PRAIRIE DOWNS METALS LIMITED
(ABN 23 008 677 852)

PROSPECTUS

In relation to the offer of 1,000 Shares at 60 cents each to raise $600

This Prospectus provides important information to assist investors in deciding whether or not to invest in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions relating to an investment in the Company, you should consult your professional advisor.

IMPORTANT NOTICES

This Prospectus is dated and was lodged with ASIC on 27 June 2006.
Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

A copy of this Prospectus can be downloaded from the Company's website at www.prairiedownsmetals.com.au. Any person accessing the electronic version of this Prospectus from within Australia or anywhere outside of Australia should note that 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 such an offer.

Any person may obtain a copy of this Prospectus free of charge by contacting the Company.

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

Certain terms and abbreviations used in this Prospectus (usually commencing with a capital letter) are defined terms. See the Glossary in this Prospectus for further details.

This Prospectus is issued in accordance with section 713 of the Corporations Act. This means that the Prospectus must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

(a) the effect of the offer on the Company; and
(b) the rights and liabilities attaching to the securities offered.

This Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus.

As a disclosing entity, the Company is subject to regular reporting and disclosure obligations, and copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

Investors have the right to obtain a copy of any of the following documents:

(i) the annual financial report most recently lodged with ASIC by the Company;
(ii) any half-year financial report most recently lodged with ASIC by the Company after the lodgement of that annual financial report and before the lodgement of the copy of this Prospectus with ASIC;

(iii) any continuous disclosure notices given by the Company after the lodgement of that annual financial report and before the lodgement of the copy of this Prospectus with ASIC.

The Company will give a copy of any of the above documents free of charge to anyone who asks for it during the application period for this Prospectus.

Purpose of Prospectus

The purpose of this Prospectus is to offer 1,000 Shares for subscription pursuant to this Prospectus, at an issue price of 60 cents per Share. An application for those Shares must be made on the application form attached to and forming part of this Prospectus. The Shares may be allotted at the discretion of the Directors.

Corporate Directory

DIRECTORS

Jeremy Shervington
Non Executive Chairman

Mark Hansen
Managing Director

Alec Pismiris
Executive Director

COMPANY SECRETARY

Alec Pismiris

REGISTERED OFFICE

Level 19
44 St George's Terrace
Perth WA 6000
Telephone: (+618) 9225 5755

EFFECT OF THE OFFER ON THE COMPANY

CAPITAL STRUCTURE

If the 1,000 Shares are issued pursuant to this Prospectus, the capital structure of the Company will be as follows:

Securities	
Shares	38,113,817
Directors Options	941,176
Options	22,179,413

EFFECT ON FINANCIAL POSITION

The issue of the 1,000 Shares offered by this Prospectus will have no material effect on the Company's financial position.

As at 23 June 2006 (the date of the last unaudited financial statements of the Company) the Company had current assets of $3,609,644, non-current assets of $3,883,327 and total liabilities of $691,022.

OTHER EFFECTS

The lodgement of this Prospectus will allow sale offers to be made in respect of the 3,333,333 Shares issued to Sempra Metals & Concentrates Corp as announced on 5 June 2006 without the need for disclosure under Part 6D.2 of the Corporations Act pursuant to subparagraph 708A(11)(b)(i) of the Corporations Act.

RIGHTS & LIABILITIES ATTACHING THE SHARES OFFERED

The Shares offered under this Prospectus are ordinary fully paid shares which if issued will rank equally in all respects with the other Shares currently on issue.

An application for admission of the Shares offered to quotation on ASX will be made to ASX within 7 days after the date of this Prospectus.

ADDITIONAL INFORMATION

Interests, Fees and Benefits

Other than as set out below or elsewhere in this Prospectus, no:

(a) director of the Company; or

(b) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation and distribution of this Prospectus; or

(c) promoter of the Company; or

(d) underwriter to the issue or a financial services licencee involved in the issue;

has, or within 2 years before the date of this Prospectus, any interest in: (i) the formation or promotion of the Company; (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the issue; or (iii) the issue.

No amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given, to any of the above persons as an inducement to become or to qualify him as a director of the Company or for services rendered by him in connection with the formation or promotion of the Company or the Placement.

Interests of Directors

At the date of this Prospectus the Directors have the following relevant interests in Shares and Options:

Name	**No. of Shares**	**No. of Director Options**	**No. of Options**
A C Pismiris	264,484	235,294	103,527
J D Shervington	479,764	235,294	205,524
M C Hansen	7,120,000	NIL	1,780,000

As announced on 7 June 2006 the Company proposes to seek Shareholder approval to a further issue of Options to Directors.

During the 2 years prior to the date of this Prospectus Mr Hansen (or entities controlled by him) have received approximately $224,174 by way of remuneration.

During the 2 years prior to the date of this Prospectus Mr Pismiris (or entities controlled by him) have received approximately $103,800 by way of remuneration.

During the 2 years prior to the date of this Prospectus Mr Shervington (or entities controlled by him) have received approximately $70,900 by way of remuneration.

Interests of Advisers

Jeremy Shervington will be paid approximately $3,500 (plus GST) for assistance in preparing this Prospectus. Firms in which Mr Shervington is or was a principal have been paid fees of approximately $30,000 for other work undertaken for the Company during the 2 years before the date of this Prospectus.

Consents

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based other than as specified in this Section;

(b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and statement included in this Prospectus with the consent of that party as specified in this Section;

(c) has not authorised or caused the issue of this Prospectus.

Jeremy Shervington has consented in writing to the references to his legal firms in this Prospectus in the form and context in which they appear.

CONTINUOUS DISCLOSURE NOTICES

The following continuous disclosure notices, which have been given by the Company since the lodgement of the Company's most recent annual financial report.

Date	Description of Notice
08 / 06 /2006	Appendix 3B – Issue of Shares to Sempra
07 / 06 /2006	Employee Option Plan
06 / 06 / 2006	Resource Upgrade & New Discoveries
05 / 06 /2006	Investment & Offtake Proposal
04 / 05 / 2006	Coppermine Bore JV with Western Uranium
27 / 04 / 2006	Third Quarter Cash Flow Report
27 / 04 / 2006	Third Quarter Activities Report
18 / 04 /2006	Change to Office Location
23 / 03 / 2006	Appendix 3B – Issue of Shares on Exercise of Options
16 / 03 / 2006	Half Year Accounts
14 / 03 / 2006	Prairie Downs Zinc Project – Exploration Update
01 / 02 / 2006	Investor Presentation Feb 2006
24 / 01 / 2006	Second Quarter Cashflow Report
24 / 01 / 2006	Second Quarter Activities Report
20 / 01 / 2006	Change of substantial holding
14 / 12 / 2005	Change in substantial holding

02 / 12 / 2005	Appendix 3B
01 / 12 / 2005	Second Drill Program Underway
10 / 11 / 2005	Clearer copy – Uranium Discovery at Coppermine Bore
10 / 11 / 2005	Uranium Discovery at Coppermine Bore
07 / 11 / 2005	Results of Annual General Meeting
03 / 11 / 2005	Zinc Results
21 / 10 / 2005	Number and escrow provisions of restricted securities
21 / 10 / 2005	Expenditure Budget
21 / 10 / 2005	Terms & Conditions of options on issue
21 / 10 / 2005	Pro forma Balance Sheet based on actual funds raised
21 / 10 / 2005	Top 20 holders – Options
21 / 10 / 2005	Top 20 holders – Fully Paid Shares
21 / 10 / 2005	Distribution Schedule – Options
21 / 10 / 2005	Distribution Schedule – Ord Fully Paid Shares
21 / 10 / 2005	Market Release: Pre-Reinstatement Disclosure
21 / 10 / 2005	Reinstatement to Official Quotation: 24/10/05
19 / 10 / 2005	Exploration in Progress
17 / 10 / 2005	Change in Director's Interest Notice
17 / 10 / 2005	Becoming a substantial holder
13 / 10 / 2005	Ceasing to be a substantial holder
13 / 10 / 2005	Becoming a substantial holder
12 / 10 / 2005	Appendix 3B – Amendment
10 / 10 / 2005	Appendix 3B
10 / 10 / 2005	Application for quotation of additional securities

10 / 10 / 2005	Annual Report and Notice of AGM

A copy of each of the above documents can be obtained, free of charge, by contacting the Company's registered office during the application period for this Prospectus.

GLOSSARY

ASIC means Australian Securities and Investments Commission;

ASX means Australian Stock Exchange Limited (ACN 008 624 691);

Board means the board of directors of the Company as constituted from time to time;

Company or Prairie Downs means Prairie Downs Metals Limited (ABN 23 008 677 852);

Corporations Act means the Corporations Act 2001 (Cth);

Directors means the directors of the Company as shown in the corporate directory at the front of this Prospectus;

Share means a fully paid ordinary share in the Company, and **Shareholder** has a corresponding meaning.

DIRECTORS' CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that no statements made by the Directors in this Prospectus are misleading or deceptive and that in respect of any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus before lodgement of this Prospectus with the ASIC.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisors.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated this 27th day of June 2006

Signed for and on behalf of Prairie Downs Metals Limited
by Jeremy David Shervington
Director

APPLICATION FORM

Prairie Downs Metals Limited
Level 19
44 St George's Terrace
PERTH WA 6000

Tel: +61 8 9225 5755
Fax: +61 8 9225 4599

USE BLOCK LETTERS

PRINT YOUR NAME

TITLE	GIVEN NAMES	SURNAME	Tax File Number(s) or exemption category

TITLE	JOINT APPLICATION No. 2 OR ACCOUNT DESIGNATION		

TITLE	JOINT APPLICATION No. 3 OR ACCOUNT DESIGNATION		

ADDRESS

SUBURB/TOWN	STATE	P/CODE

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME

SBN/IPN	HIN	TETR

1/WE APPLY FOR

Shares at 60 cents each

Cheque details

Drawer	Bank	Branch/BSB	$Amount

This Application Form does not need to be signed. By lodging this Application form, the applicant hereby:

(1) applies for the number of Shares in the Application Form or such lesser number as may be allotted and granted by the Directors;

(2) agrees to be bound by the terms and conditions set out in the Prospectus dated 27 June 2006 of which this Application Form forms part and the Company's Constitution; and

(3) authorises the Directors to complete or amend this application form where necessary to correct any errors or omissions.