



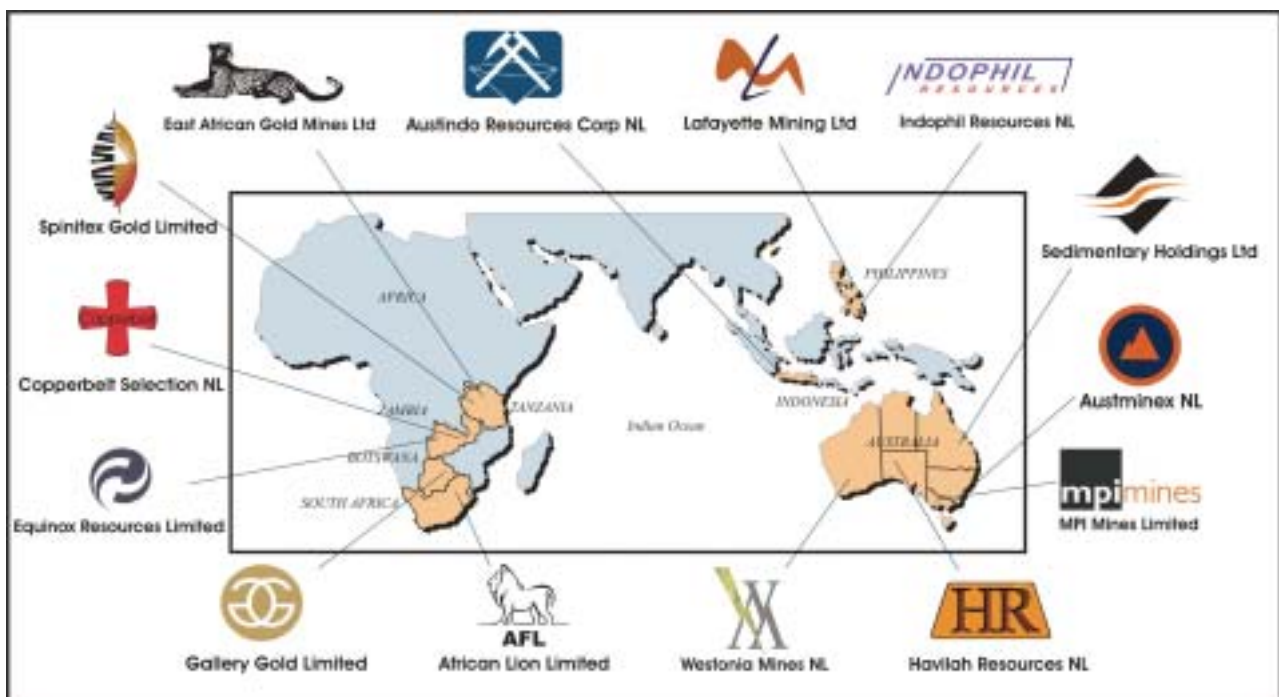
Quarterly Report for the 3 months ended 31 October 2002

KEY POINTS

Exceptionally good exploration results from EAGM in Tanzania were the highlight of a good quarter for Lion.

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|---------------------|---|
| EAGM | <ul style="list-style-type: none"> ▪ Exploration drilling confirmed Gokona as a high grade new discovery capable of significantly re-rating this company's valuation. ▪ Lion's \$10.2 million historical cost is expected to deliver a significant multiple gain to LSG shareholders. |
| Gallery Gold | <ul style="list-style-type: none"> ▪ A development decision on a new 100,000 oz pa gold mine at Mupane in Botswana is expected early 2003. |
| Westonia | <ul style="list-style-type: none"> ▪ A development decision on a new 70,000 oz pa gold mine in Western Australia is expected early 2003. |
| Sedimentary | <ul style="list-style-type: none"> ▪ Development of the Cracow gold mine (SED 30%) in Queensland is imminent |
| Indophil | <ul style="list-style-type: none"> ▪ Ownership of Tampakan, the giant copper-gold project in the Philippines, achieved in August. |
| MPI Mines | <ul style="list-style-type: none"> ▪ Exceptional nickel results from Silver Swan in WA (MPI 80%) |

INVESTMENTS





INVESTMENT SUMMARY TABLE

Investment	ASX Code	Activity	LSG Holding %	Amount Invested** \$m	Market Value or Cost of Unlisted* \$m
At 31/10/02					
Unlisted Investments					
African Lion (AFL)		Africa - mining investment	15.0	6.0	6.0
Copperbelt Selection		Africa – copper	33.0	0.3	0.2
East African Gold Mines		Tanzania – gold	11.3	10.2	10.2
MPI Mines		Australia – gold/nickel	16.3	6.1	6.1
Listed Investments					
Austindo Resources	ARX	Indonesia – gold	15.6	3.6	1.2
Austminex	ATX	Australia – base metals	16.9	2.5	1.0
Equinox Resources	EQR	Zambia/Aust – copper/gold	10.9	1.3	1.2
Gallery Gold	GGN	Botswana – gold	43.3	10.3	18.3
Havilah Resources	HAV	Australia - gold/base metals	22.0	1.9	1.0
Indophil Resources	IRN	Philippines - copper/gold	42.4	7.8	11.4
Kingsgate Consolidated	KCN	Thailand – gold	1.3	0.5	3.1
Lafayette Mining	LAF	Philippines - gold/base metals	30.8	7.5	4.0
Sedimentary Holdings	SED	Australia – gold	27.2	5.1	7.9
Spinifex Gold	SPX	Tanzania – gold	19.1	9.5	6.1
Westonia Mines	WEZ	Australia – gold	41.4	4.0	7.5
Other Investments				2.2	2.3
Sub total Investments				78.7	87.5
Net Cash					31.3
Total Investments					118.7
Net Asset Value (NAV) before tax (cents per share)					118.6
Net Asset Value (NAV) after tax (cents per share)					116.6

* 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

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

Subsequent to the end of the quarter EAGM announced further significant exploration success at the North Mara Gold Project in Tanzania.

New infill RC drill intersections confirm the discovery of a significant high grade gold deposit at Gokona, one kilometre along strike from the Nyabigena deposit. Significant intersections include:

25m @ 89.5 g/t Au
28m @ 14.9 g/t Au
16m @ 15.9 g/t Au
17m @ 25.7 g/t Au



Strong mineralisation has been confirmed over a strike length of at least 350 metres and persists to at least 120 metres vertically below surface. An estimation of reserves and resources will be completed in January 2003, with a mine plan for Gokona to at least 120 metres depth. Drilling to 200 metres depth is under way.

Large new geophysical targets identified at Nyabigena North and Dett South have further enhanced the prospectivity of the area.

An increase in the gold price to US\$310 per ounce has resulted in greater conversion of resources to reserves at Nyabirama. Reserves have increased from 12.9 million tonnes @ 3.8 g/t Au containing 1.6 million ounces to 18.9 million tonnes @ 3.5 g/t Au containing 2.1 million ounces.

Total reserves at the North Mara Gold Project (including the Nyabigena and Nyabirama deposits) have now increased from 1.9 million ounces to 2.4 million ounces with resources remaining at 3.8 million ounces. On going exploration is expected to result in further ore reserve and resource additions at Nyabigena (Gokona) in early 2003.

The mine at Nyabirama was officially opened by Tanzania's President, the Hon Benjamin Mkapa, on 12 September. Performance tests for the construction and commissioning of the gold process plant were completed early that month, with the process plant proving its ability to treat the Nyabirama ore at a rate of 2 million tonnes per annum and 90% recovery of gold.

An expansion of gold production above the current rate of 210,000 ounces per annum is being assessed as a result of the discovery of the higher grade Gokona gold deposit and the reserve increase at Nyabirama.

An Initial Public Offering planned for late 2002 has been deferred by EAGM until early 2003, which will enable the company to fully assess the value of the recent exploration results and focus on monitoring production build up.

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

The Definitive Feasibility Study (DFS) at Gallery's Mupane gold prospect in Botswana is progressing satisfactorily. The DFS is assessing the development of a 1 million tonne per annum mining operation to produce approximately 100,000 ounces of gold per annum and is on schedule to be completed in March 2003, with gold production targeted to commence in mid 2004.

New preliminary resource estimates and open pit modelling on drilling completed to the end of September indicate that a total gold ore reserve of 700,000 ounces should be confirmed when JORC Code standard reserve estimates are completed in December 2002.

Additional infill drilling on the Tau deposit has confirmed the continuity of the central high grade portion of the ore shoot. It remains open below 220 metres vertical depth and provides potential for an underground reserve beneath the proposed open pit. Preliminary modelling using the new drilling data indicates that the open pit may extend an additional 30 metres to a maximum depth of 230 metres, resulting in an increase of at least 25% in contained gold. Deep drilling to assess underground ore potential is scheduled to commence by the end of November.



Subsequent to the end of the quarter Gallery announced that the new mineralised zone identified at Tolo should contain a viable open pit ore reserve. Preliminary modelling of recent 50 x 50 metre resource drilling suggests that a 300 metre long portion of the mineralised zone is open pitable to an average depth of approximately 45 metres and Gallery believes that this zone has the potential for 1 million tonnes of ore grading around 2 g/t Au. Shallow drilling and trenching has confirmed that the mineralisation extends to the surface.

A major exploration program has commenced on the Matsiloje and Jim's Luck prospects, which lie within a 30 kilometre radius of Mupane. Widespread minor gold workings occur in altered banded iron formation over a strike length of approximately 4.7 kilometres. Detailed geological mapping, soil sampling and an Induced Polarisation survey have been completed over the Matsiloje Prospect and a 29 hole RC percussion drilling program to test targets commenced in October. Exploration to identify targets for future drilling has commenced at the Jim's Luck property, where Gallery is earning a 60% joint venture interest.

Drilling of targets on the promising Tekwane platinum prospect commenced in September. The seven hole RC percussion drilling program is testing geophysical anomalies associated with a platinum bearing gabbro unit.

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

Westonia announced in November that the first stage of the Bankable Feasibility Study (BFS) supports the resumption of gold mining operations at the Westonia Project. The BFS indicates that a renewed mining operation is economically robust at current gold prices of A\$575 per ounce.

The study has also confirmed the previously announced global resource of 923,000 ounces of gold and estimates a JORC compliant mineable resource of 8.5 million tonnes @ 1.8 g/t for a contained 500,000 ounces of gold. The BFS co-ordinator, Lycopodium Pty Limited, has provided first pass capital cost estimates of less than \$30 million and operating cost estimates in the mid-\$300 per ounce range.

Based on these results Westonia has chosen to proceed to Stage Two of the BFS, incorporating a 1.5 million tonne per annum carbon-in-leach circuit designed to produce over 70,000 ounces of gold annually. Stage Two is scheduled for completion by March 2003, subject to the availability of a suitable second hand mill and receipt of statutory approvals. The cost of the second stage is estimated at approximately \$400,000 and will be funded from the company's cash reserves of \$4.7 million.

During the quarter Westonia drill tested the previous operator's live waste (mineralised) stockpile, which is oxidised and soft. Use of this material is likely to provide a significant boost to overall project economics. A 29 hole RC and diamond drilling program is currently testing beyond the boundaries of the currently defined pit shell. The aim of the program is to determine continuity of mineralisation near and beyond the currently designed base of the pit, and to determine the along strike economic boundaries of the mineralised system. Assay results are due in December and drill results from both programs will be incorporated in a new resource estimation as part of Stage Two of the BFS.



A bonus one for three non renounceable 20 cent option was issued to all registered Westonia shareholders on 21 October 2002.

Mr Doug Young has joined the board of Westonia as a non executive director. Doug is an executive director of Carmichael First Capital in Perth and has extensive experience in equity and debt capital raising to fund mining ventures.

SEDIMENTARY HOLDINGS LIMITED - QUEENSLAND/GOLD (LION - 27%)

Sedimentary expects development of the Cracow Project (Sedimentary 30%, Newcrest 70%) to commence as soon as all necessary approvals are received and agreements are completed. As a consequence of the in-principle agreement for Newcrest to acquire a 70% interest in Sedimentary's plant and other assets at Cracow for a net \$4 million, the amended estimate for Sedimentary's share of pre-production capital expenditure for the proposed mine development is approximately \$10 million. Sedimentary is continuing negotiations with financial institutions for the funding of the balance of its share of development expenditure.

Exploration drilling at the Cracow Gold Project recommenced in September, with two drill rigs operating on targets within a 500 metre wide corridor north of the Crown and Royal Shoots and south of Roses Pride.

Exploration has concentrated on the Empire and Sovereign structures, located to the north of the Crown Shoot. A quartz lode existing over a strike length of 140 metres at a depth of 400 metres has been identified at the Empire structure. Significant results obtained at this depth include:

CBK 083	6.4m	@	10 g/t Au
incl	0.8m	@	18 g/t Au
CBK 014 ext	3.82m	@	10 g/t Au
incl	0.7m	@	30 g/t Au
CBK 085	5.1m	@	4.7 g/t Au
incl	0.55m	@	11 g/t Au

The Sovereign structure is located some 300 metres east of Empire. Drilling has shown the lode to occur over a strike extent of 180 metres and at a depth interval of 300 to 400 metres from surface. Significant results include:

CBK 020	7.45m	@	4.8 g/t Au
incl	1.0m	@	16 g/t Au
CBK 076	9.85m	@	3.9 g/t Au
incl	0.7m	@	20 g/t Au

The Sovereign structure is open at depth and believed to extend for approximately 700 metres.

High grade gold mineralisation identified in both the Empress and Sovereign structures has an Au/Ag ratio of >3:1, which is typical of the high grade gold in the Royal and Crown Shoots.



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

The final step in the transfer of ownership of the Tampakan Project was completed in August and Indophil's associate company, Sagittarius Mines Inc, assumed full management of the project in early October. Tampakan is one of the largest undeveloped copper/gold deposits in South East Asia, containing a global resource of 12 million tonnes of copper and 16 million ounces of gold.

Indophil has commenced a full review of the extensive Tampakan database established by the previous owner, which will allow for the planning and development of an advanced evaluation program and completion of a preliminary feasibility study. All options to maximise early development of the project will be assessed. As part of this review the first phase of diamond drillholes have produced the following intersections:

Hole	From (m)	Downhole interval (m)		Cu (%)	Au (g/t)
TMPD 22	27	375	@	1.08	0.58
TMPD 46	86	76	@	2.20	0.50

Indophil is also evaluating the significant exploration potential of the district, including a number of new drilling targets. The company anticipates that the review will take four to six months. Meetings with local community groups on the ownership transition have met with a positive response.

Lepanto Consolidated Mining has filed a Petition for Review with the Supreme Court and a Motion for Reconsideration with the Office of the President against the transfer of ownership. Subsequent to the end of the quarter, Indophil announced that the Motion for Reconsideration with the Office of the President has been dismissed. The Petition for Review is still with the court but Indophil remains confident of a successful outcome.

At the Manat Project diamond drilling on the Magas Vein Zone has been completed. Results to date indicate that the mineralised zone is continuous throughout the target area. Better intersections include:

Hole	From (m)	Downhole interval (m)		Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
MNTD 31	55.8	19.2	@	2.7	37.0	2.3	4.6
Incl	55.8	11.2	@	3.7	36.7	2.9	6.3
MNTD 32	161.0	26.0	@	2.3	23.1	0.6	1.0
MNTD 33	56.6	19.5	@	2.4	27.1	0.7	1.2
Incl	71.0	5.1	@	5.4	48.1	1.2	1.7

The data obtained from the program is now being assessed and a preliminary mine scoping study has commenced.

The Hinotongan Project includes an extensive alteration system with some outcropping copper mineralisation, underlain by a potentially mineralised target zone. A recently completed Induced Polarisation survey has produced encouraging results, confirming the continuity of the target zone beneath a silica cap. The target shows strong similarities to the Tampakan deposit and a two hole diamond drilling program is currently under way to test the potential mineralisation.



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

A 1 for 8 capital consolidation by Spinifex during the quarter has allowed the company to convert all debt in the form of convertible notes to equity. Following the \$8 million rights issue the company is debt free and in a strong financial position to intensify its exploration and development program in the Lake Victoria region of Tanzania. African Lion (25.5%) and Lion Selection Group (19.1%) are Spinifex's largest shareholders following the completion of the renounceable rights issue.

Exploration drilling on the Tanzanian properties is currently focused on the Buckreef/Rwamagaza project area, where a resource of 614,000 ounces @ 4.08 g/t gold has already been defined. The drilling program aims to increase the open pittable resource at Buckreef and results to date indicate an extension of mineralisation along strike. Drilling has also defined extensions at depth of previously shallow drilled high grade shoots. Better intersections returned include:

Hole	From (m)	Interval (m)		Au (g/t)
BMRC D 237	229	20	@	3.31
BMRC 247	154	19	@	4.88
incl		9	@	8.05
BMDD 024	225	11	@	7.63
BMRC 242	132	29	@	2.51
Incl		3	@	10.07
BMRC D 246	201	12	@	6.00

Potential mineralisation to the south of Buckreef Main and strike continuity of mineralisation at Buckreef West remain to be tested. The current drilling program is due to conclude at the end of December and a new resource calculation is expected to be completed in early 2003.

At the Kanegele prospect joint venture drilling by Resolute has intersected a wide zone of deeply oxidised mineralisation, returning an intersection of 60m @ 2.81 g/t Au (including 15m @ 7.79 g/t Au). Further drilling is planned to define the extent of the deep oxidised mineralised zones.

Infill drilling by joint venture partner Resolute at Nyakafuru has been successful in confirming previous Spinifex drilling with expected moderate variations with respect to high grade mineralisation.

MPI MINES LIMITED - VICTORIA/GOLD (LION - 16%)

MPI is preparing for an Initial Public Offering (IPO) in December 2002 and subsequent listing on the Australian Stock Exchange in January 2003. The IPO aims to raise \$7 million and Paterson Ord Minnet has been appointed as Lead Manager. A prospectus is expected to be available in early December.

MPI management of the 80% owned Black Swan nickel mine commenced on 26 August, with newly appointed Tony James as General Manager. In the quarter to September 2002, 6.15 mlbs of nickel in concentrate was produced with an on site cash cost of \$1.65/lb. Recent resource definition drilling has been very successful and Proven and Probable Resources at Black Swan have increased by 30% to 34,426 Ni tonnes at 6.5% Ni (to 1165 metres below surface). This increase underpins four years production, with further exploration success likely to add to mine life.



A total of 29 exploration holes for 5,064 metres were completed at Silver Swan during the quarter. The drilling was supported by down hole geophysics and a number of massive sulphide intercepts were made. Significant results included:

Hole	From (m)	Interval (m)		Ni (%)
SUD 1890	176	4.8	@	15.2
SUD 1898	186	8.3	@	10.9
SUD 1961	94	3.6	@	15.2
SUD 1974E	316	6.6	@	16.4
SUD 1976	199	6.0	@	10.7
SUD 1506A	665	55.5	@	13.2
SUD 1506D	699	31.3	@	14.9

Gold production of 23,475 ounces for the September quarter was achieved at the Stawell Gold Mine in Victoria, from a record mill throughput of 220,000 tonnes. The effects of increasing depth and reducing tonnes per vertical metre continue to affect the operations. Mining has recommenced in the upper levels of the mine to provide a source of lower grade, lower cost ore and to ease congestion in the lower levels.

	Sept Qtr 2002	June Qtr 2002	Sept Qtr 2001
Stawell Mine Production (MPI – 50%)			
Gold production (ozs)	23,475	24,341	24,193
Cash operating cost (A\$/oz)	475	392	422
Total production cost (A\$/oz)	595	497	536

More than 7,000 metres of definition drilling was completed at Golden Gift during the quarter. The aim of the program is to determine the southern limit of the resource area and infill several geologically complex zones. As a result, the global Indicated and Inferred Resource for Golden Gift has been upgraded from 1.93 million tonnes @ 7 g/t for 433,000 ounces contained gold at 30 June 2002 to 2.49 million tonnes @ 8.0 g/t for 638,000 ounces contained gold at 30 September 2002, representing a 47% increase in ounces at a significantly improved grade. Exploration and related development at Golden Gift was suspended in August to allow a review of the program.

At Coolgardie in WA encouraging results have been returned from initial exploration drilling on the Big Blow prospect, where MPI is in joint venture with Herald Resources. Thirteen holes have been drilled to test for plunge extensions below historic mining and significant results include:

Hole	From (m)	Interval (m)		Au (g/t)
TNG 1748R	99	7	@	12.69
TNG 1750R	104	23	@	5.72
incl	115	9	@	11.36
BB 005R	158	2	@	106.00
BB011R	94	7	@	14.71
and	109	1	@	77.60
BB012R	100	9	@	5.14
incl	100	4	@	9.27



Mineralisation remains open in several directions and additional RC and core drilling is required to establish plunge orientations. The drilling to date has indicated good grade continuity within shoots and the possibility of defining shoots with surface and/or downhole geophysical techniques is being assessed.

Information relating to resources at Stawell Gold Mine has been compiled by D Fredericksen, a full time employee of MPI Mines Limited and a corporate member of the Australasian Institute of Mining and Metallurgy. He has the relevant experience in the style of mineralisation to qualify as a Competent Person as defined in the 1999 JORC Code. He consents to the inclusion of this information in the form and context in which it appears.

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

Equinox has earned a 50% interest in the Lumwana copper-cobalt project in Zambia by spending US\$5 million under the joint venture agreement with Phelps Dodge. The company will earn an additional 1% interest by December 2002 for undertaking the Bankable Feasibility Study (BFS).

The BFS is continuing on schedule, with a 53,234 metre resource drilling program completed in mid October. Metallurgical testwork is providing robust data for design of the proposed mining operation and results suggest that:

- a simple, robust process flowsheet utilising conventional equipment will be suitable for Lumwana ore;
- favourable copper concentrates of up to 44% Cu have been produced;
- recoveries are greater than 95%, even with the relatively coarse grind size of 300 microns.

An active exploration program is being conducted over the highly prospective region surrounding the Lumwana deposit.

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

Lafayette raised \$1.66 million during the quarter, through a private placement of 15% of issued share capital at 5 cents per share to a number of funds and professional investors, including Lion.

The company also announced a 2 for 11 non renounceable rights issue at 5 cents per share (approximately 46.7 million shares) to raise an additional \$2.34 million. The issue was fully underwritten by ABN AMRO Morgans Corporate Limited. Lion invested a total of \$1.5 million in both the placement and rights issue and now holds a 32.6% interest in the company.

The funds raised are to be used to progress the Rapu Rapu project including finalisation of the land acquisition program and funding of bank fees for the project loan. Lafayette has announced the appointment of Brisbane based engineering firm Ausenco to commence the pre-commitment engineering work at Rapu Rapu. The work will enable Lafayette to confirm capital cost estimates for the development of the project and assist with refinancing arrangements.

Subsequent to the end of the quarter, Lafayette announced that a mandate letter has been signed with Macquarie Bank. This will enable Macquarie Bank and Standard Bank, in syndicate, to move forward in securing the necessary internal approvals to provide a committed offer of project finance early in the new year.

Standard Bank London Limited has extended the maturity date of its bridge loan of US\$3 million to 1 July 2003 to allow time for the completion of project funding and refinancing arrangements. The loan was originally raised in 2000 to fund completion of the feasibility study to bankable status. Lafayette is now in a position to finalise the financing structure which will allow a decision to commence mine construction to be made.



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

Exploration at the Cibaliung gold project in Indonesia is focusing on defining additional resources in extensions to known deposits and identifying new deposits to improve potential project revenues. Drill testing for extensions of Cikoneng and Cibitung deposits commenced in October.

Regional exploration at Rorah Kadal, 900 metres SSW of Cibitung, has produced encouraging results. The Rorah Kadal veins strike NNW and have been traced over a strike length of 165 metres with individual vein widths varying from 0.2 to 2.5 metres.

In Victoria the acquisition of the Sebastian and Raywood tenements during the quarter has provided Austindo with a significant package of highly prospective exploration ground both north and south of the historic Bendigo goldfield. Much of the Sebastian-Raywood area is covered by younger sediments and has not been subjected to modern exploration techniques. Austindo has commenced work to compile and evaluate the substantial database comprising historic production and mining records and more recent geological and exploration data. Several geological features similar to Bendigo occur in the tenements and these will be investigated once analysis of the database is completed.

As part of the company's diversification into Australia, Austindo announced the appointment of Mr Ian Price as Managing Director and Chief Executive Officer in October. Ian will be based in Melbourne where he will oversee and advance the data compilation, target prioritisation and exploration of the newly acquired properties. Ian has more than 30 years experience working as a mining engineer in both underground and open cut mines and will bring the required operational and project development experience to the company. Mr John Carlile will step down as Managing Director, but will remain on the board as a non executive director and act as a consultant to the company. His exploration expertise and extensive knowledge of Indonesia will continue to provide a valuable contribution to progress at the Cibaliung gold project. Mr Bob Barton will also join the Austindo board as a non executive director. Bob has many years of commercial operating and management experience in South East Asia and Australia.

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

Results of the 1300 metre drill testing program on Havilah's Gawler Craton properties were assessed and incorporated into existing 3D models during the quarter.

A follow up downhole electromagnetic survey at Mattaweara is currently being interpreted by a geophysical consultant to determine whether an off-hole conductor exists. The large gravity high running roughly north-south through the project area at Pernatty has been confirmed by drilling as a buried ridge of prospective Gawler Craton basement rocks, rising to within 200 metres of the surface. Future work will concentrate on the mineralisation potential of this probable fault-bounded ridge, which will require further drilling on specific targets to be outlined by additional geophysical survey work.

An air-core drilling program has commenced on the recently acquired Mulyungarie project area in the Curnamona Craton. The program is designed to follow up and test gold anomalies identified in earlier reconnaissance drilling, within a Broken Hill age rock sequence that is considered to be highly prospective for the discovery of both gold and base metal deposits.

A short percussion drilling program at the Grainger prospect within the Parndana project area on Kangaroo Island is planned to commence in early December. The program will aim to determine the extent of encouraging zinc and gold mineralisation intersected in previous Mines Department drilling (including a best result of 5 metres @ 5.6% zinc and up to 1 g/t gold).



COPPERBELT SELECTION NL - AFRICA/COPPER (LION – 33%)

Copperbelt continues to monitor and assess opportunities for investment in Zambia and other African countries.

AUSTMINEX NL – VICTORIA & NSW/COPPER & ZINC (LION – 17%)

Current exploration at the Benambra base metals project is focused on regional geochemical targets. Limited fieldwork was carried out during the quarter due to poor weather conditions.

Twenty eight shallow holes drilled on the Reedy Creek property, 50 kilometres west of Orange in New South Wales, have highlighted three zones of mineralisation within a 200 metre wide structural corridor. Best results include:

Hole	From (m)	To (m)	Interval (m)		Cu (%)	Pb (%)	Zn (%)	Ag (ppm)	Au (ppm)
RCR-003	9	26	17	@	0.38	-	0.12	-	-
incl	21	26	5	@	0.70	-	0.18	7	-
RCR-004	4	21	17	@	0.99	0.11	0.26	12	-
incl	11	17	6	@	1.43	0.16	0.38	16	-
RCR-009	25	38	13	@	0.10	0.26	0.28	-	1.7
incl	25	31	6	@	0.13	0.26	0.12	-	3.09
RCR-010	4	30	26	@	0.18	0.42	0.23	-	0.31

All of the better holes terminated in mineralisation, often with the best grades at the bottom of the hole. Austminex will continue drill testing the mineralised corridor during the next quarter.

An Induced Polarisation survey on the Mundoe property in the Cobar Basin in NSW has outlined a new anomaly, coincident with a copper geochemical anomaly that was outlined by geochemical drilling earlier in the year. The anomaly extends from a weak zone to the south where previous drilling intersected 12 metres containing 1.09% copper and 60 g/t silver at a depth of 105 metres. Drill testing of this new northern zone will be planned.

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

African Lion (AFL) continued to actively invest throughout the quarter and investments by the fund now total US\$20.3 million (previously US\$15.7 million).

A new investment of US\$2 million was made in Resolute Mining Limited, a gold producer in both Tanzania (Golden Pride mine) and Ghana (Obotan mine).

As a result of the 1:3 rights issue by Spinifex Gold Limited, underwritten by both AFL and Lion, an additional investment of US\$2.5 million was made by AFL.

AFL is continuing to evaluate new opportunities for further investment in Africa.



AFL Investment	Country / Activity	AFL Holding %	Amount Invested US\$m	Market Value or Cost of Unlisted* US\$m
At 31/10/02				
Unlisted Investments				
Albidon	Africa – junior explorer	20.0	0.5	0.5
Copperbelt Selection	Africa - copper	33.0	0.2	0.1
East African Gold Mines	Tanzania - gold	6.1	5.1	5.1
Listed Investments				
Afriore	South Africa – anthracite	11.8	1.0	1.3
Equinox Resources	Zambia – copper	4.4	0.2	0.3
Gallery Gold	Botswana - gold	10.6	1.7	2.4
LionOre International Mining	Botswana – nickel	0.6	1.7	1.9
Namco Minerals Corp	Namibia – diamonds		1.0	0.2
Red Back Mining	Ghana – gold	13.3	2.0	2.4
Resolute Mining	Tanzania/Ghana - gold	3.1	2.0	1.9
Spinifex Gold	Tanzania - gold	25.5	4.8	4.5
Total Investments			20.3	21.2
Net Cash				1.0
Total Net Assets				22.2
Funds to be drawn				10.4

*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:	\$0.89
Quarter High:	\$1.05	Quarter Low:	\$0.83
Volume traded:	21.9 million shares	NAV after tax:	\$1.17

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