ALCASTON MINING N. L.

ABN 39 006 710 774

AUSTRALIAN STOCK EXCHANGE
AMG000169

13 February 2003

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By fax; 1300 300 021 (40 Pages)

Dear Sirs

NON RENOUNCABLE RIGHTS ISSUE

The Directors of Alcaston Mining NL ("**Alcaston**") wish to announce a pro-rata non-renounceable rights issue to shareholders of approximately 22,146,100 ordinary fully paid shares on the basis of 1 share for every 3 shares held on the record date at an issue price of 5 cents per share with each new share subscribed for also receiving a new option for no consideration with each new option having an exercise price of 15 cents each and a term expiring on 30 September 2007, to raise approximately $1,107,305 ("**Rights Issue**").

Pursuant to the Listing Rules, I now enclose a copy of Alcaston Mining NL's prospectus dated 13 February 2003 in relation to the Rights Issue.

A copy of this prospectus was lodged at ASIC on 13 February 2003.

In accordance with the Listing Rules, shareholders and optionholders are advised that the record date for the Rights Issue is 24 February 2003.

Also attached is an Appendix 3B for filing.

Yours faithfully
ALCASTON MINING NL

GILBERT RODGERS
Director

32 Parliament Place, West Perth, WA 6005, Australia
PO Box 378, West Perth, WA 6872, Australia
Telephone: +61 8 9481 5758 Facsimile: +61 8 9481 5759
e-mail: ppg@highway1.com.au

ALCASTON MINING NL

ACN 006 710 774

PROSPECTUS

For the pro-rata non-renounceable rights issue to Alcaston Mining NL shareholders of approximately 22,146,100 fully paid ordinary New Shares in Alcaston Mining NL on the basis of one (1) New Share for every three (3) Shares held on the record date of 24 February 2003, at an issue price of 5 cents per New Share, with each New Share subscribed for also receiving an attaching New Option for no consideration with each New Option having an exercise price of 15 cents and a term expiring on 30 September 2007, for the purpose of raising up to $1,107,305.

THE OFFER IS NOT UNDERWRITTEN.

THE RIGHTS ISSUE CLOSES AT 5.00 PM WST ON 19 MARCH 2003.

A Placement and Handling Fee of 6% plus GST will be paid to licensed dealers in securities for Shortfall Applications accepted and bearing their stamp. The New Shares and New Options offered by this Prospectus are considered to be of a speculative nature.

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents, or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

CORPORATE DIRECTORY

DIRECTORS	Rick Crabb (Chairman) David Porter (Managing Director) Gilbert Rodgers (Executive Director)
SECRETARY	Gilbert Rodgers
REGISTERED AND PRINCIPAL OFFICE	32 Parliament Place WEST PERTH WA 6005 Telephone: (08) 9481 5758 Facsimile: (08) 9481 5759 website: www.alcaston.com.au
SHARE REGISTRY	Security Transfer Registrars Pty Ltd* 770 Canning Highway APPLECROSS WA 6153 Telephone: (08) 9315 0933 Facsimile: (08) 9315 2233 Email: registrar@securitytransfer.com.au Postal Address: PO Box 535 APPLECROSS WA 6953
STOCK EXCHANGE	The Company's securities are quoted on the Official List of the ASX, the home branch being Perth
ASX CODE:	AMG

* Appears for information purposes only

TABLE OF CONTENTS

Important Notes and Statements

This Prospectus is dated 13 February 2003. A copy of this Prospectus was lodged with the ASIC on 13 February 2003. Neither the ASIC nor the ASX take any responsibility for the contents of this Prospectus. No New Shares or New Options will be granted on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. New Shares and New Options granted pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply for the New Shares and New Options offered pursuant to this Prospectus to be listed on ASX. An application for the New Shares and New Options will only be accepted on the Entitlement and Acceptance Form or the Shortfall Application Form accompanying this Prospectus.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. 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.

Summary of Important Dates*

Announcement of Rights Issue	13 February 2003
Prospectus Lodged at ASIC and ASX	13 February 2003
Record Date to determine Entitlements pursuant to the Rights Issue	24 February 2003
Prospectus with Entitlement and Acceptance Form Despatched	26 February 2003
Closing Date for acceptance and receipt of applications under the Rights Issue	19 March 2003
Last day for despatch of holding statements	28 March 2003

*These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice.

Key Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 7 of this Prospectus.

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Directors of Alcaston I am pleased to introduce this Prospectus to you and invite you to participate in this Rights Issue of New Shares and New Options.

Over recent months, Alcaston has been active, particularly in pursuing new gold projects. As described in more detail later in this Prospectus, Alcaston has a farm-in agreement with Mincor Resources NL in relation to its properties in Fiji and Vanuatu. Previous work undertaken at these properties indicate that they are very prospective for gold and, in the case of the Sabeto (Fiji) prospect this has been affirmed by recent exploration work undertaken by Alcaston.

Alcaston has also acquired a 66.66% interest in the Blondin Lake property in Northwestern Ontario, Canada, comprising over 4,000 hectares. In addition, Alcaston holds an 80% interest in the nearby Wavell Lake property, comprising over 6,000 hectares. The Blondin Lake and Wavell Lake properties cover an intensely folded and sheared iron formation that is similar in appearance to the one hosting Placer Dome's Musselwhite Mine (3.3 million ounces of gold) which lies approximately 190kms to the north east.

Alcaston's diamond interests at Labelle Downs (Northern Territory) and Leopold Downs (Western Australia) continue to hold promise and have the benefit of farm-ins by De Beers Australia Exploration Ltd and Rio Tinto Exploration Pty Ltd respectively. Alcaston's former managing director, Mr Clarke Dudley is leading a team working on the proposed spin off of Alcaston's various diamond interests, into a new company (to be called Lionheart Exploration Ltd). Alcaston shareholders have approved these arrangements and Mr Dudley is currently preparing a prospectus seeking to raise the necessary funds to enable the spin off and subsequent ASX listing of Lionheart Exploration Ltd, to proceed.

Alcaston's directors continue to be on the lookout for and evaluate other opportunities and part of the funds sought to be raised by this Prospectus is to enable us to continue those activities.

On behalf of the Board of Directors, I encourage you to take up your entitlement for New Shares and New Options and, if you wish, to make a shortfall application for additional New Shares and New Options.

Yours faithfully,

Rick W Crabb *BJuris, LLB, MBA, MAusIMM*
CHAIRMAN

1. DETAILS OF THE RIGHTS ISSUE

1.1 Rights Issue

This Prospectus invites Existing Shareholders to participate in a pro-rata non-renounceable Rights Issue of 22,146,100 New Shares in the Company on the basis of one (1) New Share for every three (3) Shares held on the Record Date, at an issue price of 5 cents per New Share, with each New Share subscribed for also receiving an attaching New Option for no consideration with each New Option having an exercise price of 15 cents and a term expiring on 30 September 2007, for the purpose of raising up to $1,107,305.

Any fractional entitlements to New Shares and New Options will be rounded up to the nearest whole number in calculating each Existing Shareholder's entitlement to New Shares and New Options.

The Rights Issue will raise approximately $1,107,305 (less the expenses of the Rights Issue).

As at the date of this Prospectus, 66,438,301 Shares are on issue. Existing Optionholders will not be entitled to participate in the Rights Issue without first exercising their Options.

1.2 No Rights Trading

Entitlements to New Shares and New Options pursuant to the Rights Issue are non-renounceable and accordingly are not able to be traded on ASX.

1.3 Opening and Closing Dates

The Rights Issue will open for receipt of acceptances at 9.00am WST on 26 February 2003 and will close at 5.00pm WST on 19 March 2003, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 5 Business Days prior to the Closing Date.

1.4 Minimum Subscription

There is no minimum level of subscription for the Rights Issue.

1.5 Brokerage and Commission

The Company may pay a fee of up to 6% (plus GST) of the amount subscribed (and accepted by the Company) to any holders of a dealers' licences in respect of Shortfall Application Forms bearing the stamp of such dealers.

No brokerage or stamp duty will be payable by investors.

1.6 Entitlements and Acceptance

The Rights Issue is non-renounceable and accordingly, Existing Shareholders may not dispose of or trade any part of their Entitlement under the Rights Issue.

In determining entitlements, any fractional entitlement will be rounded up to the nearest whole number.

Acceptance of Entitlement in Full

If you wish to take up all of your Entitlement under the Rights Issue, please complete the relevant Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form. Applications must not exceed your Entitlement as shown on the Entitlement and Acceptance

Form. Applications exceeding your Entitlement will be deemed to be for your maximum Entitlement and any surplus subscription funds will be returned, without interest. Please ensure the completed Entitlement and Acceptance Form, together with your cheque, is received by the Company's Share Registry:

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
PO Box 535
APPLECROSS WA 6953

not later than 5.00pm WST on 19 March 2003 or such later date as the Directors advise. Cheques should be made payable to "**Alcaston Mining NL – Share Account**" and crossed "Not Negotiable".

Partial Acceptance of Entitlement

If you wish to take up **part** of your Entitlement pursuant to the Rights Issue, please complete the relevant Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form and insert the number of New Shares and New Options for which you wish to accept the offer (being less than your Entitlement as specified on the Entitlement and Acceptance Form). Please ensure the completed Entitlement and Acceptance Form and your cheque is received by the Company at:

Security Transfer Registrars Pty Ltd
Canning Highway
APPLECROSS WA 6153
PO Box 535
APPLECROSS WA 6953

not later than 5.00pm WST on 19 March 2003 or such later date as the Directors advise. Cheques should be made payable to "**Alcaston Mining NL – Share Account**" and crossed "Not Negotiable".

Non-Acceptance of Entitlement

If you do not wish to take up any part of your Entitlement under the Rights Issue, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares and New Options not accepted will form part of the Shortfall. Accordingly, in the case of non-acceptance of your Entitlement, your Entitlement to subscribe for New Shares and New Options under the Rights Issue will be dealt with in accordance with Section 1.7 of this Prospectus.

Enquiries

If you have any queries regarding your Entitlement, please contact Security Transfer Registrars Pty Ltd by telephone on **+61 8 9315 0933** or your stockbroker or professional adviser.

1.7 Shortfall

If you decide not to accept all or part of your Entitlement pursuant to the Rights Issue, the New Shares and New Options not accepted will form the Shortfall and the Directors reserve the right to issue the New Shares and New Options at their absolute discretion within 3 months from the date of this Prospectus.

If you are an Existing Shareholder and wish to participate in any Shortfall that may arise under the Rights Issue, you should complete the Shortfall Application Form attached to this Prospectus and tick the appropriate box indicating whether you are an Existing Shareholder.

In both instances, ensure the completed Shortfall Application Form and your cheque is received by the Company at:

Security Transfer Registrars Pty Ltd
Canning Highway
APPLECROSS WA 6153
PO Box 535
APPLECROSS WA 6953

not later than 5.00pm WST on 19 March 2003 or such later date as the Directors advise. Cheques should be made payable to "**Alcaston Mining NL – Share Account**" and crossed "Not Negotiable".

Directors cannot guarantee that any application to participate in the Shortfall will be filled. In the event the request cannot be filled (whether in whole or in part) monies in relation to the New Shares and New Options not allocated will be refunded in full (without interest accruing) within 21 days of notification of the Shortfall by the Company to ASX.

1.8 Allotment of New Shares and New Options

The New Shares and New Options are expected to be granted and allotted by no later than 28 March 2003. Until grant and allotment of the New Shares and New Options under this Prospectus, the application money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the application money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares and New Options takes place.

1.9 ASX Listing

The Company will make application to ASX within 7 days following the date of this Prospectus for Official Quotation of the New Shares and New Options.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not grant or allot any New Shares or New Options and will repay all application monies (where applicable) as soon as practicable, without interest.

A decision by ASX to grant Official Quotation of the New Shares and New Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares and New Options now offered for subscription.

1.10 Overseas Investors

In accordance with the requirements of the Listing Rules, the Company is of the view that it is unreasonable to make an offer under this Prospectus to shareholders outside of Australia and New Zealand having regard to:

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

(b) the number and value of the securities to be offered to shareholders outside of Australia and New Zealand; and

(c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to make offers under the Prospectus to shareholders outside of Australia and New Zealand.

1.11 Purpose of the Rights Issue

The purpose of the Rights Issue is to raise funds for the following:

(a) continued mineral exploration activities on the Company's Canadian, Fijian and Vanuatu gold projects;

(b) administration of the Company;

(c) working capital; and

(d) continued investigation of and due diligence upon new opportunities in respect of mining production assets.

Furthermore as the New Shares and New Options, the subject of the Rights Issue are issued and allotted, the funds raised will be expended as follows:

(a) the first $250,000 will be spent on the administration of the Company;

(e) the next $400,000 will be spent on continuing mineral exploration activities on the Company's Canadian, Fijian and Vanuatu gold projects;

(f) the next $100,000 will be spent on continued investigation of and due diligence upon new opportunities in respect of mining production assets; and

(g) any balance of funds above this shall be spent on the working capital of the Company.

2. EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

2.1 Principal Effects

The principal effect on the Company of the Rights Issue is dependent on the success of the Rights Issue. However, assuming the Rights Issue is fully subscribed the principal effects are as follows:

(a) The Company will issue 22,146,100 New Shares and the total number of Shares on issue will increase to 88,584,401 Shares;

(b) The Company will issue 22,146,100 New Options and the total number of Options on issue will increase to 69,172,631 Options;

(c) Following the issue of the New Shares and New Options, the cash reserves of the Company will increase by approximately $1,107,305 (less the expenses of the Rights Issue);

(d) If all the New Options proposed to be issued are ultimately exercised, the number of Shares on issue will increase from 88,584,401 to 110,730,501 Shares. The Company will receive 15 cents for each New Option exercised and, assuming all New Options are exercised, this will raise approximately $3,321,915; and

(e) The equity of Existing Shareholders who do not participate in the Rights Issue will be diluted as is evidenced from the figures set out above.

2.2 Statement of Financial Position and Capital Structure

Set out as follows is an unaudited Statement of Financial Position of the Company as at 31 December 2002 and the proposed capital structure of the Company after the Rights Issue (but prior to the expenses of the Rights Issue):

Statement of Financial Position
Pro-forma Reflecting Proposed Rights Issue and Placement

	31 December 2002 ($)
CURRENT ASSETS	
Cash	54,775
Receivables	59,010
Other Financial Assets	27,966
Other	113,122
TOTAL CURRENT ASSETS	**254,873**
NON CURRENT ASSETS	
Property, Plant & Equipment	3,508
Other	1,368,942
TOTAL NON-CURRENT ASSETS	**1,372,450**
TOTAL ASSETS	**1,627,323**
CURRENT LIABILITIES	
Loans	30,000
Payables and accrued expenses	254,447
Other	73,951
TOTAL CURRENT LIABILITIES	**358,398**
NON-CURRENT LIABILITIES	**NIL**
TOTAL LIABILITIES	**358,398**
NET ASSETS	**1,268,925**
EQUITY	**$**
Share Capital (Parent)	7,790,895
OEI	208,924
Accumulated Losses	(6,730,894)
TOTAL EQUITY	**1,268,925**

2.3 Capital Structure of the Company

The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below:

Issued Capital	**Number**	**$**
Existing Shares	66,438,301	7,706,972
Existing Options on issue (expiring on 30 September 2007 and exercisable at 15 cents per share)	47,026,531	215,132
Existing Issued Capital (fully diluted)	113,464,832	7,922,104
Maximum No. of New Shares to be issued pursuant to this Prospectus	22,146,100	1,107,305
Maximum No. of New Options to be issued pursuant to this Prospectus	22,146,100	NIL
Total New Shares on issue after the Rights Issue	88,584,401	8,814,277

3. COMPANY PROJECTS

3.1 Fiji – JV With Mincor Resources NL (Gold)

Alcaston has a farm-in agreement with Mincor Resources NL ("Mincor") in relation to their gold properties in Fiji and Vanuatu ("Oribi Properties"). The Oribi Properties comprise five (5) tenements in Fiji and Vanuatu at advanced stages of exploration. Alcaston has the right to earn a 75% interest in Mincor's interest in the Oribi Properties by issuing Mincor with 5,000,000 Shares (which it has done) and by spending $2,000,000 over a three (3) year period. Alcaston must spend a minimum of A$500,000 on the Oribi Properties before it can withdraw from the joint venture agreement. After the initial earning period, should Alcaston decide to acquire the remaining 25% interest in the Oribi Properties still held by Mincor, it is required to issue Mincor with a further 15,000,000 Alcaston Shares. Should Alcaston decide not to acquire the remaining 25% interest, it will carry Mincor's 25% interest until completion of a bankable feasibility study, free of interest. Mincor's share of the contribution will be repayable from 75% of Mincor's production proceeds, until fully repaid. A Net Smelter Return of 2% will also be payable to Mincor on a pro-rata basis.

Mincor, as part of the Oribi Properties, has an existing farm-in agreement on the Webe Creek property in Vanuatu. Mincor's Webe Creek interest is 75% and Rimfire Resources Limited's ("Rimfire") (a subsidiary of Goldstream Mining NL) interest is 25%. Alcaston has entered into an agreement with Rimfire whereby it will purchase Rimfire's 25% in Webe Creek. The terms of the purchase are that, the spending commitment by Alcaston will remain the same as that mentioned above for the Oribi Properties. In addition, Alcaston will also issue 375,000 Shares to Rimfire for 75% of its 25% (i.e. 18.75%) interest in Webe Creek. After the initial earning period, if Alcaston decide to then acquire the remaining 6.25% of Rimfire's interest in Webe Creek, it is required to issue a further 1,125,000 Alcaston Shares. Should Alcaston decide not to acquire the remaining 6.25% interest, it will carry Rimfire's 6.25% interest until completion of a bankable feasibility study, free of interest. Rimfire's share of contribution will be repayable from 75% of Rimfire's production proceeds, until fully repaid. A Net Smelter Return of 2% will also be payable to Rimfire on a pro-rata basis.

3.2 Fiji – Sabeto - (Gold)

The Sabeto licence is situated approximately 25km from the major centre and International Airport at Nadi (*Figure 1*). The licence is in a key position in the Western Viti Levu goldfields and previous work has demonstrated that the Banana Creek gold prospect (*Figure 2*) is prospective for bonanza grade epithermal veining of similar style to the nearby Tuvutu deposit (1.64 million tonnes @ 8.5g/t gold for 450,000 ounces) or that at the Vatukoula Mine (10 million ounces) operated by Emperor Gold Mines Limited. The prospect comprises significant coincident gold-in-soil (robust 1 km x 0.3 km, greater than 0.5 g/t gold) and potassium radiometric anomalies, outcropping gold mineralised epithermal veining (some of which have returned bonanza grade gold assays of up to 72 g/t gold), and a significant gold-bearing vein intercept (0.4 m @ 23.4 g/t gold).

Alcaston completed a major exploration program at Sabeto comprising geological mapping, rock chip sampling and diamond drilling from September to November 2002.

Geological mapping at Banana Creek delineated at least five significant zones of stockwork, quartz-sulphide veining. These zones trend north-northwest, strike for at least 200m, and range in width from 10 to 20m. All zones are open along strike and down dip. The largest of these zones, the Republic Zone, is at least 300m long and 20m wide.

Rock chip samples from these mineralised zones returned bonanza grade gold assay results. Best grab rock chip sample results are 46.3 g/t, 32.0 g/t and 10.6 g/t gold. Best channel rock chip results are 20m @ 2.1 g/t gold (including 2 m @ 18.9 g/t gold) and 4 m @ 4.42 g/t gold.

A diamond drilling program comprising three holes (BCDH6 – BCDH8), for a total of 595.3m was completed at Banana Creek to test the mineralised zones (*Figure 3*). Holes ranged from 182.8m to

212.5m in depth and were drilled in a single line (10000N) across the strike of the gold-in-soil anomaly and the gold-bearing veining. Early assays from the drilling confirmed that the significant sulphide stockwork vein zones delineated in the mapping do not host any significant gold, and that significant gold is related to epithermal quartz veins only. As such the focus for exploration shifted to locating and delineating the thickest and most strike extensive quartz veins. Holes BCDH6 and BCDH7 were designed to test the depth extent of the bonanza, 40cm wide, epithermal quartz vein ("Iliesa Vein") intercepted in hole BCDH4 drilled by Mincor. These holes were drilled 5m and 90m respectively below BCDH4, and approximately 25m to the northeast of BCDH4. Both holes failed to intercept the vein. In the expected vein position in BCDH6, a significant gold anomalous fault was located, suggesting the vein may have been faulted and possibly displaced.

Hole BCDH8 intercepted a new significant "bonanza-style" epithermal quartz vein ("Republic Vein"), 60cm in width, and very similar in appearance to the Iliesa Vein (*Figure 3*). The vein is thinly banded with dark quartz layers perhaps due to very fine sulphides. The vein margins are irregular and there is evidence of brecciation. The vein returned an intercept of 0.6 m @ 3.42 g/t gold, 0.88 g/t silver (from 32.4 to 33.0m). This larger vein is hosted in a 17.9m wide hydrothermal breccia zone, which is quartz veined, altered and anomalous in gold (zone averages 0.22 g/t gold). Drill core in this mineralized zone is very broken and core recoveries were low, as poor as 35%. The Republic Vein, lies 190 m southeast of the Iliesa Vein and remains open at depth and along strike. Although the gold intercept from the Republic Vein is not as high as the intercept from the Iliesa Vein it is still considered very significant as the grade in these bonanza-style vein systems (such as in the Vatukoula and Tuvatu deposits) are known to be highly variable. In addition, due to the poor core recovery, the grade of the Republic Vein intercept can only be considered indicative. Alcaston is planning a further geological mapping program at Banana Creek in May 2003 to better understand the structural controls on the location of the bonanza veins prior to considering further drilling.

At the Tuvatu North prospect, Alcaston confirmed that the gold-bearing epithermal veining from Emperor Gold Mines' Tuvatu gold deposit extends north into Alcaston's tenement area (*Figure 2*). Alcaston located veining similar to that at Tuvatu, on a prominent northeast-trending ridge. This veining was originally discovered in 1988. The best rockchip sample result obtained from this veining was 8.5 g/t gold, 4 g/t silver, and 0.28% lead. The veining lies approximately 80 m north of the tenement boundary and sits in a distinctive alteration zone (approximately 160 m wide), which trends north from the Tuvatu deposit. The alteration zone is characterized by orange brown soil (argillic alteration) and a deeper soil profile compared with the greenish grey, shallow soil cover over the relatively fresh monzonite to the east and west. Pan Continental obtained anomalous soil samples from this altered zone, with a best result of 0.54 g/t gold. No follow-up of these highly significant rock chip and soil results has been conducted. No drilling has been conducted. Access to the Tuvatu North prospect is poor, as is the level of outcrop. During November 2002 Alcaston attempted to doze a track through the altered zone to try and expose further veining. The dozing was halted by the start of the "Wet Season" before the zone of interest could be reached. Alcaston plans to recommence dozing this track following the end of the "Wet Season" in April/May 2003. A geological mapping and rockchip sampling program will be conducted in conjunction with the dozing.

Alcaston has successfully negotiated compensation agreements with the three landowner groups covering the Banana Creek and Tuvatu North prospects. The local landowners are highly supportive of exploration.

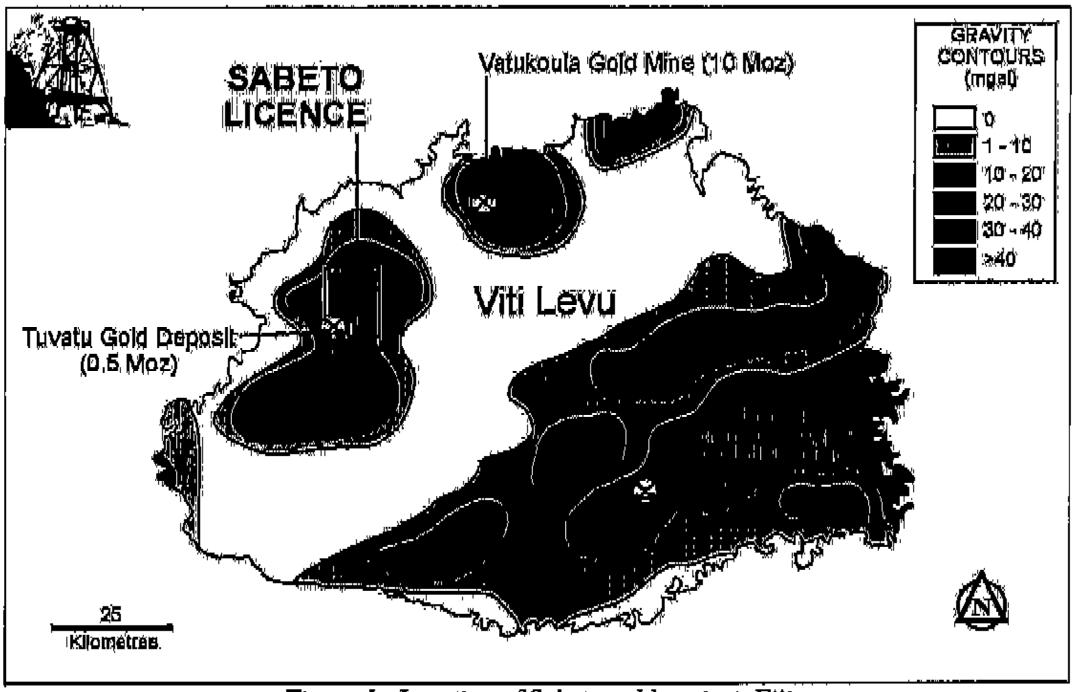

Figure 1 Location of Sabeto gold project, Fiji

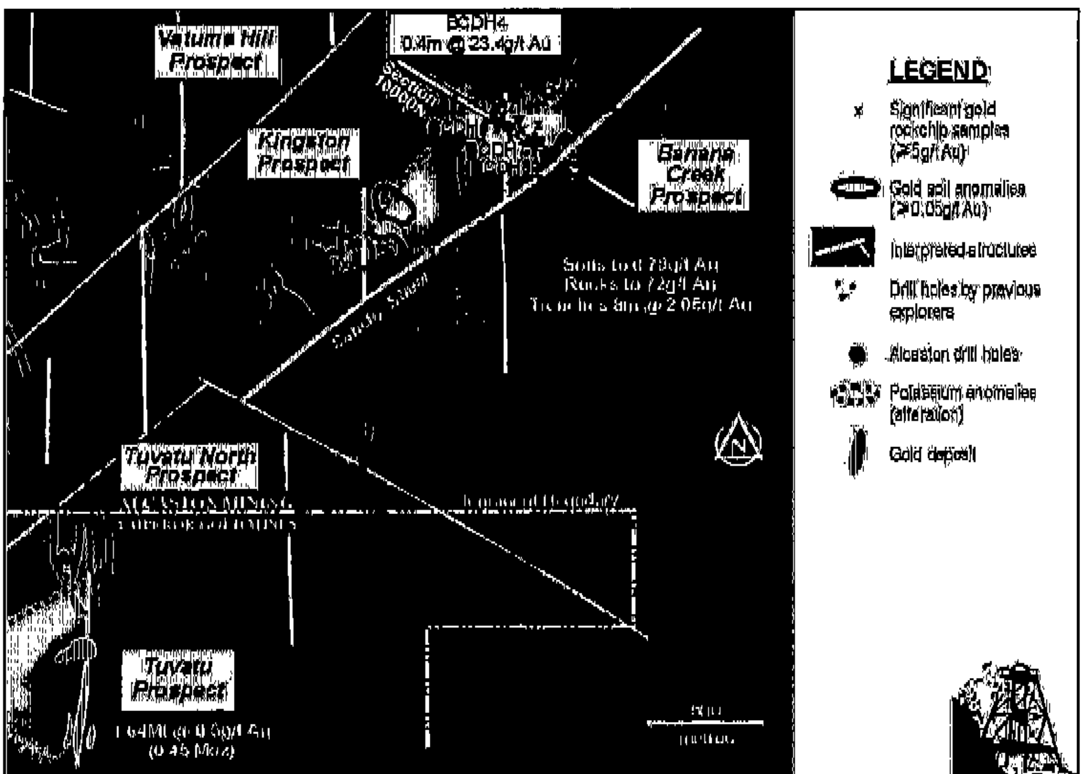

Figure 2 Sabeto prospect locations, Fiji

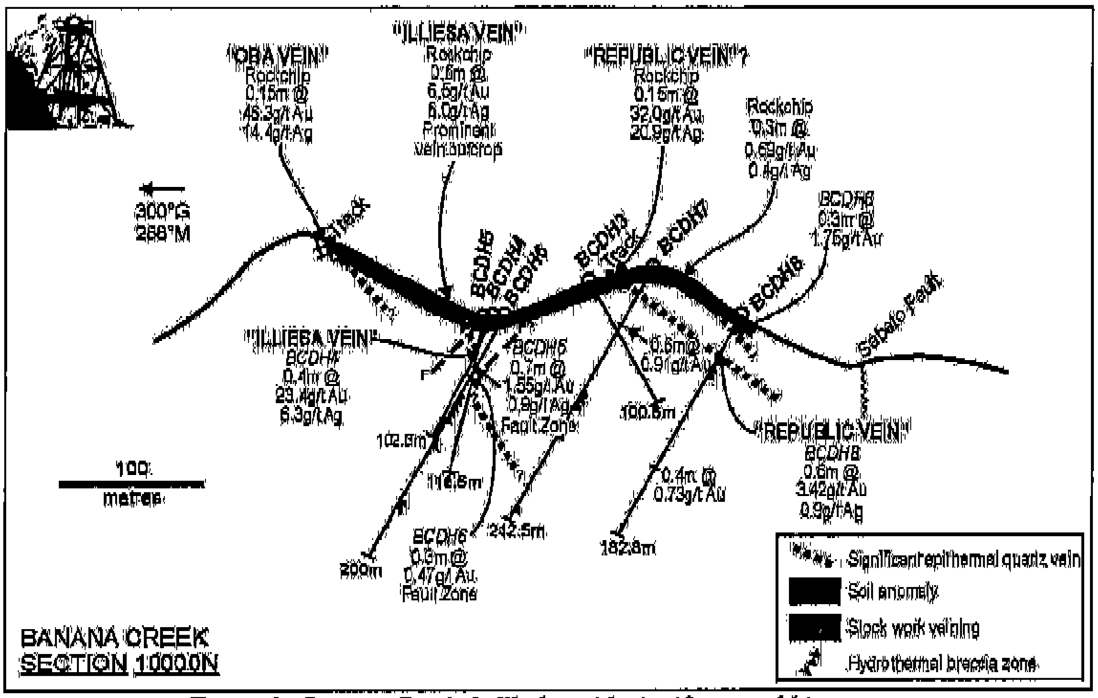

Figure 3 Banana Creek drillholes with significant gold intercepts

3.3 Vanuatu – Webe Creek – (Gold)

At Webe Creek on the northern Island of Espiritu Santo, the Laonasmata prospect, a well defined 800m long zone of epithermal gold and silver-bearing veins and stockworks open to the south beneath raised reefal limestones, is highly prospective for bonanza grade epithermal gold veining and ready for immediate drill testing of significant coincident gold-in-soil and IP chargeability anomalies (*Figure 4*). Rock chip values up to 13.2 g/t gold and 270 g/t silver and trench intersections in the order of 16m @ 1.42 g/t gold equivalent have been obtained from stockwork quartz veining. IP chargeability anomalies in the southeastern portion of the gold-in-soil anomaly which continue to the south under the reefal limestone correlate well with sulphides within quartz veins and the alteration zones. Based on these prospective features (particularly the strong chargeability anomaly) and given that Webe Creek has not been drilled to date, the Laonasmata gold prospect is considered highly prospective.

Alcaston has budgeted A$236,000 to test the Laonasmata veins and IP changeability anomalies with 1,500m of diamond and RC drilling. The drilling is scheduled to commence after the completion of the drilling program at Sabeto. Given the current "Wet Season" and problems this creates for drill rig access, drilling at Webe Creek will most likely commence in April/May 2003.

Mincor holds a 75% interest in the Webe Creek tenement.

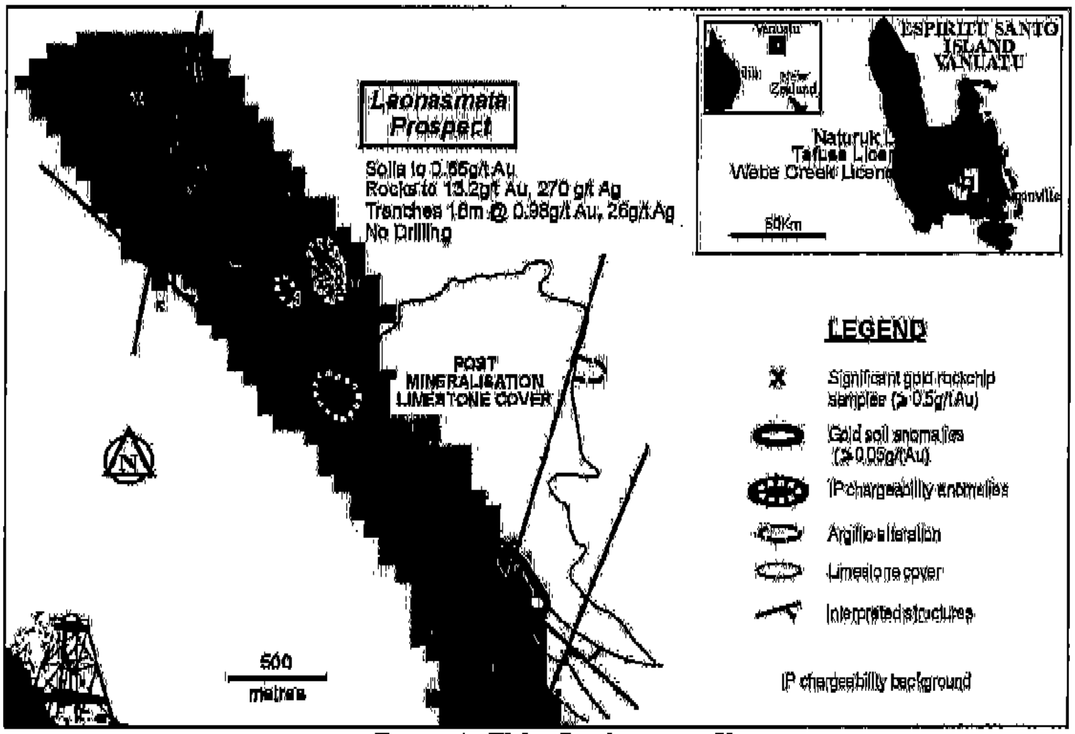

Figure 4 Webe Creek project, Vanuatu

3.4 Vanuatu – Tafuse - (Gold)

The Tafuse Licence adjoins Webe Creek to the north. Five (5) gold targets have been identified, comprising epithermal alteration zones with gold mineralisation on surface. The most advanced prospect at Tafuse North consists of a series of explosive breccia bodies aligned over 700m along an elongated northwest trending zone. Exotic siliceous clasts in the breccia have assayed up to 10 g/t gold and 860 g/t silver. Bedrock channel sampling by a previous explorer returned values of 14m @ 1.7 g/t gold (including 2m @ 7.5 g/t gold) with silver assays up to 600 g/t. Two holes were also drilled by the previous explorer. Both holes intersected a near surface 31m thick zone of explosive breccia which assayed 0.26 g/t gold over its full width and at its lower contact assayed 4m @ 1.2 g/t gold in drillhole TAF-002 and 3m @ 1.5 g/t gold in TAF-001. The breccia body was drilled parallel to strike. The coherent gold (generally greater than 0.5 g/t), arsenic, copper, lead and zinc anomaly over 800m at Tafuse North offer immediate drill targets. Ground magnetic and IP chargeability anomalies are also present. It is also apparent that the two previous drill holes have not adequately tested any of the geological, geochemical or geophysical targets and the previous explorer could not explore their most favoured area due to landowner problems. Alcaston has planned a limited reconnaissance program with a view to drilling the main targets in 2003.

3.5 Vanuatu – Taoran and Amethyst – (Gold)

These gold tenements located on the island of Malekula have been explored by a number of companies. Mincor completed geochemical and geophysical programs culminating in drill testing of the best anomalies with 10 diamond holes. The best intercept was 2m @ 8.61 g/t gold. Although the drilling has downgraded the prospectivity of the Taoran target area, there remains some potential in the surrounding licence areas with several untested or poorly tested targets remaining. Mincor holds a 53% interest in these two tenements.

3.6 Canada (Ontario) – Blondin Lake and Wavell Lake – (Gold)

Alcaston recently acquired an interest in two (2) gold properties in the northwestern corner of the Birch-Uchi Greenstone Belt in northwestern Ontario, Canada (*Figure 5*).

The Blondin Lake property comprises 263 contiguous unpatented claims units (4,208 hectares) and is held 100% by Bullion Resources Ltd., a private company incorporated in the Province of British Columbia.

Alcaston Mining has recently purchased two thirds (66.66%) of Bullion Resources Limited for 5,000,000 Alcaston Shares and 2,500,000 Alcaston listed options. As part of the purchase Alcaston will inject a further C$50,000 as equity capital into Bullion Resources Limited. Alcaston has a call option to purchase the balance of Bullion Resources Limited that it does not own (33.33%) for a further 2,500,000 Alcaston Shares and 1,250,000 Alcaston listed options. This call option expires on 30 June 2004.

The Wavell Lake property lies directly to the north of Blondin Lake and comprises 420 contiguous unpatented claims units (6,720 hectares). The Wavell Lake property is owned 80% by Alcaston. The balance is owned by the 2 vendors of the 66.66% interest in Bullion Resources Limited. Their 20% interest is free carried by Alcaston until the completion of a bankable feasibility study.

Both properties were staked to cover a geological setting identified from a regional government airborne magnetic survey and interpreted as being a favourable environment for gold mineralization (*Figure 6*). Specifically, the Blondin properties cover an intensely folded and sheared iron formation that is similar in appearance to the one hosting Placer Dome's Musselwhite Mine (3.3 million ounces of gold), some 190km to the northeast. In addition, the stratigraphy underlying the bulk of the property is interpreted as Cycle I volcanics, which are thought to be equivalent to the Balmer Assemblage, host of the prolific Campbell/Red Lake gold orebody (19 million ounces of gold) in the adjacent Red Lake Greenstone Belt. The Birch-Uchi Greestone Belt is three times larger than the Red Lake Greenstone Belt, yet has seen little exploration in comparison.

Minimal exploration has previously been conducted on the Blondin properties, largely because they lie beyond the limits of government mapping. It is believed that this is also the reason for a lack of recorded gold showings in this part of the belt when such occurrences are known throughout the rest of the belt. As such, the Blondin Lake Property is considered to be a highly prospective grassroots project with excellent potential for a new and significant discovery.

Alcaston is planning a multi-year integrated exploration program to commence in 2003, which will include detailed airborne geophysics, reconnaissance and detailed scale geological mapping and prospecting, and diamond drilling. The program is designed to specifically test the potential of the properties to host significant iron formation-hosted and/or high-grade quartz vein-hosted ("Red Lake-style") gold mineralisation.

Several major gold companies have indicated an interest to joint venture into the Blondin Lake and Wavell Lake ground.

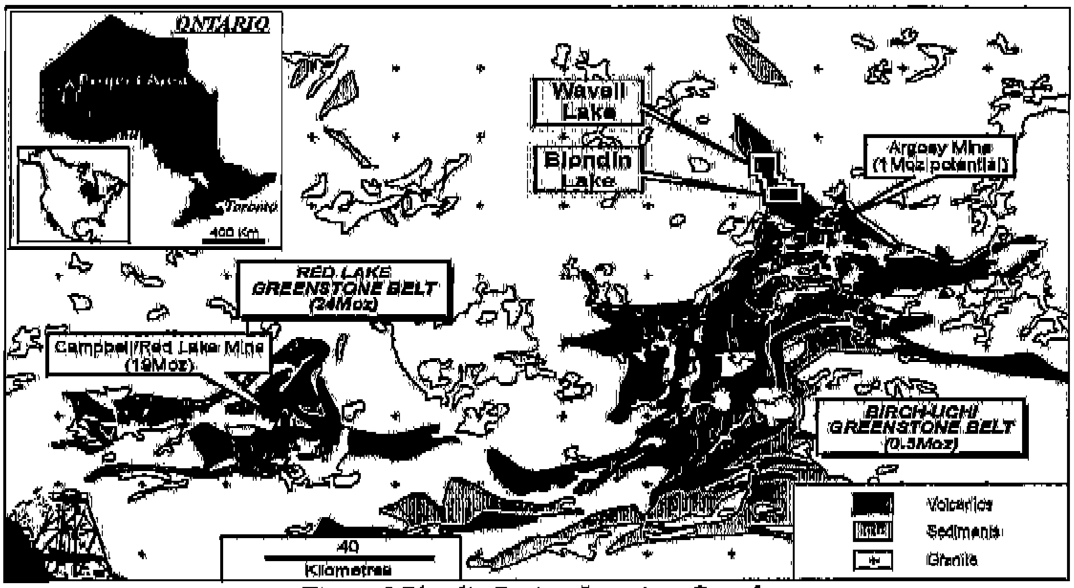

Figure 5 Blondin Project Location, Canada

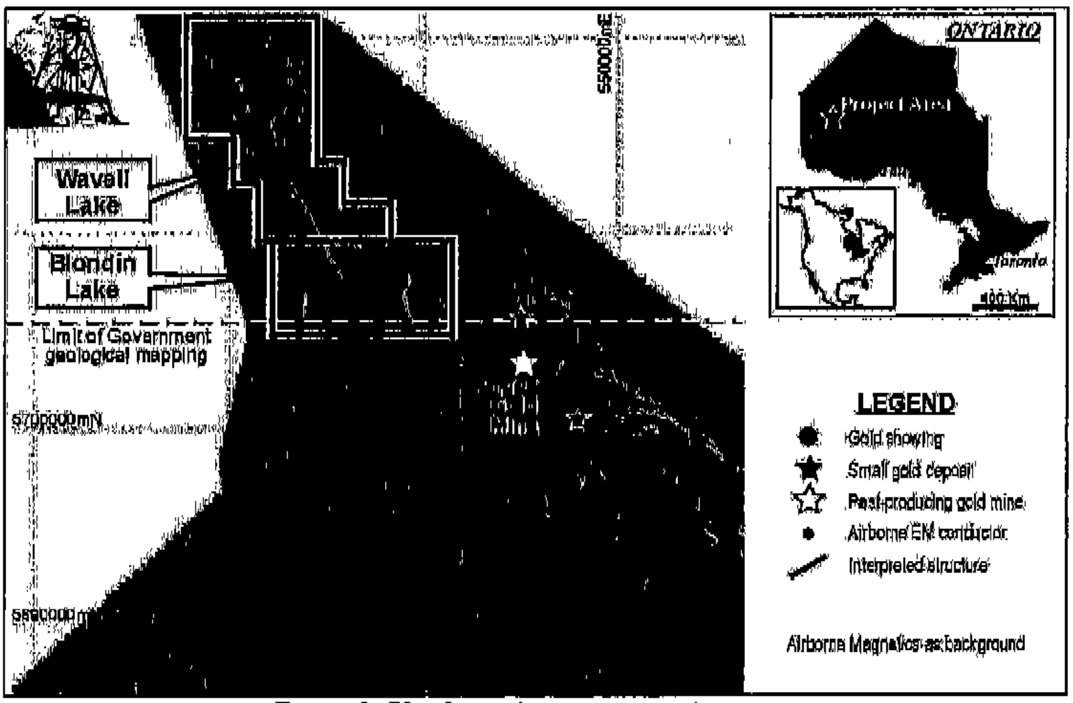

Figure 6 Blondin project aeromagnetics

3.7 Australia – Woods Point (Victoria) – (Gold)

At the Franklin prospect, Alcaston has mapped out an extensive gold mineralised dyke stockwork, comprising a major east-west trending dyke ("Cross Dyke") and at least nine north-west trending dykes. The Cross Dyke strikes for at least 900 m, varies in thickness from 10 to 30 m, and dips shallowly to the south. The north-west trending dykes are generally thinner (3 to 10 m), steeply dipping and extend in strike for at least 200 to 400 m.

Within the dykes extensive and intense stockwork quartz veining, with gold mineralisation has been located. Significant rock chip samples taken from portions of this veining include channel samples of 6m @ 3.1 g/t gold (including 2.5m @ 6.2 g/t gold), 15m @ 1.9 g/t gold, and 3m @ 4.2 g/t gold, and grab samples of 77.8 g/t, 24.8 g/t, 6.9 g/t, 5.8 g/t, and 4.7 g/t gold.

No drilling has ever been conducted at the Franklin prospect. Alcaston's recent mapping is the only significant exploration conducted on the prospect since 1902. The Franklin mineralization is located only 3km southeast of the Morning Star Mine, which produced at least 800,000 ounces of gold.

A program to test the gold mineralised dykes at Franklin, Cronans and Golden Fleece prospects with reverse circulation drilling is planned for March 2003. The proposed program would comprise approximately four holes, for a total of approximately 800m.

A renewal application for the Woods Point licence is currently being reviewed by the Department of Natural Resources and Environment, Victoria.

3.8 Australia – Labelle Downs (Northern Territory) – (Diamonds)

The Labelle Downs exploration licence application straddles the northerly extension of the Halls Creek Mobile Zone, which hosts the Argyle Diamond Mine and numerous other kimberlite occurrences along the margin of the Kimberly block. Past exploration has delineated a cluster of discrete dipolar magnetic anomalies concealed under a blanket of transported sediments, and a detailed magnetic survey has pinpointed individual anomalies that closely resemble anomalies associated with kimberlite pipes (*Figure 7*).

The Labelle Downs diamond exploration project is subject to a two-stage option/joint venture agreement between Alcaston and De Beers Australia Exploration Ltd ("De Beers"), the local subsidiary of the international mining giant, De Beers. Under the terms of this joint venture agreement, De Beers can earn a 70% interest in the Labelle Downs Diamond Project by spending A$750,000. Once this interest has been earned, and assuming Alcaston elects to dilute its interest, De Beers then has the right to earn an additional 20% interest by spending approximately A$2.1 million. Once Alcaston's interest is diluted to 10%, it becomes free carried. De Beers are planning a drilling program to test the magnetic anomalies at Labelle Downs after the "Wet Season" in the second quarter of 2003.

Lionheart has agreed to purchase the Labelle Downs exploration licence, subject to certain conditions, as set out in section 3.14.

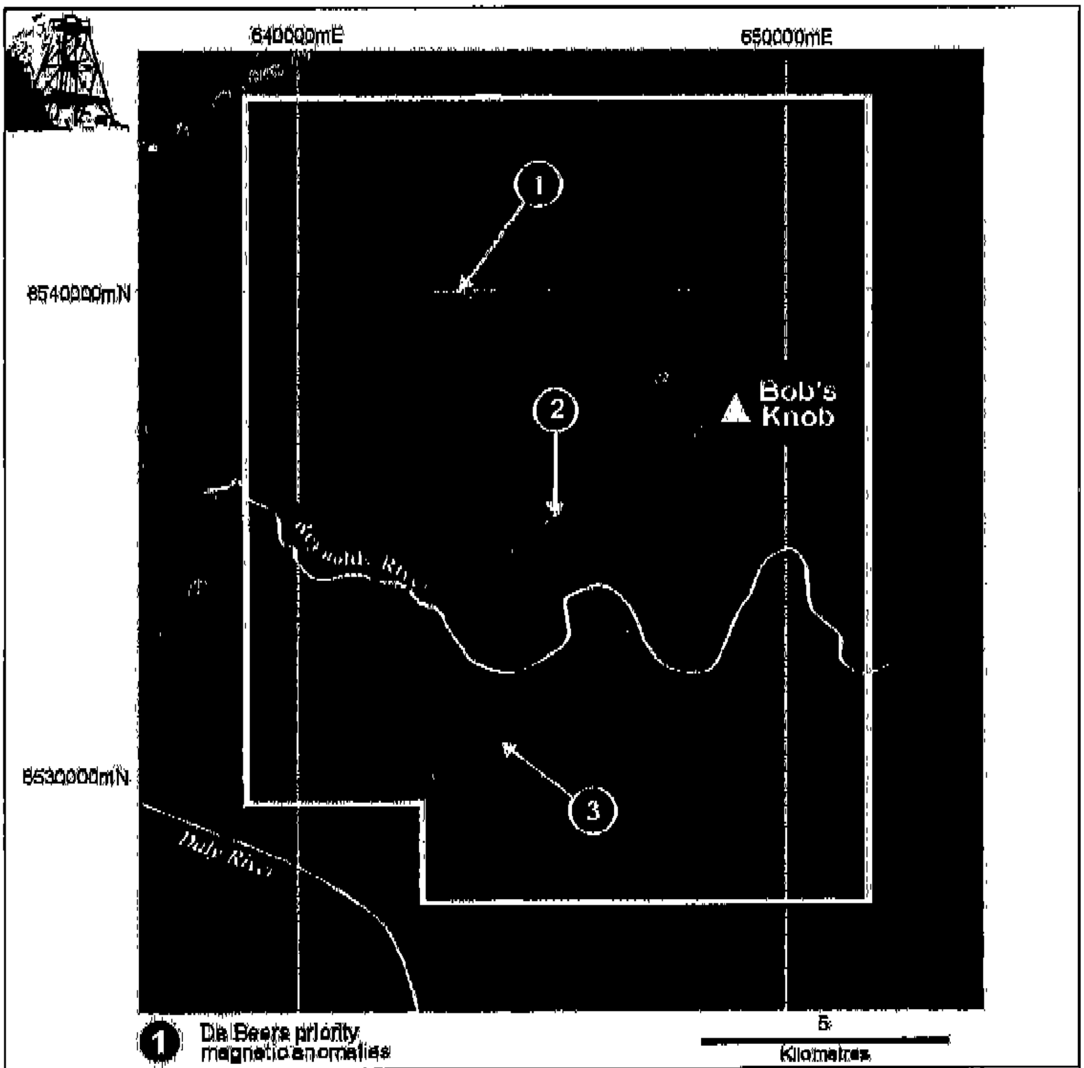

Figure 7 Labelle Downs project aeromagnetics, Australia

3.9 Leopold Downs (Western Australia) – (Diamonds)

These two adjoining exploration licences are situated in the Kimberly Region of Western Australia and are located approximately 50km to the southeast of the Ellendale lamproite field.

The most northerly licence contains a cluster of five lamproite bodies comprising four pipes ranging in surface area from 10.4 ha to 1.0 ha and a sill or dyke of at least 1.0 ha in extent. These pipes were the first diamondiferous pipes of economic size to be discovered in Western Australia, and the first known occurrences of diamond in rocks of the lamproite type.

The adjoining southern licence has a confirmed history from past exploration of the presence of both diamonds and indicator minerals in drainages within the licence. Few areas in Australia other than downstream from the Argyle diamond mine have yielded diamonds so consistently from normal drainage sampling.

A review of available data has highlighted four small creeks that are anomalous in their diamond and indicator mineral content. All four creeks drain off a plateau area suggesting that a lamproitic source exists within this localised area (*Figure 8*).

Leopold Downs is subject to a Farm-in and Joint Venture Agreement with Rio Tinto Exploration Pty Ltd ("Rio Tinto") on Leopold Downs. Rio Tinto can earn 70% equity in Leopold Downs by spending A$3.0 million on exploration within a period of three years. Rio Tinto must spend a minimum of A$125,000 within 12 months prior to withdrawing from the Agreement. After Rio Tinto has earned it's 70% equity, Alcaston has the opportunity to commence contributing to project expenditure at the 30% level, or alternatively allow Rio Tinto to sole fund a further A$2.0 million to earn an additional 20% interest in the project. If Rio Tinto earns a 90% interest, Alcaston has the option to contribute at the 10% level, or alternatively dilute. If Alcaston's interest falls below 5%, it's interest converts to a success fee of A$5 million, payable to Alcaston on the decision to mine. The Leopold Downs project is also subject to a 2% gross royalty, capped at A$25 million, payable to Biddlecombe Pty Ltd.

As part of Rio Tinto's joint venture due diligence, they collected samples from several drainages within Leopold Downs. Samples produced a number of clear, white diamonds and numerous chromites. One sample produced seven diamonds (three macrodiamonds and four microdiamonds). Even though Rio Tinto used a 1 mm screen, the largest diamond recovered was 1.4 mm. This diamond was elongated, allowing it to fall through the screen (*Figure 9*).

Rio Tinto conducted an airborne electro-magnetic geophysical survey over the Leopold Downs tenement area in December 2002 to explore for further pipes. The results from this survey are awaited.

Lionheart has agreed to purchase the Leopold Downs exploration licence, subject to certain conditions, as set out in section 3.14.

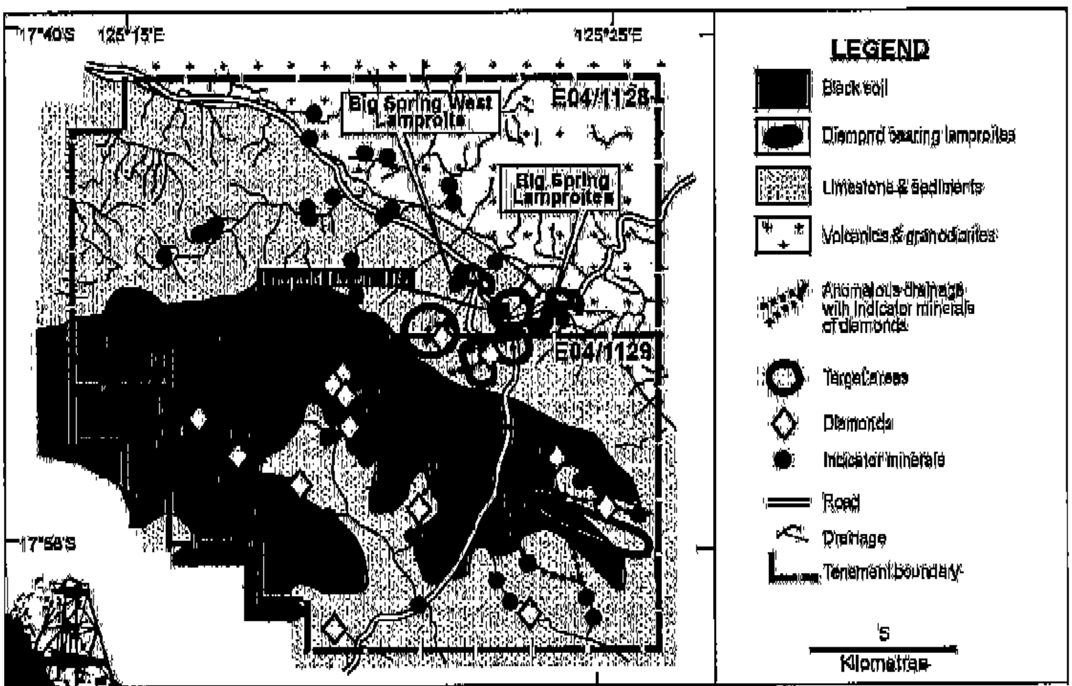

Figure 8 Leopold Downs diamond project, Australia

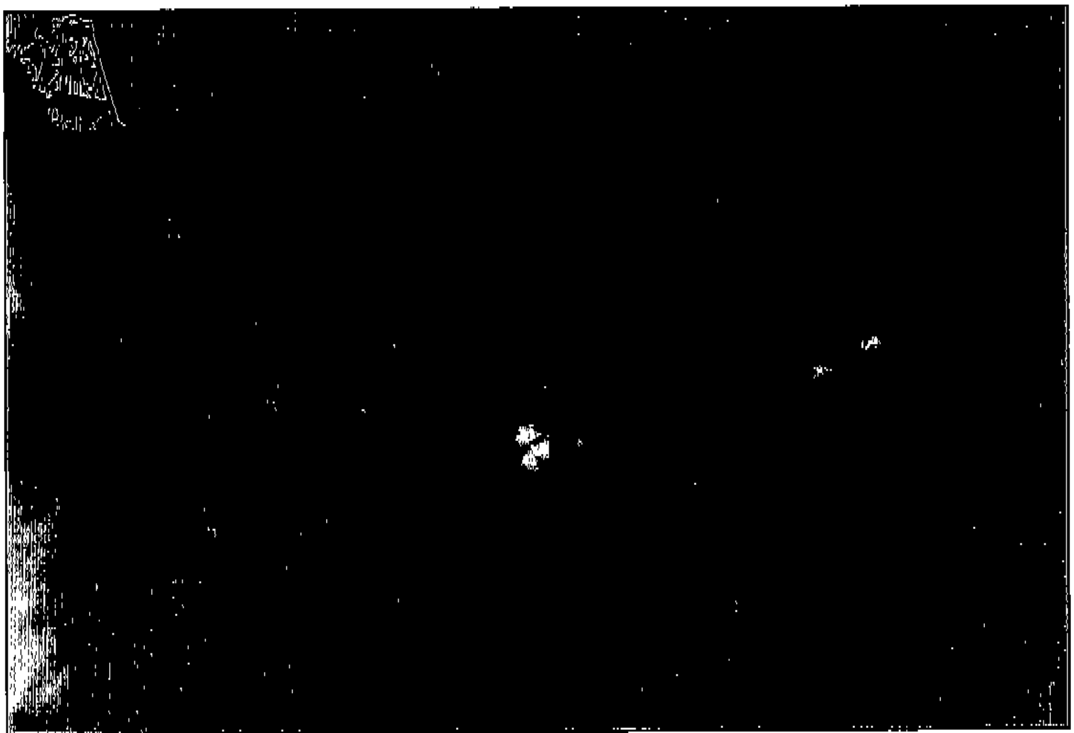

Figure 9 Diamonds recovered by Rio Tinto from Leopold Downs, Australia

3.10 Minilya (Western Australia) – (Diamonds)

The Minilya project, comprises three exploration licence's in the Giralia Range region of Western Australia, near Exmouth Gulf. The Minilya project is 90% owned by Alcaston with Geotech International Pty Ltd, holding a 10% free-carried interest.

Diamond potential in the Minilya area was suggested in 1989 during exploration drilling for heavy mineral sands along the coastal strip, with the unexpected discovery of fresh diamond indicator minerals in ancient strand lines. Alcaston's tenements were selected to cover the closest available outcrops upstream of the previous mineral sands exploration sites. Data available to the company also indicates a number of magnetic anomalies that warrant further investigation.

Alcaston has successfully negotiated a Heritage Clearance Agreement with the local native title claimants which allowed for the expedited grant process to proceed for the Minilya project tenement applications. As a result the three exploration licences were granted for a period of five years in January 2002.

3.11 Minilya (Western Australia) – (Base Metals)

This property, described above in the diamond section, also has base metal exploration potential. A study of Minilya's base metal potential and a detailed structural interpretation of the region was completed by Alcaston. In addition, all geochemical data from previous exploration was compiled into GIS (geographical information system) format. The study concluded that the mineralisation in the district, particularly silver, is closely controlled by certain structures and four areas were selected as having high potential for structurally controlled base metal mineralisation.

The Minilya project is subject to a joint venture agreement with USA resource company Asarco Exploration Company Inc ("Asarco") pursuant to which Asarco has agreed to farm into Alcaston's 90% in the project. Asarco has the right to earn a 60% interest in the Minilya Project by spending A$600,000 within four years. Asarco may withdraw before the end of these four years on the provision that it has spent at least A$100,000 on the Minilya Project. The joint venture excludes exploration for diamonds. Alcaston retains the right to explore for diamonds.

Asarco has successfully conducted Aboriginal heritage surveys at Minilya and have gained access to all areas they are interested in exploring. Asarco intend to explore the base metal target areas identified by Alcaston, particularly for the source of the silver-rich iron nodules which are found in clusters on the surface near major fault structures at Minilya. Asarco has also completed a reconnaissance rock chip sampling program at Minilya. Further clusters of nodules, with anomalous arsenic were located in the northern tenement.

Asarco are currently planning to drill several deep holes into the geochemically anomalous fault structures in early 2003.

3.12 Sweden – (Diamonds)

All Swedish diamond tenements are held by the Swedish subsidiary company, Alcaston Diamond Exploration AB ("ADE") which is 81.3% owned by Alcaston with the balance held by Swedish and other European investors.

The Swedish diamond exploration project now consists of 17 granted licences covering an area of 1,075 square km over prospective parts of the Baltic Shield. This cratonic area is known to host diamond-bearing kimberlite deposits in the adjoining countries of Finland and Russia.

In view of the high tenement holding costs, the size of the diamond licences were reduced from 2,447 square km upon renewal in December 2002. Geological data available to the company was used to establish a prospectivity ranking and lower ranked tenement areas were relinquished.

Lionheart has agreed to purchase all the shares held by Alcaston in ADE, subject to certain conditions, as in section 3.14.

3.13 Sweden – (Gold and Base Metals)

Lautakoski

The Lautakoski Project comprises a 739 hectare granted exploration licence in the Norrbotten area of northern Sweden.

Following a review of the till geochemical results, magnetics and GEOTEM, Alcaston have identified three high priority target areas to be followed up with in-fill till sampling and, if warranted, drilling. These targets areas comprise a combination of features such as anomalous copper in till and rock chip samples, magnetic anomalies, EM conductivity anomalies, major structures and chalcopyrite mineralised boulders.

Nimtek

Nimtek is located in the western section of northern Sweden, and comprises two granted exploration licences covering an area of 550 hectares.

Previous exploration work at Nimtek found mineralised boulders and widespread copper and zinc anomalism in surface peat and soil samples north of Nimtek Lake. The best target area, which has never been tested by drilling, comprises a 1 km by 1 km zinc in peat anomaly in the western portion of the licence, with zinc values generally above 0.5 % to 1 %. Anomalous copper in peat and a number of east-northeast trending IP chargeability geophysical anomalies also occur within the area of anomalous zinc.

Infill till sampling conducted by Alcaston over the Nimtek zinc anomaly confirmed the robustness of the anomaly by delineating a coherent >100 ppm zinc in till anomaly (best assay 376 ppm Zn) within the area of the zinc in peat anomaly, and the location of a number of sphalerite and/or chalcopyrite mineralised boulders. The till anomaly is smaller than the peat anomaly, i.e. 500m x 400m. Scattered, yet anomalous lead, copper and molybdenum assays were also obtained from the till samples within the zinc anomaly.

Alcaston plans to drill two 100m deep diamond holes to test the best parts of the zinc anomaly. Alcaston has obtained permission to drill these holes from the district authorities. Drilling is scheduled for early 2003.

3.14 Lionheart Exploration Transaction

On 17 September 2002 Alcaston announced to ASX that it had reached agreement to spin off its Swedish, Leopold Downs and Labelle Downs diamond exploration assets (**"Sale Assets"**) into Lionheart.

On 27 November 2002 the Company entered into an Asset Sale agreement (**"Agreement"**) with Lionheart in respect to the sale by the Company of the Sale Assets to Lionheart in return for the issue to the Company of 10,000,000 shares in Loinheart, with the intention that Lionheart will change its company type to a Limited liability company and seek to raise capital and apply for admission to the Official List of ASX.

The Agreement remains conditional upon ASX Listing approval being granted to Lionheart on or before 15 March 2003 (or such late date as agreed between Clarke Dudley and the Company).

Accordingly, if Lioheart fails to gain ASX Listing Approval, the sale of the Sale Assets will not proceed.

4. RISK FACTORS

The New Shares and New Options offered under this Prospectus are considered highly speculative. The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Shares and New Options pursuant to this Prospectus. In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of:

Share Market Conditions

As the Company is a company listed on ASX, its Share price is subject to the numerous influences which may affect both the trend in the share market and the share prices of individual companies.

Economic Conditions

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as currency fluctuation, inflation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, including gold and diamond prices, and share market prices. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

Operational Risk

By its nature, the business of exploration, mineral development and production which the Directors intend the Company to undertake, contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and efficient financial management. For its part, exploration (particularly for diamonds and gold) is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

Native Title

The Native Title Act 1993 (Commonwealth) may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling native title claims lodged over the Company's tenements.

Environmental Risks

Exploration programmes impact on the environment. These impacts are minimised by the Company's application of best practice principles.

Government Policy

Industry profitability can be affected by changes in government policy relating to mineral exploration and production which are beyond the control of the Company.

Commodity Prices

The prices that the Company may obtain for mineral commodities (particularly gold and diamonds) may fluctuate due to market conditions.

Sovereign Risk

The Company has interests in two developing countries, namely Fiji and Vanuatu. Both of these countries are located in a region which has been, or continues to be, subject to significant political uncertainty, civil strife, acts of war and insurrection. These countries have also experienced substantial economic uncertainty.

There can be no assurance that the political and economic condition in these countries and their neighbouring countries will continue as they are at present time. Changes in political or economic conditions in these countries may have an adverse effect on the Company's business and the results of its operations.

5. ADDITIONAL INFORMATION

5.1 Legal Framework of this Prospectus

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically, as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its shares.

5.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("**ED**") securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Shares to be issued under this Prospectus are in a class of shares that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus,

The Shares underlying the New Options to be issued under this Prospectus are in a class of shares that were quoted on the stock market of ASX at all times in the 12 months before the issue of this Prospectus. The New Options to be issued under this Prospectus are also in a class of options that have been quoted on the stock market of ASX since 23 September 2002.

5.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

(a) the Annual Financial Report for the Company for the year ending 30 June 2002;

(b) the Half-Year Financial Report of the Company for the period ending 31 December 2001; and

(c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the period ending 30 June 2002 and before the issue of this Prospectus:

Date	Description of ASX Announcement
12/02/2003	Placement Shares and Rimfire Resources Limited
04/02/2003	Second Quarter Activities & Cashflow Report
22/11/2002	Advice to Participating Organisations – Reduction of Capital
22/11/2002	Results of 2002 AGM
29/10/2002	First Quarter Activities & Cashflow Report
24/10/2002	Annual Report Received (Full Copy)
24/10/2002	Notice of AGM
23/10/2002	Annual Report Received
15/10/2002	Change of Director's Interest Notice
14/10/2002	Fundraising Announcement

5.4 Terms and Conditions of New Options

The following are the rights attaching to the New Options:

(a) The issue price of the New Options is 15 cents per New Option.

(b) A holding statement will be issued for the New Options.

(c) The New Options will expire at 5.00pm WST on 30 September 2007 ("**Expiry Date**").

(d) The New Option is a right in favour of the option holder to subscribe for one Share.

(e) The option holder may exercise New Options any time prior to the Expiry Date.

(f) Shares allotted to option holders on exercise of New Options will be issued at 15 cents each ("**Exercise Price**").

(g) The Exercise Price of Shares the subject of the New Options will be payable in full on exercise of the New Options.

(h) New Options will be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the option holder to:

(i) exercise all or a specified number of New Options; and

(ii) pay the subscription monies in full for the exercise of each New Option ("**Notice**").

(i) The Notice must be accompanied by a holding statement and a cheque made payable to the Company for the subscription monies for the Shares. An exercise of only some New Options will not affect the rights of the option holder to the balance of the New Options held by the option holder. The Notice must be received by the Company prior to the Expiry Date.

(j) The Company will allot the resultant Shares and deliver the holding statement within five (5) Business Days of the exercise of the New Options.

(k) The Company will apply for Official Quotation on ASX of the New Options, subject to the requirements for quotation being satisfied.

(l) The New Options be freely transferable.

(m) Shares allotted pursuant to an exercise of the New Options shall rank, from the date of allotment, equally with existing ordinary fully paid Shares of the Company in all respects.

(n) The Company will in accordance with the Listing Rules make application to have Shares allotted pursuant to an exercise of New Options listed for Official Quotation.

(o) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the authorised or issued capital of the Company, the number of the New Options or the exercise price of the New Options or both will be reconstructed (as appropriate) in accordance with the Listing Rules of ASX.

(p) The New Options will not give any right to participate in dividends, bonus issues or new issues until Shares are allotted pursuant to the exercise of the relevant New Options. There is no right to change the exercise price of New Options if the Company completes a bonus or new issue.

5.5 Rights Attaching to Shares

The New Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights that attach to the Company's existing Shares:

Voting Rights: At a general meeting every ordinary shareholder present in person or by representative has one vote on a show of hands. On a poll, every ordinary shareholder present in person or by proxy or attorney has one vote per share. Shareholders holding partly paid Shares have such number of votes on a poll equivalent to the proportion that the amount paid up thereon (excluding amounts credited) bears to the issue price of such share.

Dividend Rights: The Directors may authorise the payment by the Company to the shareholder of an interim dividend to be paid out of the profits of the Company provided that the Company in general meeting may only declare a dividend if the Directors have recommended a dividend. The dividend cannot exceed the amount recommended by the Directors.

Rights on Winding Up: If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. Subject to any right or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders. Upon a distribution of assets to shareholders, holders of restricted securities at the time of commencement of the winding up shall rank behind the holders of all other share capital.

Transfer of Shares: Subject to the Constitution, the Corporations Act and the Listing Rules, shares in the Company are freely tradeable. The Directors must decline to register any transfer where the Listing Rules require the Company to do so.

Issue of Further Shares: The allotment and issue of any additional shares is under the control of the Directors, subject to any restrictions on the allotment of Shares imposed by the Constitution, the Corporations Act or the Listing Rules.

Variation of rights: Holders of New Options who exercise New Options will be issued with fully paid ordinary Shares in the Company. At present, the Company only has fully paid ordinary Shares on issue, it has not issued partly paid ordinary Shares or any other class of Shares. The rights and privileges attaching to ordinary Shares can be altered by special resolution of the shareholders. A special resolution is a resolution passed by a majority of not less than 75% of those present and voting. Where the necessary majority for a special resolution is not obtained at a meeting, consent in writing if obtained from the holders of three-fourths of the shares concerned within two months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.

5.6 Interest of Directors

(a) At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Director	Associates	No of Shares	No of Options
Rick Crabb	Chatsworth Stirling Pty Ltd [1]	150,000	4,546,302
David Porter	DP Prospecting Services Pty Ltd[2]	1,439,850	719,925
Gilbert Rodgers	Silkform Pty Ltd [3]	75,000	35,000

Note 1: Rick Crabb is a director of and a 26.5% shareholder in Chatsworth Stirling Pty Ltd.

Note 2: David Porter is a director of and a 50% shareholder in D P Prospecting Services Pty Ltd.

Note 3: Gilbert Rodgers is the sole director, secretary and shareholder of Silkform Pty Ltd.

(b) Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

Rick Crabb is a director of and a 26.5% shareholder in investment bankers Chatsworth Stirling Pty Ltd which from 22 August 2001 have been the Company's resource investment bankers. Since 22 August 2001 (over a period of 18 months), Chatsworth Stirling Pty Ltd has received $96,450 (which includes a provision for GST) from the Company. These fees include the director's fee payable to Rick Crabb in his capacity as Chairman of the Company. All other fees have been charged as investment banking fees at normal commercial charge by the hour rates.

Rick Crabb is a partner of law firm Blakiston & Crabb. Blakiston & Crabb have been the Company's solicitors since 22 August 2001. Blakiston & Crabb have acted as solicitors to the Company in relation to this Prospectus. In respect of their work on this Prospectus, the Company will pay approximately $1,000 (plus GST) for these professional services. Blakiston & Crabb have provided other professional services to the Company since 22 August 2001 (over a period of 18 months) and received fees from the Company totalling $37,513 (which includes a provision for GST) since 22 August 2001.

David Porter is a director of and a shareholder in D P Prospecting Services Pty Ltd. Since 22 August 2001 the Company has engaged D P Prospecting Services Pty Ltd under a service agreement pursuant to which D P Prospecting Services Pty Ltd provides the Company with the services of David Porter and in addition David Porter serves as the managing director of the Company. The charge out rate rendered by D P Prospecting Services Pty Ltd is a normal commercial charge out rate and constitutes reasonable remuneration for D P Prospecting Services Pty Ltd. D P Prospecting Services Pty Ltd is also the lessor of the office premises of the Company. The rent charged by D P Prospecting Services Pty Ltd is based on commercial rents in the area. Since 22 August 2001 (over a period of 18 months), D P Prospecting Services Pty Ltd has received $201,377 in rent and for the provision of the above services (which includes a provision for GST) from the Company.

Since 22 August 2001, the Company has engaged Gilbert Rodgers under a service agreement pursuant to which Gilbert Rodgers has agreed to provide services to the Company and to serve as the Company's executive director. The fees rendered by Gilbert Rodgers for these services are charged at normal commercial charge out rates and constitutes reasonable remuneration. Since 22 August 2001 (over a period of 18 months), Gilbert Rodgers has received $92,950 (which includes a provision for GST) from the Company.

Gilbert Rodgers is a shareholder in Windsor Heights Pty Ltd which is the corporate entity pursuant to which chartered accountants Calder Roth & Co practise. Since 22 August 2001, Windsor Heights Pty Ltd trading as Calder Roth & Co have been the chartered accountants to the Company. Since 22 August 2001 (over a period of 18 months), Windsor Heights Pty Ltd trading as Calder Roth & Co has received $27,120 (which includes a provision for GST) from the Company. These fees have been charged as chartered accounting fees at normal commercial charge by the hour rates.

(c) The provisions of the Company's Constitution relating to the remuneration of Directors are as follows:

Article 80(1): The Directors shall be paid out of the funds of the Company by way of remuneration for their services as Directors (excluding any remuneration payable to any executive Director under any service contract with the Company or a related corporation) such sum as may from time to time be determined by the Company in general meeting, to be divided among the Directors in such proportions as they shall from time to time agree by simple majority or in default of agreement equally. The Directors shall be entitled to be paid reasonable travelling, hotel and other expenses incurred by them for attendance at meetings of the Directors and otherwise in the execution of their duties as Directors. The remuneration of the Directors (excluding any remuneration payable to any executive Director under any service contract with the Company or a related corporation) shall not be increased except with the prior approval of members at a general meeting of the Company where details of the amount of the proposed increase and of the maximum sum that may be paid shall be given to the members in the notice convening the meeting. Fees payable to non-executive Directors shall be a fixed sum and not by a commission on or percentage of profits or operating revenue. Remuneration payable by the Company or any subsidiary to executive Directors shall not include a commission on or percentage of operating revenue.

Article 80(2): No payment or other valuable consideration or any other benefit shall be made or given to any Director or other prescribed person, (within the meaning of section 200C of the Corporations Act) by way of compensation for the loss by that Director or other prescribed person of, or for or in connection with the retirement of that Director or other prescribed person from, a prescribed office (within such meaning) relating to the Company unless particulars relating to the proposed payment or consideration (including the amount of the proposed payment or the money value of the proposed consideration) or the proposed other benefit and of all other relevant benefits (within such meaning) proposed to be given have been disclosed to the members and the making of the proposed payment or the giving of the proposed consideration or proposed other benefit has been approved in meeting. This provision shall not apply in relation to the making or giving by the Company of a payment or other valuable consideration or other benefit if that payment or other valuable consideration or other benefit is an exempt benefit (within the meaning of sections 200F, 200G and 200H of the Corporations Act). Subject to the foregoing exempt benefit provision, the Directors shall have the power to make contracts or arrangements with any one or more of their number or with a person about to become a Director in relation to that Director or person's retiring allowance on or after that Director or person ceases to hold office as Director, by reason of death or otherwise. The contracts or arrangements are for the payment of the retiring allowance to him or (in the case of his death) to his widow, dependents or legal personal representatives in such proportions as the Directors in their absolute discretion shall determine and payments shall be made pursuant to any such contract or arrangement. No payment pursuant to this Article shall without the sanction of the Company in meeting exceed in value or amount the total emoluments of the Director in the three years immediately preceding his retirement or death.

Article 80(3): If any Director being willing is called upon to perform extra services or to make any special exertions in going or residing abroad or otherwise for any of the Company's purposes, the Company shall remunerate that Director by a fixed sum to be determined by the Directors. Such remuneration may be either in addition to or in substitution for his share in the remuneration referred to in Article 80.1.

Article 98: A Managing Director shall, subject to the terms of any agreement entered into, receive such remuneration, whether by way of salary, commission or participation in profits, or partly in one way and partly in another, as the Directors determine provided that remuneration payable by the Company or any subsidiaries to any executive Directors shall not include a commission on or percentage of operating revenue.

(d) The Company has agreed to pay Directors' fees of up to a maximum of $100,000 per annum to be divided between non-executive Directors as they see fit, until such time as any different amount is approved by shareholders.

5.7 Market Prices of Shares on ASX

The highest and lowest closing market sale prices of Shares on ASX during the 3 months immediately preceding the date of this Prospectus and the respective dates of those sales were $0.085 on 25 November 2002 and $0.06 on 6 February 2003. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was $0.06 on 12 February 2003.

5.8 Expenses of the Rights Issue and the Placement

The approximate expenses of the Rights Issue including advisers' fees, printing and distribution costs and other miscellaneous expenses, is $9,000, which has been paid or is payable by the Company.

6. DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the 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 with the ASIC, or to the Directors knowledge, before any issue of New Shares and New Options pursuant to this Prospectus.

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

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

Dated: 13 February 2003

Gilbert Rodgers
Director

7. DEFINED TERMS

"**A$ and $**" means Australian dollars, unless otherwise stated;

"**Alcaston**" means Alcaston Mining NL ACN 006710774;

"**Application Form**" means the Entitlement and Acceptance Application Form and the Shortfall Application Form accompanying this Prospectus;

"**ASIC**" means the Australian Securities & Investments Commission;

"**ASX**" means Australian Stock Exchange Limited;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**CHESS**" means ASX Clearing House Electronic Subregistry System;

"**Closing Date**" means 5.00pm WST on 19 March 2003;

"**Company**" means Alcaston Mining NL ACN 006 710 774;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Directors**" means the directors of the Company;

"**Entitlement**" means the entitlement of an Existing Shareholder to apply for New Shares and New Options pursuant to the Rights Issue;

"**Entitlement and Acceptance Form**" means the entitlement and acceptance form accompanying this Prospectus;

"**Existing Optionholders**" means those optionholders whose details appear on the Company's register of optionholders as at the Record Date as holders of Options;

"**Existing Shareholder**" means those shareholders of the Company whose details appear on the Company's register of shareholders as at the Record Date;

"**Lionheart**" means Lionheart Exploration Pty Ltd ACN 102 975 575;

"**Listing Rules**" means the Listing Rules of ASX;

"**New Option**" means an option to acquire one Share exercisable at 15 cents each on or before 30 September 2007 and otherwise on the terms and conditions set out in Section 5.4;

"**New Share**" means the Shares in the Company being offered pursuant to this Prospectus;

"**Official List**" means the Official List of the ASX;

"**Official Quotation**" means quotation of the Shares on the Official List and any suspended quotation if is not a continuous period exceeding 60 days;

"**Option**" means an option that has already been granted by the Company over unissued Shares in the Company;

"**Prospectus**" means this prospectus dated 13 February 2003 for the pro-rata non-renounceable rights issue of 22,146,100 New Shares in the Company on the basis of one (1) New Share for every three (3) Shares held on the Record Date, at an issue price of 5 cents per New Share, with each New Share subscribed for also receiving an attaching New Option for no consideration with each New Option having an exercise price of 15 cents and a term expiring on 30 September 2007, for the purpose of raising up to $1,107,305;

"**Record Date**" means 5.00pm WST on 24 February 2003;

"**Rights Issue**" means the pro-rata non-renounceable rights issue of 22,146,100 New Shares in the Company on the basis of one (1) New Share for every three (3) Shares held on the Record Date, at an issue price of 5 cents per New Share, with each New Share subscribed for also receiving an attaching New Option for no consideration with each New Option having an exercise price of 15 cents and a term expiring on 30 September 2007, for the purpose of raising up to $1,107,305;

"**Share**" means an ordinary fully paid share in the capital of the Company;

"**Shortfall**" means the New Shares and New Options forming Entitlements, or parts of Entitlements, not accepted by Existing Shareholders;

"**Shortfall Application Form**" means the shortfall application form accompanying this Prospectus; and

"**WST**" means Australian Western Standard Time.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

ALCASTON MINING NL

ABN

39 006 710 774

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	ORDINARY FULLY PAID SHARES AND OPTIONS
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Up to 22,146,100 shares maximum. Up to 22,146,100 options maximum
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	See Prospectus lodged with the ASX today.

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The securities will rank equally in all resprcts with the existing securities of the company. The date of exercise of the Options. Upon exercise, the resulting shares will rank equally in all respects with existing ordinary fully paid shares.
5	Issue price or consideration	5 cents per share with an attached free option.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	See Section 1.11 (page 8) of the Prospectus. Principally therefore to increase company's cash reserve for payment of administration expenses, ongoing mineral exploration including the work on the new gold projects in Canada, Fiji and Vanuatu, continued investigation and due diligence by company for new opportunities for mining production assets and working capital.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	28 March 2003

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	87,684,401*	Fully paid ordinary shares
		69,172,631*	Options exercisable at $0.15 and expiring on 30/09/07.

* 22,146,100 is the maximum number of new shares and also the maximum number of new options possible if all shareholders participate in this Rights Issue.

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	900,000	Fully paid ordinary shares

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	1 Ordinary fully paid share with a free attaching option for every 3 ordinary fully paid shares held.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	24 February 2003
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded up to the nearest whole number.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Countries other than Australia or New Zealand
19	Closing date for receipt of acceptances or renunciations	19 March 2003

+ See chapter 19 for defined terms.

20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable.
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	26 February 2003
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	13 February 2003
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do +security holders sell their entitlements *in full* through a broker?	Not applicable.
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	Not applicable.

+ See chapter 19 for defined terms.

32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Despatch date	28 March 2003

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

42 Number and +class of all +securities quoted on ASX (*Including* the securities in clause 38)

Number	+Class

(now go to 43)

All entities

Fees

43 Payment method (tick one)

☒ Cheque (Payment will be forwarded shortly to ASX and will be made by cheque).

☐ Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

☐ Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

1 ⁻Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:.. (Company Secretary) Date: 13 FEBRUARY 2003

Print name: GILBERT RODGERS

== == == == ==

+ See chapter 19 for defined terms.