

BEACON MINERALS LIMITED
ABN 64 119 611 559

PROSPECTUS

For a renounceable pro rata offer to Shareholders of approximately 235.4 million New Shares and 235.4 million free attaching New Options on the basis of three new shares and three free options for every one Existing Share at an issue price of 0.5 cents per New Share to raise a maximum of \$1.2 million before issue costs

Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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SUMMARY OF IMPORTANT DATES

Shares quoted ex- Rights and Rights trading commences on ASX	10 February 2009
Record date to determine Entitlement	16 February 2009
Prospectus with Entitlement and Acceptance Form dispatched	17 February 2009
Last day of Rights trading	24 February 2009
Closing date for acceptances	3 March 2009
Allotment and issue of New Shares and New Options	12 March 2009
Dispatch of shareholding statements	12 March 2009
Trading of New Shares and New Options expected to commence	12 March 2009

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates.

1 INVESTMENT HIGHLIGHTS

Focus on a single highly prospective gold project at Barlee

- **Barlee**
 - **Low sovereign risk**
 - **Minimal drilling completed**
 - **Impressive high grade shallow depth gold intersections**
 - **New geophysical data interpretation identifying 23 priority targets**
 - **Ore body open at depth**
 - **Large under explored greenstone region**
- **Conservation of capital**
 - **by review of corporate overheads**
 - **divestment of Company assets in Kyrgyzstan and Queensland**

An investment in the Company is not risk free and investors should consider the risk factors described below in Section 9, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

IMPORTANT NOTES

This Prospectus is dated 6th February 2009 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the Securities to be granted quotation on ASX.

This Prospectus does not constitute an offer in any place in which or to any person to whom it would not be lawful to make such an offer. Refer to **Section 4.9** for treatment of overseas shareholders. Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

2 CORPORATE DIRECTORY

Directors

Mr Matthew Egan
(Chairman, Director)

Mr Darryl Harris
(Managing Director)

Mr Paul Lloyd
(Director)

Mr John Hebenton
(Director)

Company Secretary

Mr Paul Lloyd

Auditors

HLB Mann Judd
15 Rheola Street
West Perth WA 6005

Registered Office

30 Ledger Road
Balcatta WA 6021

Principal Office

Level 2, 46 Ord Street
West Perth WA 6005

Telephone: (08) 9476 9200

Facsimile: (08) 9476 9099

ASX Codes: BCN, BCNO

ABN: 64 119 611 559

Share Registry

Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009

Telephone: (08) 9389 8033

Solicitors

Murcia Pestell Hillard
Level 3, 23 Barrack Street
Perth WA 6000

Web Address

www.beaconminerals.com

3 MANAGING DIRECTOR'S LETTER

6 February 2009

Dear Shareholder,

Your Directors are pleased to offer you an opportunity to participate in Beacon Minerals Limited's renounceable Rights Issue to raise approximately \$1.2 million (before costs).

The Rights Issue includes a facility to allow shareholders, should they wish, to apply for additional new Securities beyond their initial entitlement. Final allocation of those additional Securities will be at the Company's discretion.

The capital raising will enable the Company to continue exploration and development of its highly prospective gold tenement at Barlee, 200 kilometres north of Southern Cross. Shallow drilling (only 4% of holes more than 100 m depth) on less than 4% of the exploration licence area has produced numerous shallow depth, high grade gold intersections including:

- **27m @ 36.4 g/t**
- **15m @ 11.5 g/t**
- **11m @ 24.9 g/t**

Recent interpretation of geophysical data has identified 23 high priority targets. In addition to these highly prospective targets the ore body remains to be tested on extension at depth.

In addition, to conserve working capital the Company is reviewing corporate overheads and conducting discussions to divest itself of assets including the Kyrgyzstan tenements and tenements in Queensland.

This capital raising will not only provide working capital but will permit the Company to develop this largely unexplored greenstone belt in the Barlee region, as market conditions and gold price dictates, with the objective of proving up enough resource to support a profitable mine development.

The proceeds of the Rights Issue will enhance the future of the Company and on behalf of the Board, I invite you to consider the contents of this Prospectus and encourage you to participate in the Rights Issue.

Yours sincerely,



Darryl Harris

Managing Director

4 DETAILS OF THE OFFER

4.1 The Issue

A renounceable pro rata entitlements issue to Shareholders of 235,410,684 New Shares and 235,410,684 New Options on the basis of three New Shares plus three free attaching New Options for every Existing Share held as at the Record Date at an issue price of 0.5 cents each to raise \$1,177,053 before issue costs.

4.2 Underwriting

The Issue is not underwritten.

4.3 Entitlement to Rights Issue

Shareholders who are on the Company's Share Register at the close of business on the Record Date, being 5.00 pm WST on 16 February 2009 are eligible to participate in the Offer.

An Entitlement and Acceptance Form setting out your Entitlement to New Shares and New Options accompanies this Prospectus.

Eligible Shareholders may apply for Additional New Securities in accordance with **Section 4.4** of this Prospectus.

4.4 Applying for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for additional New Shares and New Options regardless of the size of their present holding.

Entitlements not taken up may become available as Additional New Securities. It is possible, particularly if there is an active Rights trading market, that there will be few or no Additional New Securities available for issue.

The Company reserves the right to scale back any applications for Additional New Securities in their absolute discretion.

It is an express term of the Offer that applicants for Additional New Securities will be bound to accept a lesser number of Additional New Securities allocated to them than applied for if a lesser number is allocated to them. In that event excess application money will be refunded without interest.

4.5 Rights Trading

The Rights to Securities are renounceable, which enables Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement. Trading of Rights on the ASX is expected to commence on 10 February 2009 and end on 24 February 2009.

4.6 Acceptances

This Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in **Section 7** and on the Application Form which accompanies this Prospectus.

4.7 Allotment and Application Money

All Eligible Shareholders who accept the Offer will receive their Entitlement in full.

New Shares and New Options will be issued only after all Application Money has been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected that New Shares and New Options will be issued on 12 March 2009 and trading of the New Shares and New Options on ASX is expected to commence on 12 March 2009.

All Application Money received before New Shares and New Options are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Shares and New Options are issued to Applicants, the balance of funds in the account plus accrued interest will be received by the Company.

If the New Shares and New Options are not quoted by ASX within three months after the date of this Prospectus, the Company will refund all Application Money in full.

4.8 Issue Outside Australia and New Zealand

This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Issue. Residents of countries outside Australia should consult their professional adviser as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application for Securities on the basis of this Prospectus. No action has been taken to register or qualify the Securities or the Issue or otherwise to permit an offering of the Securities in any jurisdiction outside Australia and New Zealand.

4.9 Treatment of Overseas Shareholders

The Offer in this Prospectus is not being extended to any Shareholder, as at the Record Date, whose registered address is not situated in Australia or New Zealand because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand. The Prospectus is sent to those Shareholders for information only.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia (other than to Eligible Shareholders).

The Company has appointed Patersons Securities Limited as nominee to sell the Non-qualifying Foreign Shareholders' Rights. The nominee will only sell those Rights if there is a viable market in those Rights and a premium over the expenses of sale can be obtained.

Any such sale will be at a price and be conducted in a manner that the nominee will determine in its absolute discretion.

The proceeds of sale (in Australian dollars) will be distributed to the Non-qualifying Foreign Shareholders for whose benefits the Rights have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and distributing of the proceeds), save that individual amounts of less than \$10 will be retained by the Company.

Neither the Company nor the nominee will be liable for any failure to sell the Rights or to sell the Rights at any particular price. If there is no viable market for the Rights of the Non-qualifying Foreign Shareholders, their Entitlement will be allowed to lapse and the relevant New Shares will become Shortfall Shares, to be dealt with by the Company.

4.10 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Existing Shares which are on the same terms and conditions as the New Shares, during the three months immediately preceding the lodgement of this Prospectus with the ASIC and the last market sale price on the date before the lodgement date of this Prospectus, are set out below.

	3 months high	3 month low	Last market sale price (on 4 February 2009)
Existing Shares	6.0 cents on 3 November 2008	1.0 cent on the 3 February 2009	1.5 cents

4.11 Opening and Closing Dates

The Issue will open for receipt of acceptances on 17 February 2009 and will close on 3 March 2009, subject to the right of the Company to vary these dates.

4.12 Rights and Liabilities attaching to the New Shares

The New Shares will rank equally for dividends and in all other respects (eg voting, bonus issues) as Existing Shares.

A summary of the rights and liabilities attaching to the New Shares and the New Options are set out in **Section 8**.

4.13 Minimum Subscription

There is no minimum subscription.

4.14 Applications for Shortfall Shares

The Company reserves the right to place any New Shares, which are not taken up by Shareholders under the Rights Issue within 3 months after the Closing Date. Those New Shares will be issued at the same issue price as offered to Shareholders under the Rights Issue. Free attaching New Options will be granted on the same basis as offered to Shareholders under the Rights Issue. An application to participate in any Shortfall may be made by an Eligible Shareholder except that the Directors may not participate in any Shortfall. The offer to participate in the Shortfall is also open to the public.

The offer of any Shortfall is a separate offer made pursuant to this Prospectus and will remain open for up to 3 months following the Closing Date.

If applicants wish to participate in any Shortfall that may arise under the Rights Issue, they should complete the Shortfall Application Form attached to this Prospectus and lodge the Shortfall Application Form together with the relevant Application Monies with the Share Registry.

Cheques should be made payable to “**Beacon Minerals Limited – Issue Account**” and crossed “Not Negotiable”.

The Directors do not guarantee that any Shortfall Application will be successful. If a Shortfall Application is not accepted (whether in whole or in part) monies in relation to the New Shares applied for and not allocated will be refunded in full without interest within a reasonable time of notification of the Shortfall by the Company to ASX.

4.15 Enquiries

Any questions concerning the Issue should be directed to Mr Paul Lloyd, the Company Secretary, on (08) 9476 9200.

5 PURPOSE AND EFFECT OF THE ISSUE

5.1 Purpose of the Issue

The net funds raised from the issue of New Shares and New Options through the Offer after payment of all associated costs, are expected to provide the Company with net proceeds of approximately \$1.15 million in additional capital if valid applications for all of the Securities are received.

The purpose of the Offer is to raise funds for further exploration of the Barlee Gold Project and working capital.

The following table shows the proposed application of funds on the assumptions that none of the New Options are exercised before their expiry date and valid applications are received for all of the Securities. Actual expenditure incurred on the projects will depend on the results achieved.

Use of Proceeds of the Issue	Amount \$
Exploration	559,000
Working Capital	618,000
Expenses of the Offer	(28,000)
ESTIMATED TOTAL	1,149,000

There is no minimum subscription, so funds raised will first be applied to the expenses of the Issue and then the balance towards the other proposed uses of the funds in the proportions specified above. If less than adequate funds are raised to pay the expenses of the Issue, the Company will use existing cash resources to make these payments.

5.2 Effect of the Issue

The principal effect of the Issue will be that (assuming full subscription and no existing Options are exercised):

- (a) cash reserves will initially increase by up to a maximum of approximately \$1,149,000;
- (b) the number of Shares on issue will increase from 78,470,228 up to a maximum of 313,880,912; and
- (c) the number of Options on issue will increase from 68,021,932 up to a maximum of 303,432,616.

5.3 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Issue is set out below.

Capital Structure after Completion of Issue (assuming full subscription and no existing Options are exercised)

No. of Shares	
78,470,228	On issue at the date of this Prospectus
235,410,684	Issued pursuant to this Prospectus
313,880,912	Total Issued Capital

No. of Options	Expiry date	Exercise Price	No. Listed on ASX
On Issue at the Date of this Prospectus			
16,588,352	31 August 2010	\$0.20	16,588,352
6,000,000	31 May 2011	\$0.20	-
150,000	1 August 2012	\$0.27	-
45,283,580	31 August 2010	\$0.30	-
On Issue Following the Rights Issue			
16,588,352	31 August 2010	\$0.20	16,588,352
6,000,000	31 May 2011	\$0.20	-
150,000	1 August 2012	\$0.27	-
45,283,580	31 August 2010	\$0.30	-
235,410,684	31 August 2010	\$0.01	235,410,684

5.4 Effect on the Company's Financial Position

Set out below for illustrative purposes is the historical Consolidated Balance Sheet as at 31 December 2008 (unaudited) and an unaudited Pro Forma Consolidated Balance Sheet as at 31 December 2008 after the Rights Issue. The Balance Sheet has been prepared on the basis of the accounting policies normally adopted by the Company and on the assumption of full subscription for the Securities.

	31 December 2008 (Unaudited) \$	31 December 2008 (Unaudited pro forma) \$
Current Assets		
Cash and cash equivalents	221,729	1,370,782
Trade and other receivables	211,083	211,083
Total current assets	432,812	1,581,865
Non Current Asset		
Plant & equipment	17,800	17,800
Exploration and evaluation expenditure	-	-
Investments	65,000	65,000
Total non current assets	82,800	82,800
Total Assets	515,612	1,664,665
Current Liabilities		
Trade and other payables	53,788	53,788
Total current liabilities	53,788	53,788
Non Current Liabilities		
Borrowings	1,500,000	1,500,000
Total non current liabilities	1,500,000	1,500,000
Total Liabilities	1,553,788	1,553,788
Net Assets	(1,038,176)	110,877
Equity		
Contributed Equity	3,496,700	4,645,753
Retained losses	(4,534,876)	(4,534,876)
Total Equity	(1,038,176)	110,877

Assumptions for Unaudited Pro Forma Consolidated Balance Sheet

The unaudited proforma Consolidated Balance Sheet set out above, represents the unaudited Balance Sheet as at 31 December 2008 (on the assumption of full subscription for the Securities) adjusted for the following transactions:

- The issue of 235,410,684 New Shares and 235,410,684 New Options issued in accordance with this Prospectus;
- Payment of estimated costs in relation to this Prospectus of \$28,000 offset against contributed equity;
- Exploration and evaluation expenditure has been written off for all projects as there is uncertainty that the Company will be able to raise adequate capital in the future to satisfactorily explore and evaluate the projects. The Directors remain committed to the Barlee Gold project.

6 COMPANY OVERVIEW AND PROJECTS

Beacon is a diversified mineral explorer with gold, base metal and industrial minerals projects in Krygyzstan and Australia.

Australia

6.1 Barlee Gold Project – Western Australia

The Company has enjoyed recent success at the Barlee Gold Project located 200 kilometres north of Southern Cross in Western Australia. Shallow high grade gold intersections have been received from RC drilling at several prospects including Halleys East, Phil and Buddy.

The Barlee Project covers over 400 square kilometres of highly prospective Greenstone terrain that remarkably has received little, systematic modern day exploration. In some respects the area can be considered to be a 'forgotten greenstone belt'.

Beacon have purchased 80% of the rights for all commodities other than iron ore for EL77/1297, with the vendor, Duketon Consolidated Ltd having the option to contribute on a percentage basis or dilute to a 10% free carried interest if a positive Bankable Feasibility Study be completed. Beacon holds 100% of all commodities in ELA77/1343 and 1392. The tenements are considered prospective for gold as well as calcrete-hosted uranium and nickel sulphide mineralisation.

The project is located within the Archaean Southern Cross Province, a multi-million ounce gold province, some 200 kilometres north of the town of Southern Cross. The area hosts several large gold deposits which have been or are being considered for mining. The Company believes that the project is highly prospective for structurally controlled, mesothermal gold mineralisation.

Beacon has completed approximately 15,000 metres of shallow Aircore and 9,000 metres of RC drilling testing the Company's newly interpreted exploration model. This model assumes that gold mineralisation is hosted with north easterly trending shear zones associated with mafic, ultramafic and porphyritic rocks. The Company believes that the drilling has verified the model, with selected RC drilling gold results listed below;

Significant results to date include;

- **27m @ 36.4 g/t (inc. 3m @ 114.8 g/t, 2m @ 121.8 g/t and 2m @ 85.2 g/t)**
- **15m @ 11.5 g/t (inc. 2m @ 29.5 g/t and 4m @ 20.6 g/t)**
- **11m @ 24.9 g/t (inc. 2m @ 32 g/t and 3m @ 64.7 g/t)**
- **19m @ 4.9 g/t (inc. 2m @ 28.7 g/t)**
- **9m @ 3.7g/t (inc. 3m @ 9.5 g/t)**
- **5m @ 26.6 (incl.2m @ 59.5 g/t)**
- **8m @ 6.6 g/t (inc. 2m @ 18.5 g/t)**
- **5m @ 4.6 g/t (inc. 2m @ 9.0 g/t)**
- **5m @ 7.0 g/t EOH (inc. 2m @ 15.6 g/t)**

- **5m @ 4.9 g/t (inc. 1m @ 10.6 g/t)**
- **14m @ 3.7 g/t**
- **3m @ 6.3 g/t (inc. 1m @ 17.4 g/t)**
- **2m @ 10.8 g/t EOH**

6.2 Greenvale Gold / Base Metals Project - Queensland

On 15 January 2008 Beacon withdrew from the Lucky Creek Joint Venture with Glengarry Resources. This JV where Beacon was earning an 80% interest covered over 195 square kilometres of ground in the Greenvale region. Other tenements owned by Beacon in the region were reviewed for prospectivity and will be relinquished in the coming quarter.

Kyrgyzstan

The Kyrgyzstan projects are prospective, however given the current capital market conditions the Company is holding discussions to divest these interests in order to conserve capital raised and focus on the highly prospective Barlee gold tenement in Australia.

7 ACTIONS REQUIRED BY SHAREHOLDERS

7.1 What you may do

The number of Securities you are entitled to is shown on the accompanying Application Form. You may

- (a) subscribe for all of your Entitlement to Securities (refer to **Section 7.2**);
- (b) subscribe for all of your Entitlement to Securities and apply for Additional New Securities (refer to **Section 7.3**);
- (c) sell all or part of your Entitlement to Securities on the ASX (refer to **Section 7.4**);
- (d) subscribe for part of your Entitlement and sell the balance on the ASX (refer to **Section 7.5**);
- (e) subscribe for part of your Entitlement and allow the balance to lapse (refer to **Section 7.6**);
- (f) transfer all or part of your Entitlement to another person other than on ASX, with or without taking up the balance (refer to **Section 7.7**); or
- (g) not subscribe for any of your Entitlement and allow it to lapse (refer to **Section 7.8**).

7.2 If you wish to subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Application Form in accordance with the instructions set out in that form. The Application Form sets out the number of Securities you are entitled to. The completed Application Form must be accompanied by a cheque or bank draft made payable to “Beacon Minerals Limited – Issue account” and crossed “Not Negotiable” for the appropriate Application Monies in Australian dollars calculated at 0.5 cents per New Share and New Option accepted, and received by the Share Registry at either of the following addresses by no later than 5.00 pm (WST) on 3 March 2009. The Company will present the cheque or bank draft on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

If the amount of your cheque(s) or bank draft(s) for Application Monies (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of Securities you have applied for in your Application Form, you may be taken to have applied for such lower number of Securities as your cleared Application Monies will pay for (and to have specified that number of Securities in your Application Form) or your Application may be rejected.

Street Address:	Postal Address:
Advanced Share Registry Services 150 Stirling Highway Nedlands WA 6009	Advanced Share Registry Services PO Box 1156 Nedlands WA 6909

An addressed envelope is enclosed for your convenience. A postage stamp is required.

7.3 Applications for Additional New Securities

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Securities regardless of the size of their present holding. Refer to **Section 4.4** if you wish to apply for Additional New Securities.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Securities you wish to apply for as stated on the Application Form.

7.4 If you wish to sell all or part of your Entitlement on ASX

If you wish to sell all or part of your Entitlement on ASX, complete the section headed "Instructions to your Stockbroker" on the accompanying Application Form, and forward it to your stockbroker as soon as possible.

Trading of Rights will commence on ASX on 10 February 2009. Sale of your Rights is only able to be completed on or before 2.00 pm (WST) on 24 February 2009 when Rights trading ceases.

In dealing with the completed Application Form, your stockbroker will act on your behalf. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

Applicants buying Rights on ASX will need to pay the Application Monies to take them up and should follow the directions of their stockbroker.

7.5 If you wish to subscribe for part of your Entitlement and sell the balance on ASX

If you wish to subscribe for part of your Entitlement and sell the balance on ASX, complete the accompanying Application Form, including the section headed "Instructions to your Stockbroker", in accordance with the instructions set out on that form and forward to your stockbroker, together with your cheque or bank draft for the Application Monies for the Securities for which you wish to subscribe as soon as possible.

Your stockbroker will need to ensure that the completed Application Form reaches the Share Registry by 5.00pm (WST) on 3 March 2009.

Trading of Rights will commence on ASX on 10 February 2009. Sale of your Rights is only able to be completed on or before 2.00 pm (WST) on 24 February 2009 when Rights trading ceases.

In dealing with the completed Application Form, your stockbroker will act on your behalf. The Company accepts no responsibility for any failure by your stockbroker to carry out your instructions.

Persons buying Rights on ASX will need to pay the Application Monies to take them up and should follow the directions of their stockbroker.

7.6 If you wish to subscribe for part of your Entitlement and allow the balance to lapse

If you wish to subscribe for part of your Entitlement and allow the balance to lapse, complete the accompanying Application Form stating the number of Securities you wish to subscribe for in accordance with the instructions set out on the Entitlement and Acceptance Form. The completed Application must be accompanied by a cheque or bank draft for the appropriate Application Monies calculated at 0.5 cents per New Share and New Option you wish to accept, and received by the Share Registry by no later than 5.00 pm (WST) on 3 March 2009.

7.7 If you wish to transfer all or part of your Entitlement to another person other than on ASX

If you are a Shareholder, hold Shares registered on the issuer sponsored sub-register and wish to transfer all or part of your Rights to another person other than on ASX, send a completed standard renunciation form (obtainable from your stockbroker or the Share Registrar) signed by both you (as seller) and the buyer, together with your Application Form completed by the transferee and the transferee's cheque or bank draft for the appropriate Application Monies calculated at 0.5 cents per New Share and New Option they wish to accept, to reach the Share Registry by no later than 5.00 pm (WST) on 3 March 2009.

If you are a Shareholder, hold Shares registered on CHESS and wish to transfer all or part of your Entitlement to another person other than on ASX, you should contact your sponsoring participant.

Applicants accepting a transfer of Entitlements as referred to above will need to pay the Application Monies to take them up.

7.8 Entitlements not subscribed for

If you are a Shareholder and do not wish to accept all or part of your Entitlement, you are not obliged to do anything. You should, however, consider renouncing (selling) your Rights rather than allowing them to lapse. Entitlements to Securities not accepted will form part of the Shortfall which will be dealt with by the Company, and you will receive no benefit.

It is therefore important that, if you wish to receive a benefit, you take action either to accept or sell your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement or choose not to renounce (sell) any of your Rights.

8 RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

The following is a summary of the more significant rights and liabilities attaching to Securities to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Securities are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

8.1 Shares

(a) Share Capital

All issued Shares rank equally in all respects.

(b) Voting Rights

At a general meeting of the Company, every holder of Shares present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for each Share held. Where there is an equality of votes, the chairperson has a casting vote.

(c) Dividend Rights

Subject to the rights of holders of shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the Shareholders in proportion to the Shares held by them respectively, according to the amount paid up (not credited) as paid up on the Shares.

(d) Rights on Winding-Up

Subject to the rights of holders with shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the shares held by them respectively, accordingly to the amount paid up or credited as paid up on the share.

(e) Transfer of Shares

Shares in the Company may be transferred by instrument in any form which complies with the Company's constitution, the Corporations Act, ASX Listing Rules and SCH Business Rules.

Shares may be transferred by such means in accordance with ASX Listing Rules and the SCH Business Rules. The Directors may refuse to register a transfer of shares only in those circumstances permitted by the Company's constitution, ASX Listing Rules and SCH Business Rules.

(f) Further Increases in Capital

The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's constitution, ASX Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those shares to such persons, with such rights or restrictions as they may from time to time determine.

(g) Variation of Rights Attaching to Shares

Where shares of different classes are issued, the rights attaching to the shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those shares of that class, or with the written consent of the holders of at least three quarters of the issued shares of that class.

(h) General Meeting

Each holder of shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to shareholders under the Company's constitution, the Corporations Act and ASX Listing Rules.

8.2 Options

The New Options issued pursuant to this Prospectus will be issued on the following terms and conditions:

- (a) the Options may be exercisable at any time prior to 5:00pm WST on 31 August 2010 (Expiry Date). Options not exercised on or before the Expiry Date will automatically lapse;
- (b) the exercise price of each Option is 1 cent;
- (c) the Options may be exercised wholly or in part by completing an application form for Shares (Notice of Exercise) delivered to the Company's share registry and received by it any time prior to the Expiry Date;
- (d) the Company will apply to ASX to have the Options granted Official Quotation;
- (e) other than as specified in (i) and (j) below an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (f) upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be allotted and issued a Share ranking pari passu with the then issued Shares. The Company will apply to ASX to have the Shares granted Official Quotation;
- (g) a summary of the terms and conditions of the Options, including the Notice of Exercise, will be sent to optionholders when the initial holding statement is sent;
- (h) there will be no participating entitlement inherent in the Options to participate in any new issues of capital which may be offered to Shareholders during the

currency of the Options without exercising the Options. Prior to any new pro rata issue of securities to Shareholders, optionholders will be notified by the Company in accordance with the requirements of the ASX Listing Rules;

- (i) if the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2;
- (j) if any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an option holder are to be changed in a manner consistent with the ASX Listing Rules;
- (k) the Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for the transfer of options at any time until 31 August 2010, subject to any restrictions which may be imposed by ASX; and
- (l) Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the date of the Notice of Exercise.

9 RISK FACTORS

9.1 General

An investment in the Company is not risk free and investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

9.2 Mining and Exploration Risks

The primary business of the Company is exploration for, and commercial development of, mineral ore bodies, which is subject to the risks inherent in these activities. Its operations are still in the exploratory phase. The current and future operations of the Company may be affected by a range of factors, including:

- geological conditions
- limitations on activities due to seasonal weather patterns
- alterations to joint venture programs and budgets
- unanticipated operational and technical difficulties encountered in trenching, drilling, development, production and treatment activities
- mechanical failure of operating plant and equipment
- adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events
- unavailability of drilling and other equipment
- unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour
- prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals, or native title issues
- risks of default or non-performance by third parties providing essential services.

No assurance can be given that exploration will be successful or that a commercial mining operation will eventuate.

The ultimate success and financial viability of the Company depends on the discovery and delineation of economically recoverable ore reserves, design and construction of efficient mining and processing facilities, and competent operational and managerial performance. There is no assurance that exploration and development of the mineral interests held by the Company (which are all at an exploration stage), or any other projects that may be acquired by the Company in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Development of a commercial mining operation is also dependent on the Company's ability to obtain necessary titles and governmental and other regulatory approvals.

9.3 Metal Market Conditions

The Company's ability to benefit from any future mining operations will depend on market factors, some of which may be beyond its control. The world market for gold and other minerals is subject to many variables and may fluctuate markedly.

9.4 Environmental Risks

The Company's projects are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous waste and materials. The Company may be required to comply from time to time with environmental management issues that arise from factors beyond its control.

9.5 Changes in Government Policy

Adverse changes in government policies or legislation in Australia, Kyrgyzstan and other jurisdictions in which the Company may operate from time to time affecting foreign ownership of mineral interests, taxation, profit repatriation, royalties, land access, labour relations, and mining and exploration activities may affect the operations of the Company.

9.6 Legal Risk

The introduction of new legislation or amendments to existing legislation by governments, developments in the existing common law in any jurisdiction which governs the Company's operations or contractual obligations, could impact adversely on the assets, operations and the financial performance of the Company.

9.7 Regulatory Approvals

The Company will require government regulatory approvals for its operations and facilities installations. This may from time to time affect timing and scope of work to be undertaken.

9.8 Access

The Company, in order to conduct its exploration and development programs, may require approval from government and non-government bodies to facilitate access to blocks and leases in which it has an interest.

9.9 General Economic Conditions

Factors such as inflation, currency fluctuations, interest rates, supply and demand, industrial disruption, government policy and legislation, have an impact on operating costs, commodity prices, and the parameters in which the Company operates. Factors that may be beyond the control of the Company include:

- general economic conditions in Australia and the countries in which the Company operates and, in particular, inflation rates, interest rates, exchange rates, commodity supply and demand factors;

- financial failure or default by a participant in any of the joint ventures or other contractual relationship to which the Company is, or may become, a party;
- insolvency or other managerial failure by any of the contractors used by the Company in its activities; and
- industrial and landholder disputes.

These as well as other conditions can affect the Company's future revenues and profitability and the price of its securities.

9.10 Tenement Title Risks

Mineral licences are granted subject to various conditions including, but not limited to, work and expenditure conditions. Failure to comply with these conditions may expose the licences to forfeiture.

All of the licences in which the Company has an interest will be subject to application for renewal from time to time. The renewal of the term of each licence is subject to the applicable legislation in the relevant jurisdiction. If a licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence.

9.11 Share Market Conditions

The price of the Company's listed securities quoted on the ASX will be influenced by international and domestic factors affecting conditions in equity, financial and commodity markets. These factors may affect the general level of prices for listed securities of resource and exploration companies quoted on the ASX.

9.12 Competition

The Company will be competing with other companies in its exploration and development activities, many of which will have access to greater resources than the Company and may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

9.13 General Investment Risks

There is a risk that the price of Shares and returns to Shareholders may be affected by changes in:

- local and world economic conditions;
- interest rates;
- levels of tax, taxation law and accounting practice;
- government legislation or intervention;
- inflation or inflationary expectations; and
- natural disasters, social upheaval or war in Australia or elsewhere, as well as other factors beyond the control of the Company.

9.14 Specific Risks Associated with the Company

There are also a number of specific risks associated with the Company which may adversely affect the Company's financial position, prospects and price of its listed

securities. In particular, the Company is subject to risks relating to the exploration and development of minerals which are not generally associated with other businesses.

Set out below are specific risks that may adversely affect the Company:

(a) Insurance

Insurance against all risks associated with exploration and mining is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

(b) Reliance on Key Personnel

The Company's success will depend in part on the continued services of its Directors, key employees and contractors. The loss of services of one or more of the Company's key employees or contractors could have a material adverse effect on the Company's business, operating results and financial condition.

(c) Need to Attract Qualified Staff

The Company's future success will in part depend on its ability to hire and train suitable staff. Competition for such personnel is intense and there can be no assurance that the Company will be successful in attracting and retaining such personnel.

(d) Acquisitions

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies and/or assets. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies and assets.

(e) Future Capital Needs and Funding

Further funding will be required by the Company to support future activities and operations for other matters additional to the expenditures set out in this Prospectus. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain finance will adversely affect the business and financial condition of the Company and, consequently, its performance.

These future capital needs also include the ability of the Company to repay the loan of \$1,500,000 which is repayable to Kyla Pty Ltd on 25 September 2010 and is secured by a mortgage registered against the Barlee tenements. See Section 10.2.

(f) Divestment of Kyrgyzstan interests

The Company intends to divest the Company's interest in the various Kyrgyzstan projects and there may be risks and costs associated with this divesting which are currently unknown or unable to be determined until the full extent of the process is ascertained.

10 ADDITIONAL INFORMATION

10.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in Section 111 AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Securities which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2008 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus; and
 - (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements

referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2008 audited financial statements:

Date	Description of Announcement
January 30th 2009	December 2008 Quarterly Report and Cash flow
December 1st 2008	Change of Director's Interest Notice
November 27th 2008	Results of Meeting
October 24th 2008	Annual Report to Shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

10.2 Material Contracts

The Directors consider that the material contracts described below and elsewhere in this Prospectus are the contracts which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of the Offer.

The following is a summary only of the material contracts and their substantive terms.

Loan Agreement with Kyla Pty Ltd

The Company entered into a loan agreement with Kyla Pty Ltd on 19 September 2008 by which Kyla Pty Ltd provided a loan facility of \$1,500,000 to the Company. The Company has drawn down the full amount for working capital and the costs of exploration in Kyrgyzstan and Australia.

Interest at the rate of 10.5% per annum is capitalised monthly and is payable, together repayment of the principal, on 25 September 2010 subject to no events of default occurring prior to that date, in which event all monies become immediately due and payable.

The moneys outstanding under the loan agreement are secured by a first registered mortgage over the 3 tenements which comprise the Barlee Gold Project.

Normal default provisions for this type of commercial lending transaction are contained in the loan agreement and mortgage. These provisions provide that if the Company fails to pay all monies outstanding by the due date or following the occurrence of an event of default the mortgagee may exercise a power to sell the tenements and apply the proceeds of sale towards the monies outstanding under the loan agreement inclusive of the principal sum, interest and the costs incurred by the mortgagee in exercising its rights. If those sale proceeds are sufficient the Company will continue to be liable for the outstanding balance.

Consultancy Services Agreements – TSW Analytical Pty Ltd

The Company has engaged TSW Analytical Pty Ltd to provide analytical consulting services to the Company for the period to April 2009 with an amount of \$24,800 (plus GST) payable for these services to the end of the engagement. These costs will be paid out of the funds raised by the Offer.

10.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Issue of Securities pursuant to this Prospectus; or
- (c) the Issue of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or Issue of Securities pursuant to this Prospectus.

Directors' interests in Securities of the Company at the date of this Prospectus are:

Name	Shares	Options
Matthew Egan (Non-executive Chairman)	1,521,947	635,974 expiring 31 August 2010 (20 cents) 2,000,000 expiring 31 May 2011 (20 cents)
Darryl Harris (Managing Director)	854,000	2,300,000 expiring 31 August 2010 (30 cents)
Paul Lloyd (Executive Director)	4,330,000	2,751,577 expiring 31 August 2010 (20 cents) 2,000,000 expiring 31 May 2011 (20 cents)
John Hebenton (Non-executive Director)	80,000	500,000 expiring 31 August 2010 (30 cents)

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Non-executive Directors and in default of agreement then in equal shares. In the two years preceding lodgement of this Prospectus, \$675,459 (excluding GST where applicable) has been paid or is payable by the Company by way of remuneration for services provided by all Directors, companies associated with the Directors or their associates in their capacity as Directors, employees, consultants or advisers. This remuneration includes the value attributable to options granted to the Directors by virtue of their position. Directors, companies associated with the Directors or their associates are

also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

10.4 Interests and Consents of Experts and Advisers

The following parties have given (and not before the date of this document withdrawn) their consent to be named in this document in the form and context in which they are named:

- Patersons Securities Limited, in the capacity of nominee;
- HLB Mann Judd, in the capacity of auditors of the Company; and
- Murcia Pestell Hillard, in the capacity of solicitors to the Company.

References to Advanced Share Registries Pty Ltd as share registry to the Company appear for information purposes only.

Each of Patersons Securities Limited, HLB Mann Judd and Murcia Pestell Hillard:

- has not authorised or caused the issue of this Prospectus;
- has not made any statement in this Prospectus, or any statement on which a statement in this Prospectus is based, except where expressly stated above;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of or omissions from this Prospectus other than a reference to its name and except where expressly stated above; and
- was not involved in the preparation of the Prospectus or any part of it except where expressly attributed to that person.

Murcia Pestell Hillard are entitled to be paid approximately \$10,000 for advice and assistance in relation to certain aspects of this Prospectus, assisting the Company in relation to its due diligence regime and enquiries and application for quotation of the Securities on ASX.

No expert, nor any firm of which such expert is a partner, has or had in the past two years any interest in the promotion or formation of the Company or in property proposed to be acquired by the Company, nor have any amounts been paid or agreed to be paid (whether in cash, shares or otherwise) to an expert or to a firm in which an expert is a partner for services rendered by the expert in connection with the promotion of the Company other than set out below.

HLB Mann Judd has been paid or is due a total of \$34,060 for services provided in the 24 months preceding lodgement of this Prospectus. This amount was paid for the provision of professional services in relation to the auditing of the financial statements of the Company and associated parties at normal commercial rates.

Murcia Pestell Hillard has been paid a total of \$18,654 in the 24 months preceding lodgement of this Prospectus for the provision of professional services to the Company.

10.5 Estimated Expenses of Issue

The estimated expenses of the Issue are as follows:

	\$
Legal	10,000
Other expenses	18,000
Total	<u>28,000</u>

10.6 Electronic Prospectus

A copy of the Prospectus can be downloaded from the website of the Company at www.beaconminerals.com

The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to a hard copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a hard copy of the Prospectus free of charge by contacting the Company.

10.7 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or through the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the SCH Business Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

10.8 Substantial Shareholders

It should be noted that the shareholding of the Company includes several major shareholders who received shares as part of the acquisition of all of the shareholding of Silcom Resources Ltd in 2008. The Company has not received substantial shareholder notices from these entities. For more information on the top 20 shareholders in the Company please refer to the Company's 2008 Annual Report.

10.9 Directors' Consent

Each Director has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Directors pursuant to a resolution of the Board.



Darryl Harris
Managing Director

Dated: 6 February 2009

11 GLOSSARY

Additional New Securities means New Shares and New Options in addition to an Eligible Shareholder's Entitlement for which an applicant makes an application.

Application Form means the Entitlement and Acceptance Form and the Shortfall Application Form attached to or accompanying this Prospectus.

Application Monies means monies received from persons applying for Securities pursuant to the terms of the Offer

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 51 008 624 691).

Business Day means a day on which trading takes place on the stock market of ASX.

CHESS means ASX Clearing House Electronic Sub-registry System.

Closing Date means 3 March 2009 or such other date as may be determined by the Directors under this Prospectus.

Company means Beacon Minerals Limited (ABN 64 119 611 559).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Commonwealth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or \$ means Australian dollars.

Eligible Shareholder means a Shareholder other than a Non-Qualifying Foreign Shareholder.

Entitlement means a Shareholder's entitlement to subscribe for Securities offered by this Prospectus.

Existing Share means a fully paid ordinary share in the capital of the Company.

Issue means the issue of Securities under this Prospectus.

Listing Rules or ASX Listing Rules means the Listing Rules of the ASX.

New Options means an option attached to a New Share to subscribe for one ordinary share in the Company at 1 cent on or before 31 August 2010, at the ratio of one New Option for every one New Share issued, to be listed on ASX.

New Shares means a fully paid ordinary share in the capital of the Company to be issued under this Prospectus.

Non-qualifying Foreign Shareholder means a Shareholder, whose registered address is not in Australia or New Zealand.

Offer means the offer of three New Shares for every one Existing Share held at the Record Date at an issue price of 0.5 cents per New Share with one free attaching New Option for every one New Share issued.

Option means an option to subscribe for a Share.

Prospectus means the prospectus constituted by this document.

Record Date means 16 February 2009.

Rights means the right to subscribe for New Shares (with New Options) under this Prospectus.

Rights Issue has the same meaning as the Offer.

Securities means the New Shares and New Options to be issued under this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share registered on the Record Date.

Shortfall Shares means New Shares and attached New Options for which successful valid applications have not been received by the Closing Date.

Shortfall Application means an application for Shortfall Shares.

Shortfall Application Form means the shortfall application attached to and forming part of this Prospectus.

WST means Western Standard Time.