues, will be sent out in mid-October.



QUARTERLY CASHFLOW REPORTS – APPENDIX 5B

AuSelect Limited has previously submitted a quarterly cash flow report (Appendix 5B) with the ASX. As AuSelect does not have a controlling interest in a mining exploration company, the 5B is not required. Further, AuSelect believes that this information is not useful as it releases a monthly Net Tangible Asset (NTA) statement and details of that NTA, including its cash position, are available on the AuSelect website www.auselect.com.au. Quarterly activities reports will continue to be lodged with the ASX in accordance with the ASX Listing Rules.

SHAREHOLDER PHOTOGRAPHY COMPETITION – 2005 ANNUAL REPORT

Shareholders are invited to submit photographs of lions for the cover of the 2005 Annual Report. Images can be submitted as high quality photographic prints or computer files (Photoshop TIF file 300dpi or Illustrator EPS file 800dpi). Photos must be taken by the shareholder and will be returned at the close of the competition – 26 September 2005.

The winning entry will be selected by the AuSelect team in Melbourne and the photographer will receive a framed copy of the report cover.

Send entries to (with return contact details and details of where photo was taken):

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SHAREHOLDER INFORMATION

Issued shares:	51.3 million	Share price at quarter end:	\$0.86
Quarter high:	\$0.89	Quarter low:	\$0.81
Volume traded:	7.7 million	NTA after tax:	\$0.93

Further enquiries:

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