AGD MINING LIMITED
(ABN 38 005 482 815)

PROSPECTUS

For an issue of 355,530,312 fully paid Ordinary Shares to shareholders at an issue price of 0.4 cents per Ordinary Share. Shareholders will be entitled to apply for one Ordinary Share for every four ordinary shares held on the record date.

The Company is proposing to consolidate its ordinary shares. If the consolidation is approved by shareholders, every 60 shares, including those issued under this Prospectus, will be consolidated into one share.

The consolidation will take effect following the closing of the issue. Shares will continue to trade on a pre-consolidation basis for approximately 15 days after the issue closes, and will then commence to trade on a consolidated basis.

The securities offered by this Prospectus are speculative in nature.

THE ISSUE CLOSES AT 5.00 pm WST ON 3 DECEMBER 2003.
AGD Mining Corporation Limited

Corporate Directory

Directors:

- James E. Askew (Chairman)
- Peter G. Himbeberg
- Peter E. Maher
- Roger Marshall

Secretary

Jurgen Debrodt

Registered and Principal Office:

9th Floor, 175 Collins Street
Melbourne, Vic, 3000
Tel: (03) 9663 5355
Fax: (03) 9650 0082
Email: agdmining@agdmining.com.au
Website: http://www.agdmining.com.au

Share Register:

Security Transfer Registrars Pty. Ltd.,
770 Canning Highway
Applecross, W.A. 6153
Tel: (61 8) 9315 0933
Fax: (61 8) 9315 2233

Stock Exchange Listing:

Australian Stock Exchange (ASX)
Code: AGZ

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This Prospectus is dated 31 October 2003. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission (“ASIC”) on 31 October, 2003. ASIC takes 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.
1 LETTER TO SHAREHOLDERS

Dear Shareholder

This prospectus sets out the terms and conditions of an underwritten offering of 355,530,312 fully paid ordinary shares to shareholders on the basis of one new share for every four shares currently held and at a price of 0.4c per share.

The Company expects to raise $1,422,121 before costs of the issue.

The funds will be used in part to acquire from Deepgreen Minerals Corporation Ltd ("Deepgreen") the 2% royalty Deepgreen holds on any future production by the Company from the Costerfield Project for $600,000 (subject to shareholders' approval). The balance will be used to provide additional working capital.

The Company recently entered into an agreement with The Swann Capital Group to raise up to $750,000 by the issue of notes that are redeemable or convertible into ordinary shares at 0.4c per share on or before 29 July, 2004. The funds raised by the issue of the notes are being utilised to complete a feasibility study into the development of the Augusta gold and antimony deposit in Central Victoria.

In return for subscribing for the notes, the note holders have been given an option to acquire a one-third interest in the general Costerfield leases, on which Augusta is located, and in the Company's land, treatment plant and equipment in the Costerfield area by providing funding of $2.5 million, including the amount required to redeem any notes then outstanding.

The funds raised by the note issue are expected to be sufficient to complete the feasibility study. The first phase of the study, drilling out the Augusta orebody and calculating the geological resource, has been completed. The independent consulting geologists, Continental Resource Management Pty Ltd, has calculated the undiluted geological resource of the Augusta deposit within ore blocks with a minimum dilution mining width greater than 1 metre as:

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnnes</th>
<th>Au (g/t)</th>
<th>Sb (%)</th>
<th>Gold (oz)</th>
<th>Sb (mtu)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated</td>
<td>72,830</td>
<td>31.16</td>
<td>15.53</td>
<td>72,960</td>
<td>1,131,380</td>
</tr>
<tr>
<td>Inferred</td>
<td>31,000</td>
<td>32.4</td>
<td>14.9</td>
<td>32,300</td>
<td>461,800</td>
</tr>
</tbody>
</table>

The second phase, developing a mining plan and examining various options for mining the deposit, is nearing completion. A third phase, metallurgical studies, have been commissioned with a view to maximising gold recovery at Costerfield and obtaining samples that can be used to trial market the proposed antimony concentrate production.

Permits are already in place allowing the Company to utilise its existing gold treatment plant and its tailings dams. Application has been made to the City of Greater Bendigo for a permit to sink a decline from land owned by the Company to access the Augusta orebody. Three objections have been lodged by nearby residents against the application.

Should The Swann note holders exercise their option to form a joint venture with the Company, their required contribution of $2.5 million, even if applied in full towards the development cost, is unlikely to be sufficient to meet the full development costs of the Augusta mine (which cannot be accurately determined until all phases of the feasibility study have been completed). After the The Swann expenditure, the remaining cost of development will be shared two-thirds by the Company and one-third by The Swann note holders.

Any funds not used by the Company to purchase the royalty will be utilised to meet administration costs and to meet part of the Company's share of expenditure on the development of the Augusta mine. It may be necessary to raise additional equity or loan funds to meet the Company's share of the mine development costs.

On behalf of the Board

James Askew
(Chairman)
2 DIRECTORS

James Edward Askew

Mr Askew is a mining engineer with Australian and international experience in mine development and operation, finance, consulting, contracting, software and mining equipment.

Peter George Hinneberg

Mr. Hinneberg is a director of a number of public and private companies, including Deepgreen Minerals Corporation Limited. Mr. Hinneberg is a lawyer by training and specialises in venture capital, public company listings and equity raising.

Peter Edward Maher

Mr. Maher has over 30 years’ involvement in the resources sector as a journalist, in management and as a director of mining and exploration companies. Mr Maher is currently a director of Deepgreen Minerals Corporation Limited.

Roger Marshall OBE

Mr Marshall is a mining engineer and has a long career in the mining industry with wide experience in government and pricing negotiations and has held managing positions with such companies as BP Coal Australia Pty Ltd, Clurtha Development Pty Ltd, Utah Development Company and Kembla Coal and Coke.
3 DETAILS OF THE ISSUE

3.1 The Offer

By this Prospectus, the Company is inviting holders of existing ordinary shares to subscribe for new fully paid Ordinary Shares on an entitlement basis of one new Ordinary Share for every four fully paid ordinary shares held in the capital of the Company on the date that books close to determine entitlements on 12 November 2003 ("Record Date"). Fractional entitlements will be disregarded.

The entitlements to subscribe for Shares will be non-renounceable. There will be no trading on Australian Stock Exchange Limited ("ASX") in rights to the Ordinary Shares.

<table>
<thead>
<tr>
<th>Important dates</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue closes - latest date for acceptance and payment in full</td>
<td>3 December 2003</td>
</tr>
<tr>
<td>Shares quoted on ASX on deferred delivery basis</td>
<td>4 December 2003</td>
</tr>
<tr>
<td>Allotment of Shares and dispatch of statement of holdings for Shares</td>
<td>24 December 2003</td>
</tr>
<tr>
<td>Trading resumes on T+3 basis</td>
<td>29 December 2003</td>
</tr>
<tr>
<td>Shares quoted on deferred delivery consolidated basis.</td>
<td>2 January 2004 *</td>
</tr>
<tr>
<td>Last day to register pre-consolidation transfers.</td>
<td>4 January 2004 *</td>
</tr>
<tr>
<td>Dispatch of statements of holdings for consolidated shareholdings.</td>
<td>11 January 2004 *</td>
</tr>
<tr>
<td>Shares resume trading on T+3 consolidated basis</td>
<td>12 January 2004 *</td>
</tr>
</tbody>
</table>

The above dates are indicative only. The Company reserves the right to extend the closing date of the issue in which case the dates will change accordingly. * Subject to shareholders approving the consolidation.

3.2 Offer period

Applications for Ordinary Shares may be lodged at any time after the issue of this Prospectus. The Closing Date for applications is 5.00pm WST on 3 December 2003.

3.3 Payment for Shares

The issue price of the Ordinary Shares is payable in full by a payment of 0.4 cents per Ordinary Share on acceptance.

Payment will only be accepted in Australian currency as follows:

(a) cheque drawn on and payable at any Australian bank, or
(b) bank draft drawn on and payable at any Australian bank.

Other currency will not be accepted.

Cheques or drafts should be made payable to AGID Mining Limited and crossed "Not Negotiable". Shareholders are asked not to forward cash. Receipts for payment will not be issued.

An accompanying reply paid envelope is provided for your convenience.
3.4 **Underwriting**

The Offer has been fully underwritten by Cambrian Mining Plc ("the Underwriter") for a fee of 5% of the amount underwritten. Any Shares not applied for by shareholders in accordance with their entitlements shall revert to the Underwriter.

However, the Underwriter has the right to terminate the underwriting agreement in the circumstances set out in Section 8, including the failure by shareholders to approve the purchase of the 2% royalty from Deepgreen. The purchase of the royalty is conditional upon the issue being fully subscribed, and if the Underwriter terminates the underwriting agreement, or for any other reason does not meet its underwriting obligations and the issue is not otherwise fully subscribed, the Company will not be obliged to purchase the royalty interest. If the purchase does not proceed, all funds raised will be used to strengthen working capital.

3.5 **Underwriter's Voting Power**

Cambrian currently holds 190,805,843 ordinary shares in AGD, representing 13.4% of the voting power in AGD. Additionally, Cambrian holds 40.7% of Deepgreen giving Cambrian a relevant interest in Deepgreen’s holding of 299,801,965 shares in AGD which represents 21.1% of the voting power in AGD. Cambrian, therefore, has a relevant interest in 34.5% of the voting power in AGD.

If the offer is fully subscribed, Cambrian will receive only its entitlement to 47,701,460 Shares. Cambrian’s holding would then be 238,507,303 ordinary shares of a total 1,777,651,560 shares, representing 13.4% of the voting power in AGD. After taking into account Deepgreen’s holding, Cambrian would have a relevant interest in 613,259,760 shares again representing 34.5% of the voting power in AGD.

If shareholders do not take up their full entitlements to the issue, Cambrian as underwriter to the whole of the issue, would be obliged to subscribe, or to procure subscriptions, for the shortfall.

If no other shareholders take up their entitlements, and Cambrian itself subscribes for all the shortfall, Cambrian would hold 546,336,155 ordinary shares of a total 1,777,651,560 shares on issue, representing 30.7% of the voting power in AGD. Combined with Deepgreen’s holding, Cambrian would have a relevant interest in 846,138,170 shares, representing 47.6% of the voting power in AGD.

Thus, should the Offer be fully subscribed Cambrian will have a relevant interest in 613,259,760 shares representing 34.5% of AGD’s voting power (or, 34.3%, on a fully diluted basis if the 41,500,000 employee options were to be exercised). Should no other shareholder subscribe to the issue, and Cambrian itself take up all the shortfall, Cambrian will have a relevant interest in 846,138,170 shares representing 47.6% of AGD’s voting power (or 47.4% on a fully diluted basis).

Convertible/redeemable notes with a value of $50,000 have been converted into 12,500,000 shares which are included in the issued capital described above.

If, after the issue, all remaining note holders (assuming the full $750,000 of notes is issued) convert their convertible/redeemable notes, a further 175 million ordinary shares in AGD will be issued bringing total capital to 1,952,651,560. In this event, Cambrian’s voting power in AGD will be reduced to 31.4% if the issue is fully subscribed and to 43.3% if no other shareholders take up their entitlements to the issue.

The proposed consolidation will reduce AGD’s issued capital to 29,367,109 Ordinary shares (or 32,238,775, if all convertible/redeemable notes are converted). The consolidation will not alter the percentage of the voting power in AGD held by Cambrian in the scenarios outlined above.
3.6 **Overseas Shareholders**

This Prospectus and the Entitlement and Acceptance Form do 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.

In accordance with the requirements of the ASX Listing Rules, having regard to:

(a) the number of holders resident outside Australia and New Zealand;

(b) the number and value of ordinary shares the holders resident outside Australia and New Zealand would be offered; and

(c) the cost of complying with the legal requirements and the requirements of regulatory authorities in places other than Australia and New Zealand,

the Directors of the Company have decided that it is not reasonable to extend this offer to shareholders resident outside Australia or New Zealand.

This Prospectus is sent to all shareholders resident outside Australia or New Zealand for information only.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

3.7 **Allotment**

In accordance with the Corporations Act 2001 (Cth), all subscription monies shall, before the allotment and issue of Shares pursuant to this Prospectus, be held by the Company in trust in a bank account established solely for the purpose of depositing application monies received. Any interest earned will be for the Company’s account.

3.8 **Application for Listing**

Application has been made to ASX by the Company for the Shares offered by this Prospectus to be quoted on the ASX.

If permission for official quotation of the Shares is not granted by ASX within 3 months after the date of this Prospectus, the Company, in accordance with the Corporations Act 2001 (Cth), will either:

(a) repay all application monies; or

(b) issue a supplementary prospectus advising that the Shares will not be listed on ASX and give applicants one month to withdraw their application and be repaid in full.

No interest will be paid on any monies repaid.

3.9 **Dividend Policy on Increased Capital**

The ordinary Shares offered by this Prospectus will be entitled to any dividend declared on ordinary shares in respect of the financial year in which the shares are issued, calculated on a pro rata basis from the date of allotment. The directors do not anticipate declaring a dividend in the near future.
3.10 Use of Funds Raised

Funds raised by this issue will be used, subject to shareholder approval, as to $600,000 to purchase the 2% royalty interest held by Deepgreen on any production by the Company of minerals and other products from the Costerfield area and to strengthen working capital.

By subscribing for the notes, the note holders have the right, within 45 days of being presented with a final feasibility study, to exercise their option to earn a one-third interest in the Augusta gold-antimony deposit, the broader Costerfield area and in the Company's land, plant and equipment at Costerfield by contributing $2.5 million, which must be applied to redeeming any outstanding notes, with the balance applied to developing the Augusta deposit.

In the event all or some of the notes are converted into ordinary fully paid shares, and the option is exercised, only that part of the $2.5 million contribution as is necessary to redeem the outstanding notes will be applied to redeem notes, and the balance will be utilised to finance and administer approved joint venture expenditure. If all the notes are converted, none of the $2.5 million will be required to redeem the notes and the full $2.5 million will be applied towards joint venture expenditure.

At the date of this prospectus $500,000 of notes had been issued and $50,000 of those notes had been converted to ordinary shares.

3.11 Market Price of Shares

The highest and lowest closing sale price of the Company's ordinary, fully paid shares on ASX during the 3 months up to the date of this Prospectus and the respective dates of the sales were:

Highest closing price: $0.007 on 17 October 2003
Lowest closing price: $0.005 on 11 September 2003

The last market sale price of the Company's ordinary, fully paid shares on ASX on the day prior to the date of this Prospectus was $0.006 on 30 October 2003.
4 RIGHTS AND LIABILITIES ATTACHING TO SHARES

4.1 Rights Attaching to Ordinary Shares

The Shares issued under this Prospectus will rank equally in all respects with the Company’s fully paid ordinary shares already on issue.

Ordinary Shares carry the following rights:

(a) Meetings and Voting

Each shareholder is entitled to receive notice of, and attend and vote at, general meetings of the Company.

At a general meeting, every shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each share held.

(b) Notices

Each shareholder is entitled to receive all notices, accounts and other documents required to be furnished to shareholders under the Constitution of the Company, the ASX Listing Rules and the Corporations Act.

(c) Dividends

Subject to the rights of holders of shares issued with any special or preferential rights (at present, there are no such shares on issue), the profits of the Company which the Directors may from time to time determine to distribute by way of dividends will be distributed amongst shareholders according to the amounts paid (not credited) on the shares as a proportion of the total amount paid and payable (excluding amounts credited) on the shares.

(d) Winding Up

Subject to the rights of holders of shares with preferential rights on a winding up (at present there are no such shares on issue), on a winding up of the Company, shareholders will participate in any surplus assets of the Company in proportion, as nearly as may be to the capital paid up on the shares held by them respectively at the commencement of the winding up.

(e) Transfer

Subject to the Constitution of the Company, the Corporations Act and the ASX Listing Rules, shares are freely transferable.

(f) Issue of Further Shares

The allotment and issue of any additional shares is under the control of the Directors of the Company, subject to any restrictions on the allotment of shares imposed by the Constitution of the Company, the ASX Listing Rules and the Corporations Act.

(g) Variation of Rights

The rights, privileges and restrictions attaching to ordinary shares can be altered with the approval of a resolution passed at a general meeting of the holders of ordinary shares by a three-quarters majority of those holders who, being entitled to do so, vote at the meeting. If a quorum is not present, or a resolution not passed by the necessary majority, the rights, privileges and restrictions may be varied with the written consent of the holders of at least three-quarters of the ordinary shares on issue within two months of the date of the meeting.

Full details of the rights attaching to the Company’s ordinary shares are set out in the Constitution of the Company, a copy of which can be inspected at the office of the Company, 9th Floor, 175 Collins Street, Melbourne, Victoria. To obtain a definitive assessment of the rights and liabilities which attach to ordinary shares in any specific circumstances, shareholders should seek legal advice.
5 CAPITAL STRUCTURE & EFFECT OF THE ISSUE

5.1 Capital Structure

<table>
<thead>
<tr>
<th>Issued Capital as at date of Prospectus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares</td>
</tr>
<tr>
<td>1,422,121,248</td>
</tr>
</tbody>
</table>

In addition, there are on issue 41.5 million employee options exercisable at 1.2 cents per share on or before 31 December, 2004.

Securities offered by this prospectus
355,530,312 ordinary shares.

Capital Structure Post New Issue (assuming Issue is fully subscribed and before consolidation)

<table>
<thead>
<tr>
<th>Number of Shares</th>
<th>Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,777,651,560</td>
<td>Ordinary fully paid</td>
</tr>
</tbody>
</table>

Options
41.5 million Employee options expiring on 31 December 2004 exercisable at 1.2 cents per share.

Notes
The Company has on issue $450,000 worth of convertible notes convertible into 112,500,000 ordinary shares at 0.45 per share. The Company may issue a further $250,000 worth of notes, convertible into 62,500,000 ordinary shares.

Consolidation Proposals
The directors of AGD propose to call an extraordinary meeting of shareholders to consider, and if thought fit, to pass a resolution to consolidate the ordinary shares of the Company on the basis of consolidating every 60 shares on issue (including those issued under this Prospectus) into one share. The terms of the Company's employee options provide that in the event of any reconstruction of the Company's issued capital, the options will be reconstituted as required by the Listing Rules of ASX. The Listing Rules require that on a consolidation of capital, the number of options must be consolidated in the same ratio as the ordinary capital, and the exercise price of the options must be amended in inverse proportion to that ratio. Accordingly, if the consolidation of the ordinary shares is approved by shareholders, every 60 employee options, in accordance with their terms, will be consolidated into one option, and the exercise price of that one option will be 72 cents. Where the number of options is not exactly divisible by 60, the number of options to be held by an employee after the consolidation will be rounded to the nearest whole number. In the event shareholders approve the consolidation, the capital of the Company would be as follows:

<table>
<thead>
<tr>
<th>Post Issue Capital after Consolidation (and Assuming Full Subscription)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares</td>
</tr>
<tr>
<td>29,627,526</td>
</tr>
</tbody>
</table>

Options
691,669 employee options on issue exercisable on or before 31 December 2004, at 72 cents per share.
If all employee options are exercised, the Company will have on issue 30,344,193 ordinary shares.
Notes: If all the convertible/redeemable notes on issue and proposed to be issued are converted into ordinary shares, there will be a further 2,916,667 consolidated shares on issue.

5.2 Effect of the Issue

The Issue, if fully subscribed, will raise $1,422,121 less expenses of the issue which are estimated to be $95,000. The funds raised will be used to purchase the 2% royalty held by Deepgreen on production from the Costerfield area and to strengthen working capital.

The effect of the issue is shown in the pro forma accounts set out below, which are based on audited accounts at 30 June, 2003 and management accounts as at 31 August, 2003.

The underwriting of the Issue is conditional upon shareholders approving the purchase of Deepgreen’s 2% royalty interest. If shareholders do not approve the proposed acquisition, the issue will still proceed, but funds raised will then be used to provide additional capital for the development of the Augusta project and to provide working capital for the Company.
## FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th>30/06/2003</th>
<th>31/08/2003</th>
<th>31/08/2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Assets</td>
<td>62,606</td>
<td>122,355</td>
<td>849,476</td>
</tr>
<tr>
<td>Receivables</td>
<td>266,172</td>
<td>123,030</td>
<td>623,030</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>328,778</strong></td>
<td><strong>245,385</strong></td>
<td><strong>1,472,506</strong></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>260,673</td>
<td>260,673</td>
<td>260,673</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>928,580</td>
<td>917,308</td>
<td>917,308</td>
</tr>
<tr>
<td>Deferred Exploration &amp; Evaluation Costs</td>
<td>6,022,693</td>
<td>6,034,795</td>
<td>6,634,795</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>7,111,946</strong></td>
<td><strong>7,212,776</strong></td>
<td><strong>7,812,776</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>7,520,724</strong></td>
<td><strong>7,458,161</strong></td>
<td><strong>9,285,282</strong></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>449,420</td>
<td>406,407</td>
<td>406,407</td>
</tr>
<tr>
<td>Interest-bearing Liabilities</td>
<td>2,375</td>
<td>250,000</td>
<td>450,000</td>
</tr>
<tr>
<td>Provisions</td>
<td>67,807</td>
<td>67,807</td>
<td>67,807</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>519,602</strong></td>
<td><strong>724,214</strong></td>
<td><strong>924,214</strong></td>
</tr>
<tr>
<td><strong>Non current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing Liabilities</td>
<td>-</td>
<td>-</td>
<td>250,000</td>
</tr>
<tr>
<td>Provisions</td>
<td>38,593</td>
<td>38,593</td>
<td>38,593</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>38,593</strong></td>
<td><strong>38,593</strong></td>
<td><strong>286,593</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>558,195</strong></td>
<td><strong>762,807</strong></td>
<td><strong>1,212,807</strong></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>6,962,529</strong></td>
<td><strong>6,695,354</strong></td>
<td><strong>8,072,475</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Equity</td>
<td>34,861,980</td>
<td>34,861,980</td>
<td>36,239,101</td>
</tr>
<tr>
<td>Reserves</td>
<td>795,433</td>
<td>795,433</td>
<td>795,433</td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>(28,694,864)</td>
<td>(28,962,059)</td>
<td>(28,962,059)</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td><strong>6,962,529</strong></td>
<td><strong>6,695,354</strong></td>
<td><strong>8,072,475</strong></td>
</tr>
</tbody>
</table>

**Post issue adjustments**

- Increase in cash assets is from net proceeds of $727,121 from the issue after costs of the issue and acquisition of the royalty
- Increase in Current Receivables reflects the remaining convertible notes receivable amounting to $500,000
- Increase in Deferred Exploration & Evaluation Costs is due to $600,000 paid for the purchase of Royalty
- Increase in current and non-current Interest-bearing borrowings is due to remaining convertible notes of $500,000 issued less $50,000 already converted to shares.

The pro forma accounts incorporate the following assumptions:

- Capital Raised: 1,422,121
- Capital Raising Cost: 95,000
- Net Amount Raised: 1,327,121
- Purchase of Royalty Interest: 600,000
- Balance Cash: $ 727,121
6 RISKS OF INVESTING

Investment in the Shares offered for subscription by the Company should be considered speculative. Investors should recognize that the price of the Company’s shares may fall as well as rise.

Risks associated with investment in the Company include the risks of a general nature relating to investment in securities generally, particularly where the company concerned has a small market capitalization, and is involved in exploration and mining activities that by their very nature entail high risk.

The Company is exposed to a number of general risks that could affect its assets and liabilities, financial position, profits and losses and prospects. In common with other enterprises in the resources sector, some risks are substantially outside the control of the Company. These include:

- Changes in the general economic outlook both in Australia and globally may have an impact upon the performance of the Company and its projects. Such changes may include:
  - contractions in the Australian or world economies or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
  - adverse changes in gold and/or antimony prices;
  - increases in expenses (including costs of goods and services used by the Company);
  - new or increased government taxes or duties or changes in taxation laws including imposts such as royalties, charges and taxes affecting the level of mining and exploration activities;
  - changes in government policy affecting the mining industry and further regulation of the mining industry generally;
  - currency exchange rate fluctuations and, in particular, the price of the AUD relative to the USD; and
  - movements in the equity and share markets in Australia and throughout the world, and changes in market sentiment towards the resource industry.

- Abnormal stoppages in production or delivery due to factors such as war, political or civil unrest and industrial disruption.

- Failure of customers and counter parties to meet their obligations under sales contracts.

- Poor weather conditions over a prolonged period that might adversely affect mining and exploration operations and the timing of earning revenues.

- Unforeseen major failure, breakdowns or repairs required to key items of mining plant and equipment or mine structure resulting in significant delays, notwithstanding regular programs of repair, maintenance and upkeep.

- Unforeseen adverse geological and mining conditions.

Specific risks which may affect the Company and its activities include:

- The Company may not be able to raise, either by debt or equity, sufficient funds to enable it to complete the proposed exploration and mine development at Costerfield.
While current data indicates significant mineral deposits at Costerfield, failure to achieve the grades postulated by geological interpretation of drilling results could result in downgrading of resources or recovery rates, while unanticipated problems may increase extraction costs or impede anticipated recovery rates.

Both domestic and world economic conditions such as the level of industrial production, inflation and interest rates impact on commodity prices, including gold and antimony. Fluctuations in these prices may affect the viability of the Company's operations.

Mining and exploration activity has been demonstrated over the years to be subject to numerous risks. Exploration in particular is a speculative activity and success in identifying economically recoverable reserves can never be guaranteed. The economic feasibility of the Costerfield Project will be based, among other things, upon estimates of gold and antimony, recovery rates, production rates, capital and operating costs, the rates achieved in separating the gold and antimony and future gold and antimony prices. Estimates of reserves, recovery rates and cash operating costs will, to a large extent, be based upon the interpretation of geological data obtained from drill holes and other sampling techniques. The feasibility study currently being undertaken will derive estimates of operating costs based upon anticipated tonnages and grades to be mined and processed, expected recovery rates, equipment operating costs and other factors. Actual operating costs and economic returns may differ materially from those estimated in the feasibility study.

Where exploration is successful and mining operations commence they can be interrupted by adverse weather conditions, labor disputes, civil unrest, unforeseen increases in establishment and operating costs, mining and metallurgical problems and other factors over which the operating company may have little or no control.

The Company may be required to undertake clean-up programs resulting from any contamination from its operations. The Company is not aware of any present material issues in this regard. Following cessation of present and future operations the Company will be required to participate in mine rehabilitation programs, removing disused plant and equipment and, where necessary, restoring land that has been disturbed in the course of operations. As a condition of its mining licences it is required to, and has lodged monetary guarantees with the Victorian government to cover the cost of restoration and rehabilitation.

Unexpected mechanical failure or equipment breakdown resulting in loss of production and additional expense generally.

Native Title Claims. Various areas within the Costerfield tenements could be subject to Native Title Claims. There are no current claims over any of the tenements.

EL4280, EL4281 and EL4524 are over private land, which extinguishes native title. However, the private land includes road reserves, and the law is not yet clear as to whether road reserves are subject to native title. If native title is found to exist in the area of road reserves, the Company could be joined as a party to a claim for compensation, but the amount of any compensation payable is likely to be small.

Each of EL3310, ML4073, ML4200 and ML4644 were granted before 1 January 1994, and are validated under the Victorian Land Titles Validation Act 1995, even if native title existed over the area of these tenements at the time they were granted. Future renewals of these tenements will be valid without the need to comply with the procedures under the Native Title Act 1993, provided that the renewal does not create new rights beyond those currently conferred by the tenements.

If the Company seeks a mining licence over all or part of EL3310, the grant of the licence will be subject to the right to negotiate procedures under the Native Title Act 1993, which, in essence, give registered native title claimants rights to negotiate in relation to any proposed development on the mining lease.
7 Directors' Interests

7.1 Except as disclosed in this Prospectus, no director:

- holds (or held at any time during the last 2 years) any interest in the formation or promotion of the Company, or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares under this Prospectus or in the offer of Shares under this Prospectus; or

- has received, and no person has agreed to pay to any director, any amount or benefit to induce him to become, or to qualify as, a director, or for services provided by the director in connection with the formation or promotion of the Company or the offer of Shares under this Prospectus.

The interests of the directors, and their related parties as defined in Accounting Standard AASB 1017, in securities of the Company at the date of this Prospectus are as follows:

<table>
<thead>
<tr>
<th>Directors</th>
<th>Beneficial Interest in Securities</th>
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<tr>
<td></td>
<td>Ordinary Shares</td>
</tr>
<tr>
<td>J.E. Askew</td>
<td>-</td>
</tr>
<tr>
<td>P.G. Hinneberg</td>
<td>10,190,286</td>
</tr>
<tr>
<td>P.E. Maher</td>
<td>950,000</td>
</tr>
<tr>
<td>R. Marshall</td>
<td>5,597,891</td>
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</table>

7.2 Messrs Hinneberg and Maher are directors of Deepgreen Minerals Corporation Limited, which holds 21.2% of the voting power in AGD. AGD, subject to shareholder approval, proposes to purchase from Deepgreen the 2% royalty on sales revenue generated by sales of minerals and associated agricultural and forestry products from the Costerfield Project which Deepgreen holds for $600,000. Messrs Hinneberg and Maher will receive no personal benefit from the sale, save that the sale price will increase Deepgreen’s working capital.

7.3 Each Director is entitled to director’s fees at the rate of A$24,000 per annum in accordance with the Company’s Constitution.

7.4 No Director has otherwise received or become entitled to receive a benefit by reason of a contract made by the Company or a controlled entity with the Director, or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest.
8 UNDERWRITING AGREEMENT

Cambrian Mining Plc has agreed to fully underwrite the Issue for a fee of 5% of the subscription price of the underwritten shares.

The Company has also agreed to pay the reasonable costs, charges and expenses incurred by the underwriter in relation to the issue (including the costs and charges of any professional advisers to the underwriter) and to indemnify the underwriter and its officers against losses arising out of any breach of the underwriting agreement or any non-compliance with the Corporations Act or any other legal obligations in relation to the offer.

The underwriter may terminate the underwriting agreement on the happening of any of the following events (provided the underwriter is of the opinion, reached in good faith, that the event has, or is likely to have, a material adverse effect on the offer or could give rise to a liability on the part of the underwriter under the Corporations Act):

(a) changes of law: any law, bill or other measure is introduced or announced by the Government of Australia, the Government of any Australian State or Territory, or any responsible Minister of any such Government, or any policies are adopted or announced by the Reserve Bank of Australia or any other relevant fiscal authority (in Australia), which has or might in the reasonable opinion of the underwriter have a material adverse effect on the prospects of the offer being fully subscribed prior to the closing date;

(b) directors: any director of the Company is charged with or convicted of any indictable criminal offence;

(c) breach: the Company commits or permits any breach or default of any provisions of the underwriting agreement and, if the breach or default is capable of being remedied, fails to remedy the breach or default within 5 business days of the underwriter serving written notice on the Company requiring the breach or default to be remedied;

(d) misstatement in the Prospectus: there is a material misstatement or inaccuracy in the Prospectus or material omission from the Prospectus or any statement in the Prospectus including, but not limited to any representation with respect to any future matter, is or becomes materially false or misleading;

(e) Insolvency Event: an insolvency event as defined in the underwriting agreement occurs with respect to the Company;

(f) Admission to ASX: the shares offered under the Prospectus are not approved for official quotation by ASX; or, if the approval is granted, the approval is subsequently withdrawn, qualified on a basis not acceptable to the underwriter or withheld;

(g) movement in the All Ordinaries Index: if after the date of the underwriting agreement and before the closing date, the All Ordinaries Index of ASX is, at the close of trading on 3 consecutive business days, at a level that is 80% or less of the level attained at the close of trading on the business day immediately preceding the date of the agreement;

(h) movement in the Dow Jones Index: if after the date of the underwriting agreement and before the closing date, the Dow Jones Industrial Index of the New York Stock Exchange is, at the close of trading on 3 consecutive business days, at a level that is 80% or less of the level attained at the close of trading on the trading day of the New York Stock Exchange immediately preceding the date of the agreement;
(i) **contravention by the Company:** the Company or any officer of the Company contravenes any material provision of the Corporations Act or the Listing Rules or any requirement of ASX or ASIC;

(j) **adverse change:** in the opinion of the underwriter there is an adverse change, or a development involving a prospective adverse change occurs, in the position of the Company;

(k) **breach of constitution:** the Company contravenes any of the provisions of its Constitution;

(l) **unapproved alteration:** the Company alters its board of directors or its capital structure or its constitution without the prior consent of the underwriter;

(m) **adverse change:** in the opinion of the underwriter there is an adverse change in relation to the principal business activities of the Company or in any of the principal projects or businesses of the Company which are referred to in the Prospectus including, without limiting the generality of the foregoing, if any adverse order is made by an environmental agency in relation to the Company or any site occupied by the Company;

(n) **certificate:** the Certificate to be given by the Company to the underwriter (if required) is not given in accordance with the terms of the underwriting agreement or, if so given, is or becomes incorrect in whole or in part;

(o) **encumbrances:** a charge over all or any of the assets of the Company is created or comes into existence without the prior written approval of the underwriter or otherwise than in accordance with the Prospectus;

(p) **false or misleading information given to the Underwriter:** any information supplied by the Company or any person on its behalf to the underwriter or its employees or agents in respect of the offer is or becomes materially false or misleading;

(q) **ASIC hearing:** any order is made by ASIC under s 739(3) of the Corporations Act in relation to the Prospectus or ASIC gives notice of intention to hold a hearing in relation to the Prospectus under s 739(2) of the Corporations Act or makes an order under s 739(4) of the Corporations Act in relation to the Prospectus and such application, notice or order is not withdrawn within 5 business days;

(r) **new circumstance:** there occurs in relation to the Prospectus an event which, in the opinion of the underwriter, constitutes a new circumstance that is materially adverse from the point of view of an investor, unless in the absolute discretion of the underwriter, the new circumstance can be dealt with in accordance with s 719 of the Corporations Act without having a material adverse effect on the Offer;

(s) **timely lodgement of supplementary prospectus:** if the underwriter does not terminate the underwriting agreement under paragraph (r), the Company fails for any reason to lodge and obtain registration of a supplementary Prospectus in such form and within such time as the underwriter reasonably requires;

(t) **ASIC investigation:** a direction is made in relation to the affairs of the Company, any subsidiary of the Company or any Related Body Corporate under the Australian Securities Commission Act 1989;

(u) **Shareholders failure to approve:** if shareholders of the Company fail to approve the Company’s purchase of a 2% royalty on mineral and other production from the Costerfield area from Deepgreen Minerals Corporation Limited for $600,000.
9 LEGAL PROCEEDINGS

There is no current or, to the Company’s knowledge, pending, litigation of a material nature that may significantly affect the business or financial position of the Company, other than:

9.1 As previously advised, the trustee in bankruptcy for IP Services Inc has issued a summons against the Company, challenging the security of loans made by the Company to IP Services and alleging that the Company is generally responsible for IP Services debts. The Company held 51% of IP Services, the operator of a telephone network in Colorado, when the company was placed in involuntary bankruptcy in 2001. The Company also advanced loans of US$992,426 to IP Services, whose total liabilities were confirmed at US$2,687,726 in June 2001. The Company has rejected the claims and instructed its US attorneys to seek to have the action dismissed.

In May, the Company’s US attorneys filed a Motion to Dismiss the claim by the trustee in bankruptcy that the Company was responsible for IP Services’ debts, on the basis that there is no legal basis for that claim. In August, the trustee in bankruptcy filed a motion for summary judgement to disallow the proofs of debt of $US960,000 lodged by the Company as a creditor of IP Services bankruptcy.

Counsel for all parties involved in the litigation met on 3 October, 2003, is accordance with the relevant court rules, to discuss the nature of the issues, settlement possibilities and litigation deadlines, as well as a discovery schedule and scope.

In these discussions, the parties agreed that settlement may be premature until rulings are made on the above motions and some discovery is conducted.

The parties agreed, and submitted to the court, a schedule for discovery and other interlocutory processes, which proposes discovery be completed by 15 May, 2004.

The Company was advised by its US attorneys on 23 October, 2003 that the Court had verbally denied the Company’s Motion to Dismiss. While the Court stated that under the Colorado statute there was no basis for the trustee’s claim that the Company was responsible for IP Services’ debts, the other allegations raised by the trustee, viewed in the best light favourable to the trustee, may, if proven, give rise to a claim.

A trial date has been set for the week of 14 June 2004.

9.2 A proceeding has been issued in the Federal Magistrates’ Court by Terence Anthony Mahoney against the Company, Peter Hinneberg, Peter Maher, Roger Marshall and Ian Price for alleged misleading and deceptive conduct in relation to the purchase of shares by Terence Mahoney in the Company.

The proceeding seeks relief for alleged breaches of sections 52(1) of the Trade Practices Act (Cth), s9(1) of the Fair Trading Act (Vic) and s995(2), s999 of the Corporations Act (Cth) and s.12DA of the Australian Securities & Investments Commission Act. The plaintiff claims a refund of the cost of the shares that he purchased, being the sum of $204,585.88 together with damages.

The proceeding is being defended by the Company and is scheduled for trial in February, 2004.

The Company considers the claim has no merit, and that it has a good defence to the claim.
10 EXPERT'S CONSENT AND INTEREST

Continental Resource Management Pty Ltd has given and, before lodgement of this prospectus, has not withdrawn, its consent to the inclusion of the statements on geological resource calculations in the sixth paragraph of the Letter to Shareholders on Page 3, which are based on statements made by it, in the form and context in which they are included. Continental Resource Management Pty Ltd has not made any other statement in this Prospectus, or any other statement on which a statement made in this Prospectus is based, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in, or omissions from, this Prospectus other than the geological resource calculations. Continental Resources Management Pty Ltd was paid $25,000 for preparing the report from which those calculations were extracted.
11 CONTINUOUS DISCLOSURE & DOCUMENTS AVAILABLE FOR INSPECTION

This Prospectus is issued pursuant to Section 713 of the Corporations Act 2001 (Cth), and has adopted the special prospectus content rules for continuously quoted securities.

The Company is a disclosing entity for the purposes of Section 111AC of the Corporations Act 2001 (Cth). As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected, at an ASIC office.

The Company will provide a copy of the following documents free of charge to any person who requests a copy during the period this Prospectus remains open:

1. The financial statements for the year ended 31 December 2002 lodged in relation to the Company;

2. Any other financial statements lodged by the Company after the 2002 financial statements and before the lodgement of this Prospectus with ASIC ("Relevant Period"); and

3. The following documents used to notify ASX of information relating to the Company during the Relevant Period under provisions of the ASX Listing Rules:

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<th>DATE LODGED</th>
<th>REPORT/CONTENTS</th>
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<tbody>
<tr>
<td>27/03/2003</td>
<td>Full Year Accounts to 31/12/02</td>
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<td>04/04/2003</td>
<td>Appendix 3B – Exercise of Options</td>
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<tr>
<td>10/04/2003</td>
<td>IP Services Inc. Claim by Trustee in Bankruptcy in Colorado</td>
</tr>
<tr>
<td>22/04/2003</td>
<td>Annual Report / Top 20 / Notice of AGM</td>
</tr>
<tr>
<td>30/04/2003</td>
<td>First Quarter Activities &amp; Cashflow Report to 31/03/03</td>
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<tr>
<td>12/05/2003</td>
<td>Initial Results from Costean Program</td>
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<tr>
<td>14/05/2003</td>
<td>Final Result from Costean Program</td>
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<tr>
<td>23/05/2003</td>
<td>Results of Annual General Meeting</td>
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<tr>
<td>18/06/2003</td>
<td>Presentation – AJM Victorian Gold Conference 2003</td>
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<td>04/07/2003</td>
<td>Swann Capital Group Limited – Financing</td>
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<tr>
<td>31/07/2003</td>
<td>Second Quarter Activities &amp; Cashflow Report to 30/06/03</td>
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<td>20/08/2003</td>
<td>Appendix 3B – Convertible Note Issue</td>
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<td>28/08/2003</td>
<td>Half Year Accounts to 30/06/03</td>
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<tr>
<td>19/09/2003</td>
<td>Appendix 3B – Conversion of Notes</td>
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<tr>
<td>29/10/2003</td>
<td>Appendix 3Y – Change of Director’s Interest</td>
</tr>
<tr>
<td>29/10/2003</td>
<td>Appendix 3Y – Change of Director’s Interest</td>
</tr>
<tr>
<td>29/10/2003</td>
<td>Third Quarter Activities &amp; Cashflow Report to 30/09/03</td>
</tr>
</tbody>
</table>
This Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to shareholders or to their professional advisers.

Each Director of the Company has consented to the lodgement of this Prospectus with ASIC, and has not withdrawn that consent prior to this Prospectus being lodged.

Signed on behalf of AGD Mining Limited.

[Signature]
Peter E Maher
Director
**ENTITLEMENT and ACCEPTANCE APPLICATION FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

**A.G.D. MINING LIMITED**

**REGISTERED OFFICE:**
Level 9
175 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 9663 5355
Facsimile: (03) 9650 0082
Email: agdmining@agdmining.com.au
http://www.agdmining.com.au

**SHARE REGISTRY:**
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6953
Telephone: (08) 9315 0933
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

**Holder Number:**
**Entitlement No:**
**Sub-Register:**

<table>
<thead>
<tr>
<th>Shareholding at 5.00pm WST on 12 November 2003</th>
<th>Entitlement to Shares</th>
<th>Amount payable on acceptance @ $0.004 per share</th>
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<tr>
<td>1:4</td>
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**A NON RENOUNCEABLE ENTITLEMENT OF UP TO 355,530,312 ORDINARY FULLY PAID SHARES ON THE BASIS OF ONE (1) NEW ORDINARY FULLY PAID SHARE FOR EVERY FOUR (4) SHARES HELD, AT AN ISSUE PRICE OF $0.004 EACH.**

To the Directors,
A.G.D. MINING LIMITED

(1) We the above-named being registered on 12 November 2003 (at 5.00pm Australian W.S.T) as the holder(s) of ordinary shares in your Company hereby accept and apply (as appropriate) for the undermentioned New Shares issued in accordance with the terms of the Prospectus accompanying this form.

<table>
<thead>
<tr>
<th>TO BE COMPLETED BY SHAREHOLDER</th>
<th>NO OF SHARES &amp; OPTIONS ACCEPTED/APPLIED FOR</th>
<th>@ $0.004 PER SHARE</th>
<th>AMOUNT ENCLOSED</th>
</tr>
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<tbody>
<tr>
<td>ENTITLEMENT as above:</td>
<td>X $0.004</td>
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<td>AUD$</td>
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</table>

(2) We enclose my/her cheque made payable to A.G.D. MINING LIMITED, for the amount shown being payment at the rate of $0.004 per Share applied for.

(3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of Shares allotted to me/us and agree to be bound by the Constitution of the Company.

(4) I/We agree to be bound by the Constitution of the Company.

(5) If any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the directors as to whether to accept this form, and how to correct, amend or complete it, shall be final.

(6) My/Our contact numbers in case of enquiries are:

<table>
<thead>
<tr>
<th>Telephone</th>
<th>Facsimile</th>
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NOTE: Only cheques and/or bank drafts in Australian currency and drawn or payable on a bank within Australia should be sent, made payable to A.G.D. Mining Limited crossed Not Negotiable and forwarded to Security Transfer Registrars Pty Ltd together with this Entitlement and Acceptance Form in the enclosed return addressed envelope to arrive NO LATER THAN 5.00PM WST ON 3 DECEMBER 2003

**THIS FORM DOES NOT REQUIRE SIGNING UNLESS YOU WISH TO CHANGE YOUR ADDRESS**

Please complete ONLY if your ISSUER SPONSORED address is INCORRECT.

**NEW ADDRESS:** (CHESS HOLDERS CAN ONLY AMEND THEIR ADDRESS BY ADVISING THEIR SPONSORING BROKER)

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<tr>
<th>BLOCK</th>
<th>LETTERS</th>
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Your Signature/s ................................................................. .................................................................

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE SECURITIES BEING OFFERED

THIS ISSUE CLOSES 5.00PM WST ON 3 DECEMBER 2003