ALCASTON MINING N. L.

ABN 39 006 710 774

26 August 2005

The Manager
Companies Announcement Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By e-lodgement

Dear Sir/Madam

PROSPECTUS LODGEMENT

The Board of Alcaston Mining NL ("Alcaston") is pleased to announce that the Prospectus to raise up to $12 million for the acquisition of the Tuvatu Gold Project in Fiji, has been lodged with the Australian Securities and Investment Commission. A copy of the Prospectus is attached herewith.

Copy of the Prospectus is also available on Alcaston's website (www.alcaston.com.au). Should any prospective investor require a printed copy of the Prospectus, please contact Alcaston's office in Perth on (Tel: +61 8 9481 5758 or Fax: +61 8 9481 5759).

Please do not hesitate to contact this office, if any further information is required.

Yours faithfully
ALCASTON MINING NL

GILBERT RODGERS
Company Secretary

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 Offer of up to 60,000,000 Shares at an issue price of 20 cents each to raise up to $12,000,000.

For the issue of up to 6,000,000 Shares at an issue price of 20 each in respect of the Tuvatu Acquisition described in this Prospectus.

The Offer closes at 5.00pm WST on 25 September 2005.

This Prospectus is dated 25 August 2005. This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its content 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)
	Craig Mackay	(Exploration 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
Email: ppg@highway1.com.au

AUDITORS

Stanton Partners
1 Havelock Street
WEST PERTH WA 6005

SOLICITORS

Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233
Email: registrar@securitytransfer.com.au

Postal Address:
PO Box 535
APPLECROSS WA 6953

TABLE OF CONTENTS

Important Notes and Statements

This Prospectus is dated 25 August 2005. A copy of this Prospectus was lodged with the ASIC on 25 August 2005. Neither the ASIC nor the ASX take any responsibility for the contents of this Prospectus. No Shares will be issued or granted on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply for the Shares offered pursuant to this Prospectus to be listed on ASX. An application for the Offer Shares will only be accepted on the 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

Prospectus Lodged at ASIC and ASX	25 August 2005
Closing date for acceptance and receipt of applications under the Offer*	25 September 2005
Last day for despatch of holding statements*	25 September 2005

*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.

Electronic Prospectus

This Prospectus will be issued as an electronic prospectus. Applicants can apply for Shares on an Application printed from the electronic prospectus, but there will be no facility for Applications to be accepted electronically. The Prospectus will be available on the Company's website at www.alcaston.com.au. The Offer of Shares pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus within Australia. The Corporations Act prohibits any person from passing to another person the Application Form unless it is attached to or accompanies the complete and unaltered version of this Prospectus. While this Prospectus is current, any person may obtain a hard copy of this Prospectus by contacting the Company by e-mail at ppg@highway1.com.au.

Privacy

The privacy obligations and policy relating to this Prospectus are contained in the privacy disclosure statement in Section 5.13.

Section 1 DETAILS OF THE OFFER

1.1 Offer

This Prospectus offers investors the opportunity to participate in an offer to subscribe for up to 60,000,000 Shares at an issue price of 20 cents per Share, to raise up to $12,000,000 ("**Offer Shares**").

This Prospectus is also for the issue of up to 6,000,000 Shares to Emperor Gold Mining Company Ltd at an issue price of 20 cents per Share as part of the Tuvatu Acquisition described in Section 2 below ("**Emperor Shares**").

1.2 Minimum Subscription

The minimum subscription to be raised pursuant to the issue of Offer Shares is $10,000,000.

In accordance with the Corporations Act, no Offer Shares will be allotted by the Company until the minimum subscription has been subscribed.

1.3 Purpose of the Offer

The net funds to be raised if the minimum subscription is raised, after paying the costs of the Offer including commissions, are approximately $9,300,000.

The purpose of the Offer is to raise funds for the following:

(a) The acquisition of the Tuvatu Gold Mining Company Limited, which operates the Tuvatu Gold Project in Fiji, from Emperor Gold Mining Company Limited ("**Tuvatu Acquisition**"), which was announced to the ASX on 2 February 2005;

(b) for conducting part of the Feasibility Study on the Tuvatu Gold Project;

(c) administration of the Company; and

(d) working capital.

1.4 Use of Funds

The application of funds raised from the Offer is summarised below:

Description	Use of Funds	
Funds to be raised under the Offer	**$10,000,000**	**$12,000,000**
Acquisition of Tuvatu Gold Mining Company Limited (net cash outlay required)	$ 8,500,000	$8,500,000
Progression of the Feasibility Study in respect of Tuvatu project (Note 1)	$800,000	$1,700,000
Costs of this Offer and Prospectus (Note 2)	$700,000	$820,000
Webe Creek Project (Vanuatu)		$250,000
Sabeto Project (Fiji)		$330,000
Administration and working capital		$400,000
TOTAL	**$10,000,000**	**$12,000,000**

Note 1: Further details are provided in Section 2.1(f) of this Prospectus.

Note 2: This figure comprises adviser's fees, commission and brokerage, printing and distribution costs and other miscellaneous expenses.

If the Company raises only the minimum subscription which allocates $800,000 to the Tuvatu Project feasibility study, the directors plan to undertake the initial drilling programme and any recalculation of resource. It is anticipated that, depending on market conditions, the additional funding required to complete the feasibility study can be raised by debt or equity.

The first $1,020,000 of any funds raised above $10,000,000 will be applied to the additional costs of the Offer and the feasibility study in respect of the Tuvatu Project. Thereafter, any funds raised up to $12,000,000 will be applied in the proportions shown above to the Webe Creek Project, the Sabeto Project, and to administration and working capital.

If the Company does not raise the minimum amount, it will return the subscription monies to applicants together with interest calculated at the rate of 3%pa (commencing on the day following receipt of cleared funds) on the returned application monies.

Given the inherent uncertainties associated with exploration, the Company's work programs and budgets are subject to change and will be dependent on results from ongoing exploration and technical evaluation activities.

1.5 Opening and Closing Dates

The Offer will open for receipt of acceptances at 9.00am WST on 25 August 2005 and will close at 5.00pm WST on 25 September 2005, or such other date as the Directors, in their absolute discretion, may determine.

1.6 Brokerage and Commission

No brokerage or stamp duty will be payable by investors subscribing for Offer Shares.

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 Australian financial services licences in respect of Application Forms bearing the stamp of such dealers.

1.7 Applications

An application for Offer Shares can only be made on the Application Form which accompanies this Prospectus.

Applications must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares. Cheques should be in Australian currency and made payable to **"Alcaston Mining NL - Share Account"** and crossed "**Not Negotiable**".

Completed Application Forms must be accompanied by the application monies and lodged in person or by post with the Company's share registry:

By Hand:
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

By Post:
Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

Application Forms must be completed in accordance with the instructions set out on the back of the Application Form.

Applications must be received by 5.00 pm WST on 25 September 2005 (subject to the right of the Directors to close the Offer earlier or to extend this date without notice).

Should you wish to apply for Offer Shares, the instructions on the back of the Application Form will assist you to ensure that the Application Form is completed correctly.

1.8 Allotment of Shares

The Offer Shares are expected to be allotted and issued by no later than 30 September 2005. Until allotment and issue of the Offer Shares, the application monies 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 should the allotment and issue of the Offer Shares take place.

The Company reserves the right to reject any Application and to allot a lesser number of Shares than applied for. Any Application monies for which Shares are not allotted will be refunded (without interest) to the Applicant as soon as possible after the close of the Offer.

1.9 ASX Listing

The Company will apply to ASX within 7 days following the date of this Prospectus for official quotation of the Offer Shares and the Emperor Shares.

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

A decision by ASX to grant official quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Offer Shares or Emperor Shares now offered for subscription.

1.10 CHESS and Issuer Sponsored Register

The Company proposes participating in the Clearing House Electronic Subregister System ("**CHESS**"), operated by ASX Settlement and Transfer Corporation Pty Ltd ("**ASTC**") a wholly owned subsidiary of ASX, in accordance with the Listing Rules and SCH Business Rules.

Under this system, the Company will not issue certificates to investors. Instead, shareholders will receive a statement of their holdings in the Company. If an investor is broker-sponsored, the ASTC will send them a CHESS statement.

The CHESS statement will set out the number of securities allotted to each holder under the Prospectus, give details of the shareholder's Holder Identification Number and give the Participant Identification Number of the Sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be dispatched by the share registry and will contain the number of securities allotted under the Prospectus and Shareholder's Security Holder Reference Number.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to shareholders at the end of any calendar month during which the balance of their holding changes. A shareholder may request a statement at any other time, however a charge may be made for additional statements.

1.11 Overseas Investors

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

Investors resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept the offer.

Return of duly completed Application Forms will be taken by the Company as to constitute a representation that there has been no breach of such laws.

1.12 Enquiries

If you have any questions regarding how to apply for Shares, you may contact the Company on +61 8 9481 5758 (phone) or +61 8 9481 5759 (fax).

Section 2 COMPANY PROJECTS

2.1 Tuvatu Gold Project – Fiji

(a) Agreement with Emperor Mines Limited

Alcaston announced an agreement with Emperor Mines Limited ("**Emperor Mines**") on 2 February 2005 to purchase Emperor's 100% interest in the Tuvatu Gold Project, located 24 kilometres north east of Nadi on the island of Viti Levu in Fiji (Figures 1 & 2). The Tuvatu Gold Project includes a substantial undeveloped gold deposit with an Indicated and Inferred Resource of 450,000 ounces at an average grade of 8.5 g/t gold.

Alcaston is acquiring the Tuvatu Gold Project by acquiring 100% of the issued ordinary shares of Tuvatu Gold Mining Company Limited ("**Tuvatu**") from Emperor Gold Mining Company Limited ("**Emperor**") (a wholly owned subsidiary of Emperor Mines). The consideration for the purchase is as follows:

(i) Alcaston will take an assignment of debt (as a receivable in its favour) owed by Tuvatu to Emperor of A$9.729 million in consideration for a payment of this amount by Alcaston to Emperor;

(ii) Alcaston will pay A$1 per Tuvatu share to Emperor to acquire all of the issued ordinary shares in Tuvatu, being 1,000 shares;

(iii) under this Prospectus Emperor will subscribe for 6 million shares in Alcaston at an issue price of 20 cents per Share; and

(iv) Emperor will pay A$30,000 for a royalty in respect of gold produced from the Tuvatu Gold Project pursuant to a Royalty Deed (refer to section 5.10 for further detail).

The net cash consideration payable by Alcaston to Emperor will be $8,500,000 (taking into account the $1,000 paid by Alcaston for the Tuvatu shares, the re-investment by Emperor of $1,200,000 in respect of the Emperor Shares and the $30,000 paid by Emperor for the grant of the royalty as described below).

Alcaston has paid a non-refundable deposit of A$50,000 which will be applied towards the acquisition price for Tuvatu. In consideration of an extension of time to raise the equity finance described below, Alcaston has paid a further amount of $20,000 which will also be applied towards the acquisition price for Tuvatu.

Settlement of the acquisition is subject to:

(i) Alcaston obtaining shareholder approval for the:

A. 1 for 7 consolidation of its issued ordinary Shares;

B. Offer;

(ii) Alcaston raising not less than A$10m by way of equity finance; and

(iii) Alcaston and Emperor obtaining all other necessary statutory and regulatory approvals required to complete the acquisition.

Shareholder approval for the consolidation, the Offer and the issue of the Emperor Shares was obtained on 25 July 2005.

Upon settlement, Alcaston will acquire all of the issued shares of Tuvatu which holds all of the assets associated with the Tuvatu Gold Project including special prospecting licences 1283 "Bebe" and 1296 "Vavuna". It will also take assignment of a debt in its favour currently owed by Tuvatu to Emperor of A$9,729,000.

The two companies have also agreed that a gold production royalty will be payable by Alcaston from the Tuvatu tenements in the event that gold is produced. As part of the Tuvatu Acquisition, Emperor will pay $30,000 for the royalty. This royalty is to be calculated on the basis of A$10 per ounce of gold produced from within the Royalty Area (as defined in the Royalty Deed), up to a total of A$1 million per annum. This obligation will cease once a total of A$2 million has been paid by Alcaston. An additional royalty of 1% of the value of all gold produced is payable for gold produced outside of the Royalty area, excluding the first 200,000 ounces of production. Approximately 5.3% of special prospecting licence 1296 and approximately 9.4% of special prospecting licence 1283 lie within the Royalty Area.

Alcaston and Emperor have also agreed to meet to consider the appointment of an Emperor director to the Alcaston Board in the event of a decision to mine in respect of the Tuvatu Gold Project.

A summary of the material contracts associated with the Tuvatu Acquisition is contained in Section 5 of the Prospectus.

(b) Description of the Tuvatu Gold Project

The Tuvatu Gold Project is an advanced gold project with the potential for development as a medium-sized standalone gold mining and processing operation. Following completion of the acquisition, Alcaston is planning to commence an intensive exploration and development program at Tuvatu, including a bankable feasibility study on development of the existing resource.

The Tuvatu Gold Project is strategically located immediately adjacent to the Sabeto gold project (farm-in joint venture between Alcaston and Mincor Resources NL). The acquisition will significantly expand Alcaston's tenement holdings in north western Viti Levu to a total area of 139 sq km, covering all of the highly prospective rocks associated with the Navilawa volcanic centre (Navilawa Caldera).

The adjacent volcanic centre, the Tavua Caldera, located 35km to the north east hosts the giant Vatukoula gold deposit (10 million ounces of gold), currently operated as a multi-shaft operation by Emperor Mines Limited with annual production of some 120,000 ounces of gold per annum.

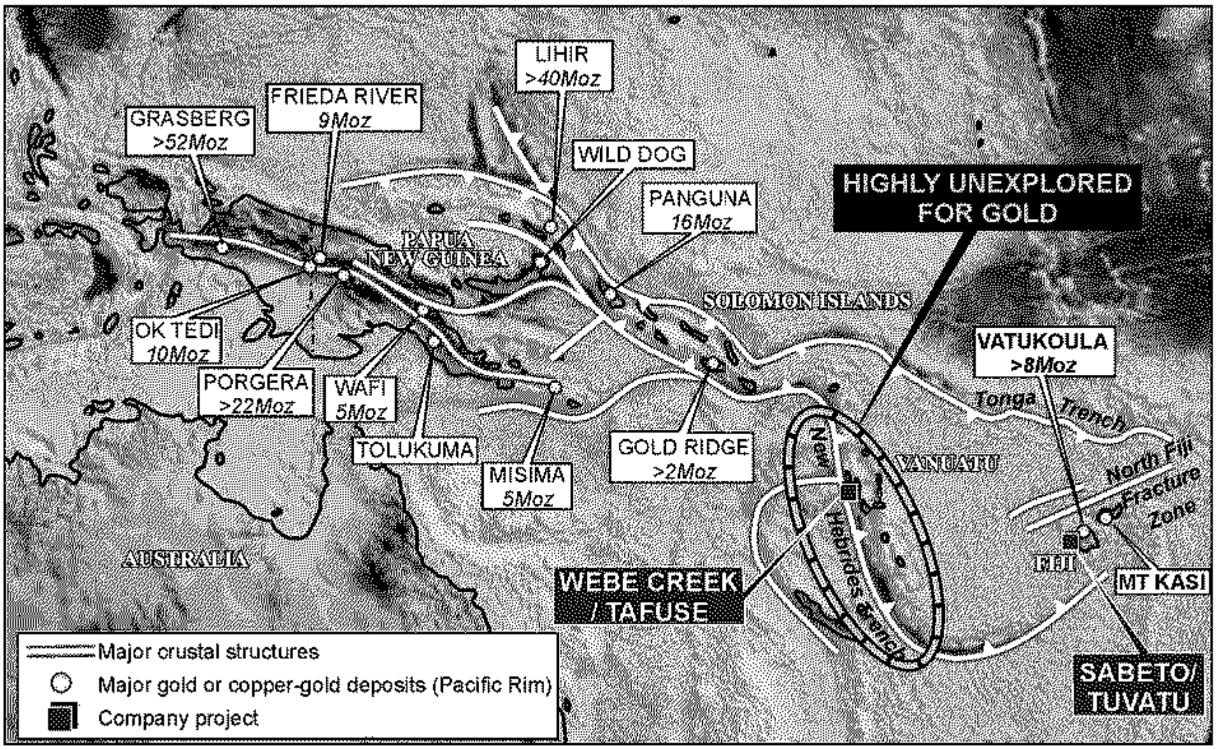

Figure 1 Alcaston's Pacific Rim Projects

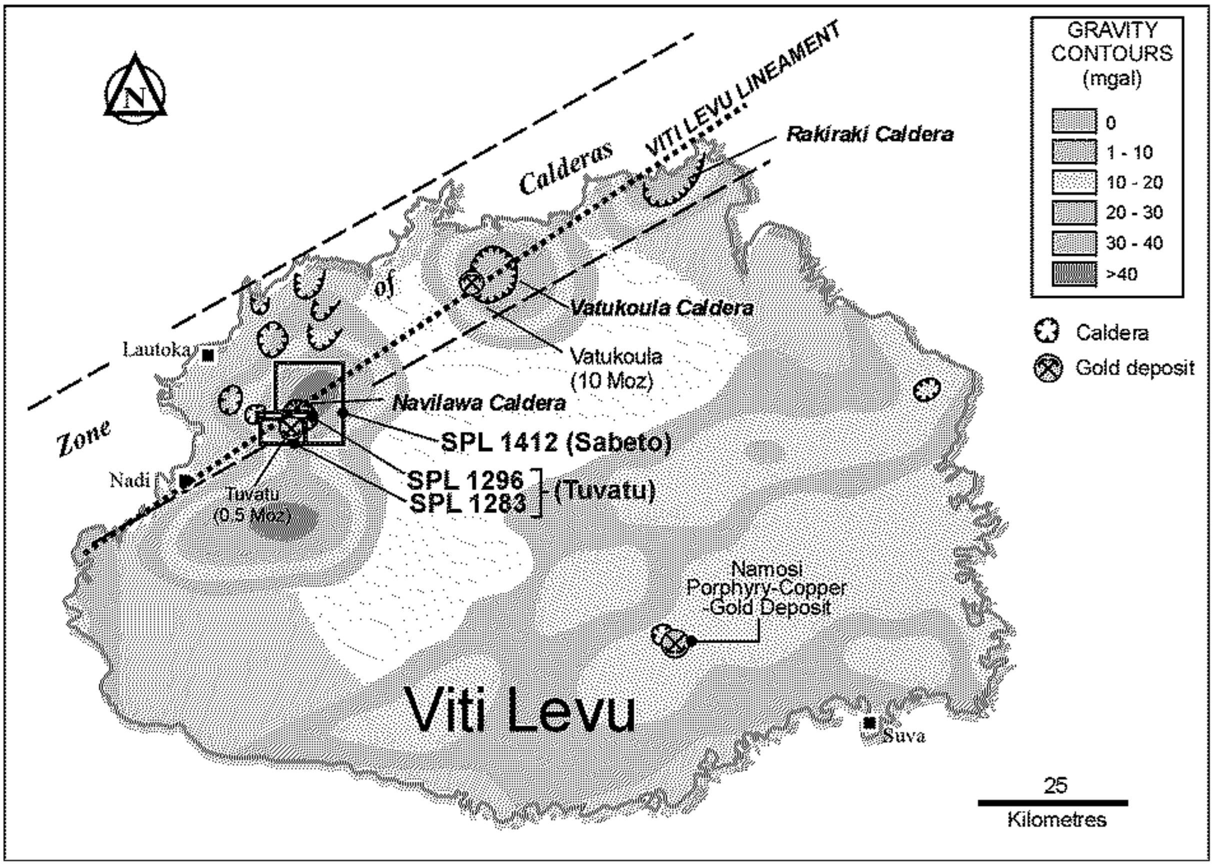

Figure 2 Fiji Project Locations

(c) Tuvatu Gold Project Overview & Background

The Tuvatu Gold Project comprises two Special Prospecting Licences covering an area of approximately 33 sq km, located adjacent to the Sabeto Project (currently subject to a farm-in agreement between Alcaston and tenement owner Mincor Resources NL).

Emperor Mines has spent over A$20 million at Tuvatu since 1995, with work including detailed metallurgical test work, mining studies, environmental studies, 74 kilometres of (mainly diamond) drilling and 1.3km of underground development (Figure 3). This work culminated in the completion of an extensive in-house Feasibility Study in August 2000.

Subsequent activity at Tuvatu has been limited to exploration south of the resource area, including geological mapping, soil sampling, rock chip sampling and costeaning. No drilling has been conducted despite the recent discovery of significant gold veining at surface, particularly that at the Nubunidike prospect where visible wire gold has been found in some samples.

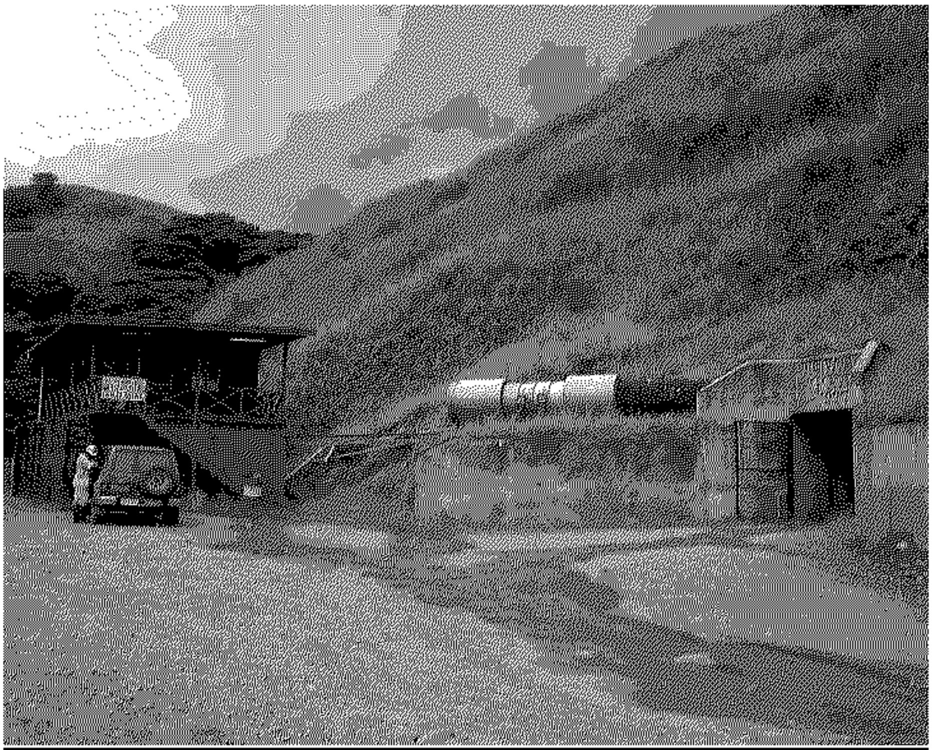

Figure 3 Tuvatu portal (mid-2000)

(d) Geology and Resources

The local geology at Tuvatu is dominated by the collapsed Navilawa volcanic caldera and comprises a sequence of volcanic units intruded by a monzonite intrusive stock. Gold mineralisation is dominantly hosted in the monzonite units but also occurs in the volcanic units. The mineralisation is structurally controlled and is considered to have a close association with the emplacement of the monzonite intrusive body. It occurs as sets and networks of narrow veins, with individual veins generally ranging from 1 to 200 millimetres wide.

Zones of veining that make up the lodes range in width from 0.5 to 5 metres, with an average width of 1.6 metres. At least 20 different lode structures have been identified in the current resource area (Figures 4 & 5).

The mineral resource for Tuvatu, as reported to the ASX by Emperor Mines Ltd on 8 September 2004, is:

Tuvatu Mineral Resources as at 30 June 2004

	INDICATED		**INFERRED**		**TOTAL RESOURCE**	
Structure	***Tonnes***	***g/t***	***Tonnes***	***g/t***	***Tonnes***	***g/t***
Upper Ridges	785,100	7.9	616,200	9.8	1,401,300	8.8
GRF1	42,700	6.8	6,000	4.7	48,700	6.5
Murau			89,700	6.6	89,700	6.6
West Lodes			100,300	7.3	100,300	7.3
TOTAL TUVATU	**827,800**	**7.9**	**812,200**	**9.1**	**1,640,000**	**8.5**

There is excellent potential to increase the current resource inventory by extensional drilling in areas immediately adjacent to the current resource boundary. Additional drilling is expected to convert a significant portion of the Indicated Resource to Probable Ore Reserve category.

The mineralisation remains open both at depth and along strike to the north and to the south. Significant intercepts reported below the current resource block model include 0.95m @ 57.06 g/t gold, 2.75m @ 26.33 g/t, 2m @ 36.0 g/t, 4.12m @ 19.92 g/t and 3.72m @ 284.06 g/t. There are a number of lodes that have been identified to the north of the deposit which have not been incorporated into the resource model.

(e) Exploration Upside

The combined Alcaston (Sabeto) and Emperor (Tuvatu) tenements cover a total area of approximately 139 sq km and encompass the Navilawa volanic centre (Navilawa Caldera). The Vatukoula Caldera to the north east hosts the world-class Emperor Mine (10 million ounces). This consolidated ground holding will give Alcaston exploration access to an entire, relatively under-explored gold field where at least 9 significant prospect areas have been defined (Figure 6). Only one of these, the Tuvatu resource area (0.8 sq km) has received significant drilling to date.

One of the most promising prospects in Nubunidike, located 1km south west of the Tuvatu resource area, where three main outcropping vein structures up to 1.5 metres in width and 370 metres long were discovered by Emperor Mines in 2002/03. Subsequent exploration by Emperor Mines returned very encouraging results, including rock chip samples of up to 293.5 g/t gold and the discovery of visible wire gold in some samples. No drilling has been carried out at Nubunidike to date despite the strongly outcropping veining, which suggests that it is a priority exploration target.

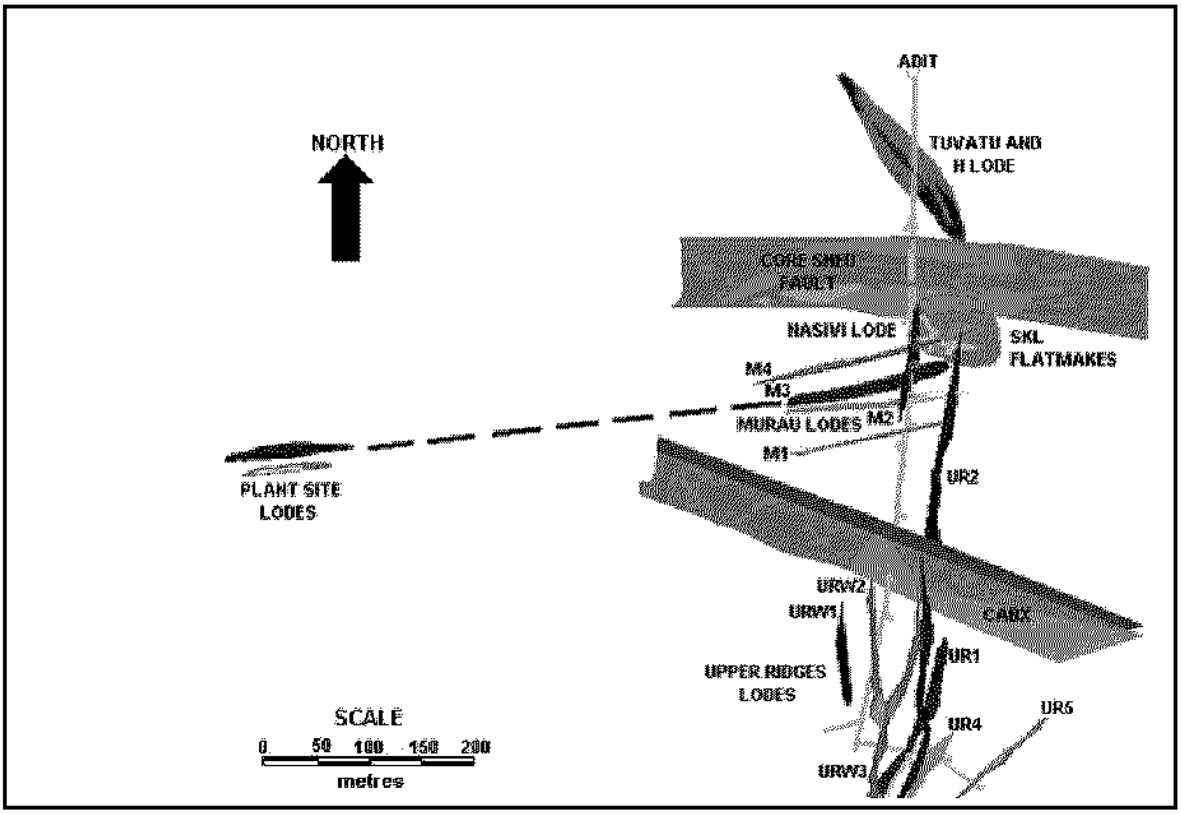

Figure 4 Tuvatu Lodes

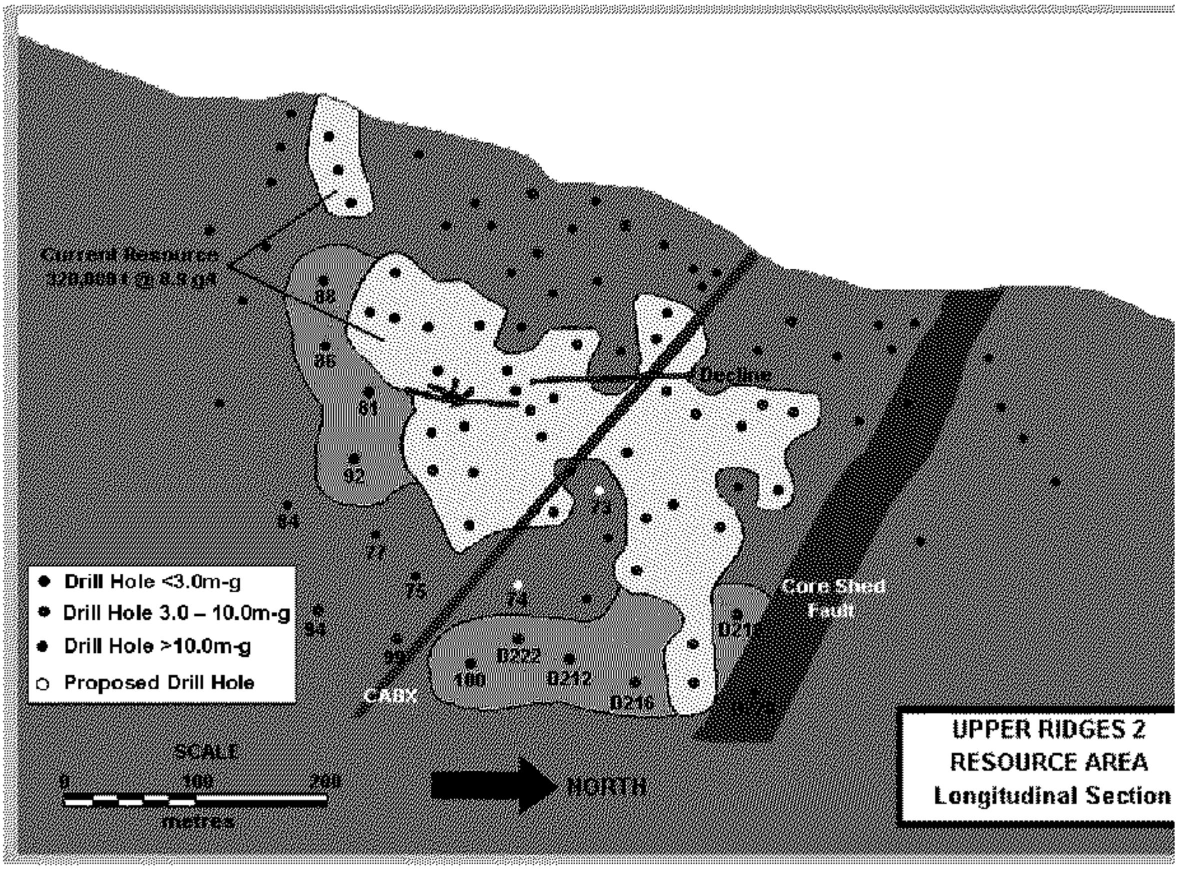

Figure 5 Tuvatu UR2 Lode (Longitudinal Section)

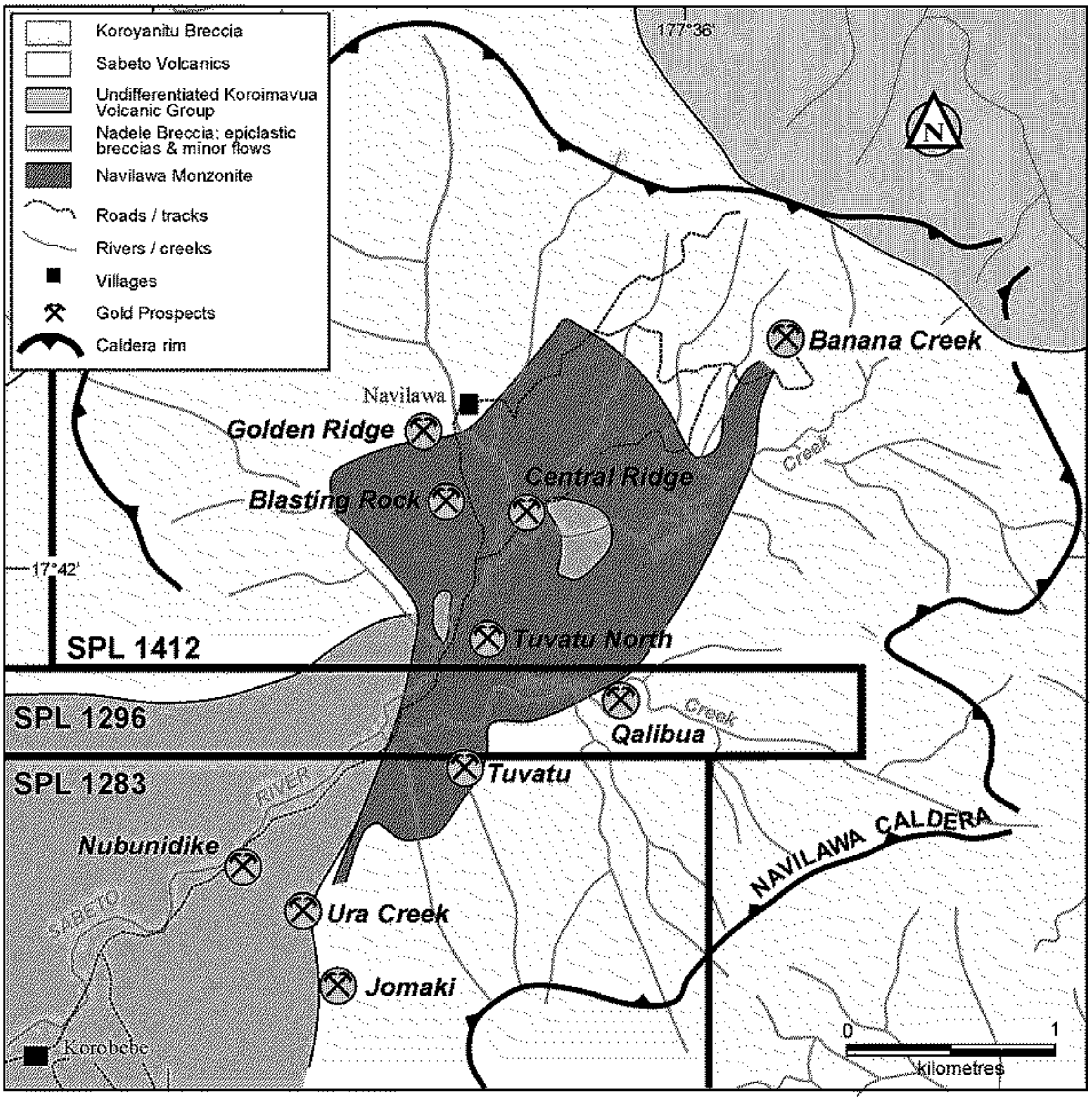

Figure 6 Tuvatu/Sabeto Prospect Locations

(f) Proposed Exploration & Development Program

Following settlement of the acquisition, Alcaston intends to embark on a Bankable Feasibility Study (BFS) for development of the existing resource. The study will include some additional metallurgical test work, refurbishment of the existing underground development, infill underground drilling, resource modelling, completion of the Environmental Impact Statement (EIS) and Mining Lease approvals.

The BFS is expected to take approximately 12 months to complete and will be carried out in conjunction with a regional exploration program within the broader tenement package to identify potential satellite deposits to the main Tuvatu resource. Exploration drilling of the veining at Nubunidike will be a priority in this regard. The BFS is expected to cost between A$1.5 million and A$2.0 million.

A preliminary scoping study carried out by Alcaston as part of its due diligence activities for the Tuvatu Acquisition indicated that the existing resources can support a standalone mining and processing operation of approximately 250,000tpa, producing 50-60,000 ounces of gold per annum over a 7-year mine life. Regional exploration has the potential to increase the resource base and further improve the economics of a potential mining operation.

The proposed Tuvatu Acquisition follows an extensive global search by Alcaston's Directors for an advanced gold project with the potential to be advanced relatively quickly into a producing mine. The Company's Board believes that the Tuvatu Gold Project has such potential, as well as significant exploration upside.

The proposed acquisition represents a significant step in the Company's vision to establish a substantial gold business and increase shareholder value as an independent Australian-based mining and resource company.

2.2 Sabeto - Fiji (Gold)

The Sabeto gold project in Fiji, along with Alcaston's gold projects in Vanuatu are subject to a farm-in agreement between Alcaston and the tenement owner Mincor Resources NL.

The Sabeto licence adjoins the Tuvatu property to the north and is prospective for bonanza grade epithermal veining of similar style to the nearby Tuvatu deposit (1.64 million tonnes @ 8.5 g/t gold for 450,000 ounces) or that at the Vatukoula Mine (10 million ounces) operated by Emperor Gold Mines Limited.

To date, three (3) significant bonanza-style epithermal quartz veins have been discovered at the Banana Creek prospect. Veins seem to be narrow but have produced high gold grades. Surface channel rock chip samples have returned 0.15 m @ 46.3 g/t gold, 14.4 g/t silver, 0.5 m @ 6.5 g/t gold, 5.0 g/t silver and 0.15 m @ 32.0 g/t gold, 20.9 g/t silver. Drill intercepts include 0.4 m @ 23.4 g/t gold, 6.3 g/t silver. Further drilling to locate extensions to this veining is required.

At Central Ridge prospect a series of parallel mineralized zones of highly fractured monzonite porphyry have produced significant gold, copper and silver assays. Best results include a grab rock chip sample of 16.05 g/t gold, 7.53 % copper, 4.9 g/t silver and a channel rock chip sample of 11 m @ 4.45 g/t gold. In the Directors' opinion, previous drilling at the prospect did not adequately test these mineralised zones.

Exploration at the Tuvatu North prospect is focussed on locating the direct strike extensions of the high-grade epithermal veins from the Tuvatu gold deposit (located only 300 m south the tenement boundary). The area is covered with soil and scree cover. Drilling is required to locate the veining.

2.3 Webe Creek – Vanuatu (Gold)

Webe Creek is situated on the northern Island of Espiritu Santo and is subject to Alcaston's farm-in agreement with Mincor.

Mincor spent in excess of $1 million at Webe Creek. They compiled an excellent geological, geophysical and geochemical exploration database and yet failed to drill a hole.

At the Laonasmata prospect there is a 3 km long and 300 m wide mineralised zone. Coincident within the zone are outcropping epithermal gold and silver-bearing veins, anomalous gold-in-soils, hydrothermal alteration and geophysical anomalies. To date rock chip values up to 13.2 g/t gold and 270 g/t silver have been obtained from the veining. The Laonasmata prospect is prospective for a 'Porgera-style' (total gold endowment of more than 14 million ounces) gold discovery (Figure 7).

Alcaston plans to test the Laonasmata veins and IP changeability anomalies with 1,500 m of diamond and reverse circulation drilling

Special Lease applications are currently being prepared. These leases must be granted before drilling can commence.

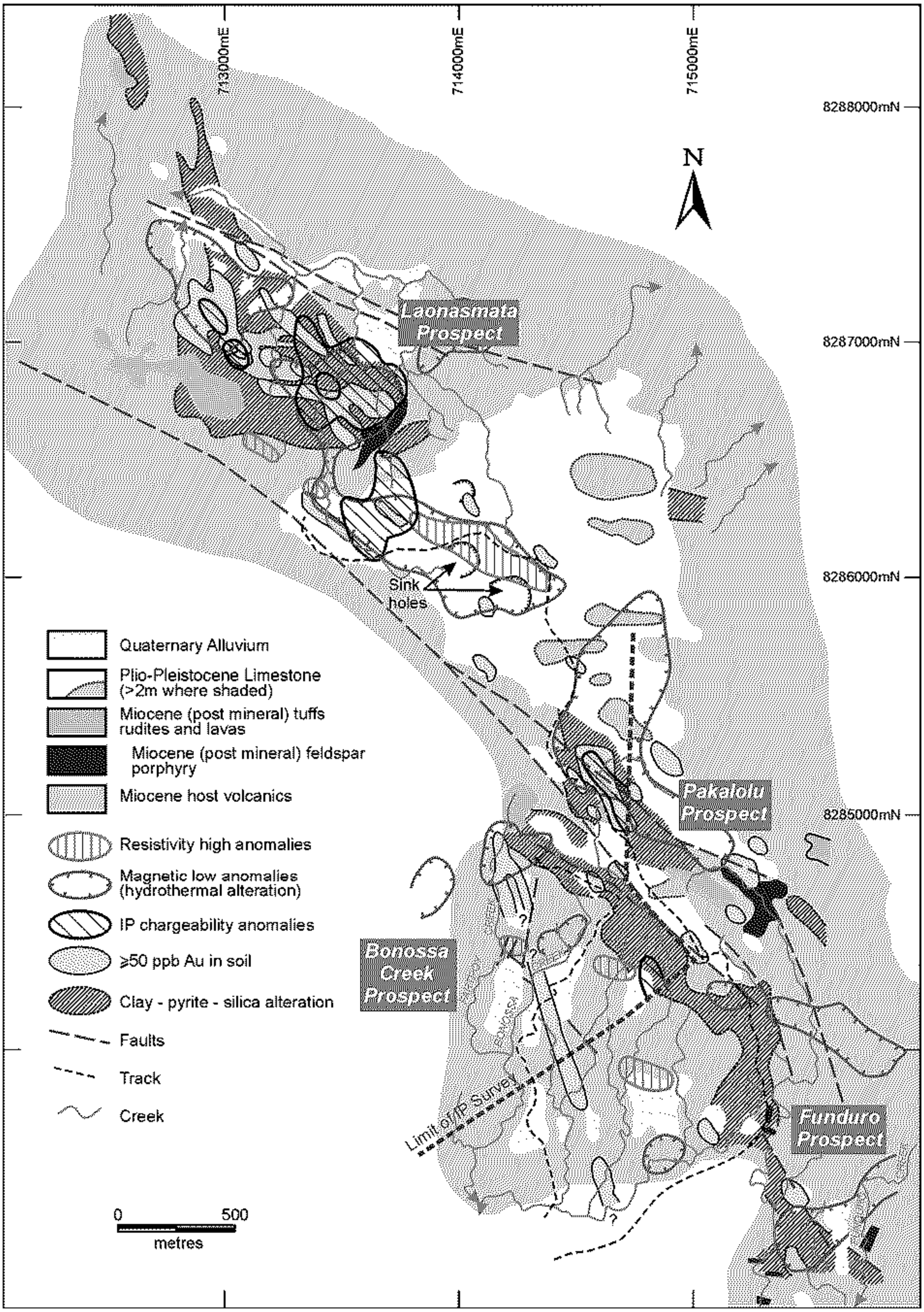

Figure 7 Webe Creek Prospect Summary

2.4 Tafuse – Vanuatu (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 700 m along an elongated northwest trending zone with a coincident gold (generally greater than 0.5 g/t), arsenic, copper, lead and zinc soil anomaly. Exotic siliceous clasts in the breccia have assayed up to 10 g/t gold and 860 g/t silver.

2.5 North Monger, Randwick Hill, Juglah Rocks, Tambourah, Leopold Downs - Western Australia (Gold & Diamonds)

With the acquisition of the Tuvatu Gold Project, Alcaston will focus its exploration effort on the gold properties in the South Pacific. As such the Company is planning to divest or joint venture its substantial tenement portfolio in Western Australia.

It is planned to package together the North Monger, Randwick Hill, Juglah Rocks and Tambourah gold properties and if possible divest them as a group.

The Leopold Downs diamond project will be divested separately.

2.6 Competent Person

The information in this Prospectus, insofar as it relates to resource estimation and exploration results, is based on information compiled by Mr Craig Mackay. Mr Mackay is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mackay consults to the Company. The information in section 2 of the Prospectus accurately reflects the information compiled by Mr Mackay and Mr Mackay consents to the inclusion in the Prospectus of the matters based on his information in the form and context in which it appears.

Section 3 EFFECT OF THE OFFER ON THE COMPANY

3.1 Principal Effects

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

(a) The Company will issue up to 60,000,000 Shares in respect of the Offer to investors and a further 6,000,000 Shares to Emperor as part of the Tuvatu Acquisition.

(b) Following the issue of the Offer Shares (and prior to settlement of the Tuvatu Acquisition), the cash reserves of the Company will increase by between $10,000,000 and $12,000,000 less expenses of the Offer which are estimated to be up to $820,000. This cash will be expended as shown in Section 1.4 of this Prospectus.

(c) If all the Offer Shares and Emperor Shares proposed to be issued are issued, the total number of Shares on issue will increase from 23,258,073 to 89,258,073.

3.2 Statement of Financial Position and Capital Structure

Set out as follows is an audit reviewed Statement of Financial Position of the Company and its controlled entities as at 31 December 2004 and the proposed capital structure of the Company after the Offer (assuming 60,000,000 shares are issued) and the Tuvatu Acquisition (6,000,000 shares to be issued):

Statement of Financial Position
Pro-forma Reflecting Proposed Offer and Tuvatu Acquisition

	Notes	Actual 31 December 2004 results	Pro-forma 31 December 2004 ($)
CURRENT ASSETS			
Cash	1	541,245	2,961,065
Receivables		31,828	31,828
Other financial assets		44,749	44,749
TOTAL CURRENT ASSETS		**617,822**	**3,037,642**
NON CURRENT ASSETS			
Receivables	2	0	-
Investments	3	0	-
Property, Plant & Equipment		7,501	7,501
Exploration Expenditure	2,3	2,272,902	12,002,902
TOTAL NON-CURRENT ASSETS		**2,280,403**	**12,010,403**

TOTAL ASSETS		**2,898,225**	**15,048,045**
CURRENT LIABILITIES			
Payables		56,694	56,694
Other		165,300	165,300
TOTAL CURRENT LIABILITIES		**221,994**	**221,994**
TOTAL LIABILITIES		**221,994**	**221,994**
NET ASSETS		**2,676,231**	**14,826,051**
EQUITY			
Share Capital (Parent)	4	11,818,134	24,734,354
Reserves (Parent – Option Reserve)		762,478	762,478
Accumulated Losses	5	(9,904,381)	(10,670,781)
TOTAL EQUITY		**2,676,231**	**14,826,051**

Notes to the Statement of Financial Position:

Note 1 Current Assets - Cash

Cash on hand at 31 December 2004	$541,245
Shares issued in January 2005	$345,400
Shares issued in July 2005	$203,000
Proceeds from issue of 60,000,000 Shares @ 20 cents per Share	$12,000,000
Proceeds from issue of 6,000,000 Shares to Emperor @ 20 cents per Share	$1,200,000
Proceeds from Royalty Deed	$30,000
	$14,319,645
Less: Payment to Emperor for assignment of debt and acquisition of Tuvatu shares	($9,730,000)
Less: Share issue costs (Offer and July 2005)	($832,180)
Less: Administration & other costs January 2005 to June 2005	($796,400)
Pro forma Cash on hand	$2,961,065

Note 2 Non Current Assets – Receivables (Parent Only)

Assignment of debt owed by Tuvatu Gold Mining Company Ltd to Alcaston Mining NL as part of Tuvatu Acquisition	$9,729,000

Note 3 Non Current Assets – Investments (Parent Only)

1,000 shares in Tuvatu Gold Mining Company Ltd at cost	$1,000

On consolidation, the $9,730,000 will form part of the capitalised acquisition, evaluation and exploration costs in the consolidated accounts of Alcaston Mining NL. Thus the capitalised costs will increase from $2,272,902 as at 31 December 2004 to $12,002,902. The excess of the cost of the investment in Tuvatu over the net liabilities acquired is treated as being part of the fair value of the Tuvatu tenement in Fiji owned by Tuvatu Gold Mining Company Ltd.

Note 4 Equity – Share Capital

Shares on issue as at 31 December 2004	$11,818,134
Shares issued in January 2005	$345,400
Shares issued in July 2005	$203,000
60,000,000 Offer Shares	$12,000,000
6,000,000 Emperor Shares	$1,200,000
Less: Capital raising costs (including costs of Offer and July 2005 issue)	($832,180)
	$24,734,354

Note 5 Equity – Accumulated Losses

Losses at 31 December 2004	($9,904,381)
Add: Additional expenses January 2005 to June 2005	($796,400)
Less: Revenue for Royalty Deed	$30,000
	($10,670,781)

Capital Structure of the Company

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

Issued Capital	Number	$
Existing Ordinary Shares (including shares issued in January 2005 and July 2005)	23,258,073	12,366,534
Issue to Emperor for Tuvatu Acquisition	6,000,000	1,200,000
Maximum No. of Shares to be issued pursuant to this Offer	60,000,000	12,000,000
Total Shares on issue after the Offer and Tuvatu Acquisition	89,258,073	25,566,534

The Company currently has the following Options on issue:

No of Options	Exercise Price	Expiry Date
12,540,505 (listed)	$1.05	30 September 2007
7,000,000 (unlisted)	$0.35	30 June 2010
7,000,000 (unlisted)	$0.40	30 June 2010

Total Shares on issue after the Offer, Tuvatu Acquisition and if all Options on issue are converted, will be 115,798,578.

Section 4 RISK FACTORS

The Shares 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 Offer Shares 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.

- **Exploration and 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 may have an adverse effect on the Company's business and its results of operations.

- **Investment Speculative**

  The list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The risk factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

  Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

  Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

- **Insurance**

  Insurance against all risks associated with mining exploration and development is not always available and the cost can be excessive. The Company has insurance in place which in the circumstances it considers to be acceptable.

- **Tuvatu Acquisition Risk**

  The funds raised pursuant to the Prospectus are being used to complete settlement of the Tuvatu Acquisition. As with all sale and purchase transactions, until settlement occurs, there is a risk to subscribers for the Offer Shares that the Tuvatu Acquisition will not proceed after the Offer Shares are issued.

However, the Company will use its best endeavours to identify and deal with any impediments to settlement of the Tuvatu Acquisition, prior to the issue of the Offer Shares.

Section 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.

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 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.

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 period ending 30 June 2004

(b) the half yearly financial report for the Company for the period ending 31 December 2004; 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 2004 and before the issue of this Prospectus:

27/10/04	Appendix 3B – Acquisition of tenement applications
29/10/04	First Quarter Activities & Cashflow Reports
29/10/04	Notice of Annual General Meeting
17/11/04	Appendix 3B & Prospectus for Placement up to 50 million Shares
30/11/04	Results of 2004 AGM
17/12/04	Extension of Closing Date for Prospectus
22/12/04	Progressive Allotment of Shares
18/01/05	Closure of Prospectus & Final Allotment of Shares
27/01/04	Second Quarter Activities & Cashflow Reports
02/02/05	Acquisition of Tuvatu Gold Project, Fiji
01/03/05	Change of Director's Interest Notice
04/03/05	Change of Director's Interest Notice
04/03/05	Change of Director's Interest Notice
04/03/05	Change of Director's Interest Notice
16/03/05	Half year accounts
19/04/05	Tuvatu acquisition – extension of time
22/04/05	Third Quarter Activities and Cashflow report
17/05/05	Change of Director's Interest Notice
31/05/05	Tuvatu acquisition – further extension of time
07/06/05	Notice of General Meeting of Shareholders
21/06/05	Section 249D Notice – Request to convene general meeting
28/06/05	Tuvatu Acquisition – Formal Sale Agreement Executed
30/06/05	Letter from Chairman to Shareholders
01/07/05	Application by Shareholder to Stop General Meeting
04/07/05	Change of Director's Interest Notice
06/07/05	Adjournment of General Meeting to 25 July 2005
06/07/05	Notice of General Meeting
11/07/05	Tuvatu Acquisition Additional Extension
13/07/05	Change of Director's Interest Notice
22/07/05	Appointment of Alternate Director and new issue of shares
25/07/05	Secondary trading
25/07/05	Advice to Participating Orgs: Reorganisation of Capital
25/07/05	Results of General Meeting
29/07/05	Fourth quarter activities and cash flow report
03/08/05	Tuvatu acquisition Extension of Time
09/08/05	Post Consolidation shares and Options on Issue
10/08/05	Results of General Meeting

5.4 Rights Attaching to Shares

The 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: 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.

5.5 Profiles of Directors

Rick W CRABB
BJuris(Hons); LLB; MBA; AAusIMM
(Chairman)

Mr Rick Crabb practiced as a resource and corporate lawyer for 23 years and now focuses on his position as non-executive director of a number of ASX listed companies. He holds the degrees of Bachelor of Jurisprudence (Honours), Bachelor of Laws and Master of Business Administration, is an Associate of the Australian Institute of Mining and Metallurgy and a Fellow of the Institute of Company Directors in Australia. His other public listed company directorships are Ashburton Minerals Limited, Ottoman Energy Limited, Paladin Resources Limited (also listed on the Toronto Stock Exchange), Port Bouvard Limited and Thundelarra Exploration Limited.

David J PORTER
BSc(Hons); MSc; FAusIMM
(Managing Director)

Mr David Porter is a geologist with 33 years postgraduate experience and holds a Bachelor of Science (Honours) and Master of Science degrees and is also a Chartered Professional and a Fellow of the Australian Institute of Mining and Metallurgy ("AusIMM"). He was the Exploration Director of the highly successful Gasgoyne Gold Mines NL, which was taken over by Sons of Gwalia in 1995. In addition to having been a director of Gasgoyne Gold Mines NL, he has managed with success, 2 other ASX listed resource exploration companies, Diversified Mineral Resources NL and Africwest Gold NL. He is currently the Managing Director of Alcaston Mining NL.

Gilbert C RODGERS
BBus; CA(Aust); FCPA; FAICD
(Executive Director)

Mr Gilbert Rodgers is a chartered accountant and company secretary and holds the degree of Bachelor of Business and is a Fellow of the Institute of Company Directors in Australia. He has served as a director of ASX listed resource companies including Pilbara Mines NL and Africwest Gold NL. He is the current Executive Director and Company Secretary of Alcaston Mining NL. He is also the Executive Director and Company Secretary of another ASX Listed Company, Chester Mining Limited. He has been involved in the Mining Industry for more than 24 years.

Craig R MACKAY
B.App. Sc- App.Geol; B.Sc (Hons); M.Sc; MAusIMM
(Exploration Director)

Mr Craig Mackay is a geologist with 14 years postgraduate experience and holds Bachelor of Applied Science – Applied Geology, Bachelor of Science (Honours) and Master of Science degrees. He is also a Member of the Australian Institute of Mining and Metallurgy ("AusIMM"). Craig was Senior Geologist–Eastern Australia for AngloGold Australasia from 1999 to 2001, responsible for project generation and exploration property management in QLD, NSW, VIC, and TAS. From 1988 to 1993, he worked for Shell, exploring for gold in NSW, QLD and the NT. In 1994 he joined Acacia Resources and over a period of eight years explored for gold and base metals mainly in SA, NSW, and QLD. He was Senior Geologist-Eastern Australia with Acacia from 1996 to 1999 (takeover of Acacia by AngloGold). Craig currently operates a mineral exploration consultancy group, formed in 2001, which provides services to companies such as AngloGold, BHP Billiton, MIM and Alcaston Mining NL. He is the Exploration Director managing gold, base metal and diamond interests in Australia and overseas, and reviewing new minerals projects in Australia and overseas. Exploration successes that he has participated in include Mt Todd, Union Reefs, Spring Hill and Weednanna.

5.6 Interests 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*	
		Direct	Indirect	Direct	Indirect
Rick Crabb		189,285	-	17,857	-
	Westessa Holdings Pty Ltd	-	285,714	-	-
	Rick Crabb and Carol Crabb as trustees for the Intermax Trust	-	-	-	3,500,000
David Porter		-	-	1,750,000	-
	DP Prospecting Services Pty Ltd	-	1,116,656	-	671,410
	Diane Porter	-	-	-	1,750,000
Gilbert Rodgers		1,428	-	3,501,710	-
	Silkform Pty Ltd	-	96,785	-	9,285
Craig Mackay		-	-	-	-
	Sharyn Mackay	-	104,762	-	154,762
	Earth Science Solutions Pty Ltd as trustee for Mackay Family Trust	-	57,142	-	3,557,142
	Craig Mackay and Sharyn Mackay as trustee for Warrego Superannuation Fund	-	142,857	-	-

* Each Director or their nominee holds unlisted 1,750,000 Class A options exercisable @ 35 cents on or before 30 June 2010 and unlisted 1,750,000 Class B options exercisable @ 40 cents on or before 30 June 2010. The remaining listed options held by Directors and/or associates are exercisable at $1.05 each on or before 30 September 2007.

Note 1: Rick Crabb is a director of and he and an associate hold 100% of the shares in Westessa Holdings Pty Ltd. Carol Crabb is the spouse of Rick Crabb.

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

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

Note 4: Craig Mackay is the spouse of Sharyn Mackay. Craig Mackay is also the sole director, secretary and shareholder of Earth Science Solutions 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 Offer, or
- the Offer.

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 Offer.

(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 $130,000 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 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, 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;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer.

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 expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

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 $26,000 (plus GST) for these professional services. Blakiston & Crabb have provided other professional services to the Company during the last two years amounting to $61,738 (which includes a provision for GST).

Stanton Partners have acted as auditors 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. Stanton Partners have provided other professional services to the Company during the last two years amounting to $23,600 (which includes a provision for GST).

5.8 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 3.1 cents on 23 May 2005 and 2.4 cents on 17 June 2005. However these share prices were prior to the 1 for 7 consolidation which was effective on 25 July 2005. Since the consolidation, the Company's shares have traded between 20 cents per Share on 23 August 2005 and 15 cents per Share on 11 August 2005. The latest available market sale price of Shares on ASX immediately before the date of issue of this Prospectus was 18.5 cents per Share on 24 August 2005.

5.9 Expenses of the Offer

The approximate expenses of the Offer including advisers' fees brokerage, legal fees, printing and distribution costs and other miscellaneous expenses, will be between $700,000 and $820,000 (depending on the amount raised) which has been paid or is payable by the Company.

5.10 Material Contracts

<u>Tuvatu Acquisition – Share Sale Deed</u>

Alcaston and Emperor Gold Mining Company Limited ("**Emperor**") are parties to a share sale deed dated 24 June 2005 for the acquisition by Alcaston of all of the 1000 issued shares of Tuvatu which operates the Tuvatu gold project. Emperor is the beneficial owner of all of the issued shares of Tuvatu. However Koula Mining Company Limited is the legal owner of 2 out of the 1000 shares and is therefore also a party to the Share Sale Deed.

In consideration for the sale and purchase of the Tuvatu shares:

(a) Alcaston will take an assignment of debt (as a receivable in its favour) owed by Tuvatu to Emperor of A$9.729 million pursuant to the Deed of Assignment described below in consideration for a payment of this amount by Alcaston to Emperor;

(b) Alcaston will pay A$1 per Tuvatu share to Emperor to acquire all of the issued ordinary shares in Tuvatu, being 1,000 shares;

(c) Emperor will subscribe for 6 million shares in Alcaston at an issue price of 20 cents per share; and

(d) Emperor will pay A$30,000 for a royalty in respect of gold produced from the Tuvatu Gold Project pursuant to the Royalty Deed described below.

Settlement of the acquisition is subject to:

(i) Alcaston obtaining shareholder approval for the:

  A. 1 for 7 consolidation of its issued ordinary shares;

  B. Offer and the issue of the Emperor Shares;

(ii) Alcaston raising equity finance of not less than A$10 million; and

(iii) Alcaston and Emperor obtaining all other necessary statutory and regulatory approvals required to complete the acquisition.

The relevant shareholder approvals were obtained on 25 July 2005.

Upon settlement, Alcaston will acquire all of the issued shares of Tuvatu which holds all of the assets associated with the Tuvatu Gold Project including special prospecting licences 1283 "Bebe" and 1296 "Vavuna". Alcaston has paid a non-refundable deposit of A$50,000 which will be applied towards the acquisition price for Tuvatu.

By letter agreement dated 3 August 2005 Emperor agreed to extend the cut-off date to satisfy the pre-requisite conditions to 30 September 2005. In consideration for this extension, Alcaston has paid A$20,000 which will be applied towards the acquisition price for Tuvatu.

The share sale deed also contains representations and warranties by Emperor regarding the assets and liabilities of Tuvatu.

<u>Tuvatu Acquisition – Royalty Deed</u>

Alcaston, Emperor and Tuvatu are parties to a Royalty Deed pursuant to the Tuvatu Acquisition.

The Royalty Deed provides that a gold royalty will be payable by Tuvatu to Emperor after the acquisition by Alcaston in respect of gold of purity not less than 99.5% produced from the Tuvatu tenements. As part of the Tuvatu Acquisition, Emperor will pay $30,000 for this gold royalty.

This royalty is to be calculated on the basis of A$10 per ounce of gold produced from within the Royalty Area (as defined in the Royalty Deed), up to a total of A$1 million per annum. This obligation will cease once a total of A$2 million has been paid by Tuvatu. An additional royalty of 1% of the value of all gold produced is payable for gold produced outside of the Royalty Area, excluding the first 200,000 ounces of gold.

Approximately 5.3% of special prospecting licence 1296 and approximately 9.4% of special prospecting licence 1283 lie within the Royalty Area.

The Royalty Deed also provides that Alcaston and Emperor will meet to consider the appointment of an Emperor Director to the Alcaston Board in the event of a decision to mine in respect of the Tuvatu Gold Project.

Tuvatu Acquisition – Deed of Assignment (Debt)

Emperor, Tuvatu and Alcaston are parties to a Deed of Assignment pursuant to the Tuvatu Acquisition.

Pursuant to the Deed of Assignment, Emperor assigns to Alcaston a debt of $9,729,000 owed by Tuvatu. Emperor assigns to Alcaston all of its rights, including the right to repayment and the right to enforce payment, in respect of the debt.

5.11 Consents

Each of the parties referred to in this Section 5.11.

(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 5.11; and

(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 a statement included in this Prospectus with the consent of that party as specified in this Section 5.11.

Emperor Mines Limited consents to the references to the mineral resource for the Tuvatu Gold Project, as reported to the ASX by Emperor Mines Limited on 8 September 2004, and to references to its exploration results in relation to the Tuvatu Gold Project, in the form and context in which they are included and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Craig Mackay consents to the inclusion of resource estimation and descriptions of exploration activities based on information compiled by them in the form and context in which those estimations and descriptions appear, and have not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Stanton Partners has given its written consent to being named as the Company's Auditor in this Prospectus and to the use of the audit reviewed statement of financial position as at 31 December 2004 for the purposes of preparing the pro forma statement of financial position in the form and context in which that statement of financial position appears and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and have not withdrawn such consent prior to the lodgement of this Prospectus with the ASIC:

(a) Blakiston & Crabb as the solicitors to the Company;

(b) Stanton Partners as auditors to the Company; and

(c) Security Transfer Registrars Pty Ltd as share registrar of the Company.

5.12 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of Offer Shares in response to an electronic application form, subject to compliance with certain provisions.

The Prospectus will be available as an Electronic Prospectus on the Company's website at www.alcaston.com.au.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please e-mail the Company at ppg@highway1.com.au and the Company will send to you, without charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

5.13 Privacy Disclosure Statement

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, (including mailing houses), the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

Section 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 Shares 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: 25 August 2005

Gilbert Rodgers
Director

Section 7 DEFINED TERMS

"**Application Form**" means the Application Form accompanying this Prospectus including an Application Form printed from the Electronic Prospectus and "**Applicant**" and "**Application**" have comparative meanings;

"**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;

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

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

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

"**Electronic Prospectus**" means an electronic version of the Prospectus;

"**Emperor**" means Emperor Gold Mining Company Limited;

"**Emperor Mines**" means Emperor Mines Limited;

"**Emperor Shares**" means Shares to be issued to Emperor in respect of the Tuvatu Acquisition;

"**Feasibility Study**" means the feasibility study in respect of the Tuvatu Gold Project described in section 2.1(f) of the Prospectus;

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

"**Offer**" means the issue pursuant to this Prospectus of up to 60,000,000 Shares at an issue price of 20 cents per Share to raise up to $12,000,000;

"**Offer Shares**" means shares issued pursuant to the Offer;

"**Prospectus**" means this prospectus dated 25 August 2005 and includes the Electronic Prospectus;

"**Royalty Deed**" means the royalty deed described in the material contracts section (Section 5.10) of this Prospectus;

"**Section**" means a section of this Prospectus;

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

"**Tuvatu Acquisition**" means the acquisition by the Company of all of the shares in Tuvatu Gold Mining Company Limited; and

"**Tuvatu Gold Project**" means the project described in section 2.1(b) of this Prospectus;

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

ALCASTON MINING NL ACN 006 710 774
APPLICATION FORM

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

Please read all instructions on reverse of this form

A Number of Shares applied for
(minimum 10,000 Shares and thereafter in multiples of 2,500 Shares).

B Total amount payable
cheque(s) to equal this amount

[   ] at 20 cents each = A$ [   ]

you may be allocated all of the Shares above or a lesser number.

Please note:. Paper copies of the Prospectus (and any supplementary prospectus) and this Application Form can be obtained from Alcaston Mining NL free of charge by calling (08) 9481 5758.

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

D Tax file number(s)/ABN
Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

E Full postal address

Number/street

Suburb/town

State/postcode

F Contact details

Contact name

Contact daytime telephone number

( )

Contact email address

G **CHESS HIN** (if applicable)

H Cheque payment details please fill out your cheque details and make your cheque payable to "Alcaston Mining NL - Share Account".

Drawer	Cheque number	BSB number	Account number	Total amount of cheque

I Return of the Application Form with your cheque for the Application monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company;

(b) I/we have received personally a copy of this Prospectus accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Shares; and

(c) I/we acknowledge and consent to the privacy disclosure statement set out in Section 5.13 of the Prospectus.

If this Application Form was obtained from the Electronic Prospectus: I/we declare that, before completing the Application Form, I was/we were personally given access (at the same time and by the same means) to the Electronic Prospectus, together with this Application Form.

No signature is required.

You should read the Prospectus dated 25 August 2005 carefully before completing this Application Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to the Alcaston Mining NL Application Form

This Application Form relates to the offer of up to 60,000,000 Shares in Alcaston Mining NL at $0.20 per Share, pursuant to the Prospectus dated 25 August 2005. The expiry date of the Prospectus is 25 September 2006 being the date that is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

A Insert the number of Shares you wish to apply for.

B Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of $0.20

C Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of your company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as that are presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G The Company will apply to ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHESS subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to the Prospectus.

H Please complete cheque details as requested:
Make your cheque payable to "Alcaston Mining NL - Share Account" in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual Use names in full, no initials	**Mr John Alfred Smith**	**JA Smith**
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	**John Alfred Smith** **<Peter Smith>**	**Peter Smith**
Company Use company title, not abbreviations	**ABC Pty Ltd**	**ABC P/L** **ABC Co**
Trusts Use trustee(s) personal name(s), do not use the name of the trust	**Mrs Sue Smith** **<Sue Smith Family A/C>**	**Sue Smith Family Trust**
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	**Ms Jane Smith** **<Est John Smith A/C>**	**Estate of late John Smith**
Partnerships Use partners personal names, do not use the name of the partnership	**Mr John Smith and Mr Michael Smith** **<John Smith and Son A/C>**	**John Smith and Son**

Lodgement of Applications

Return your completed Application Form with cheque(s) attached to:

By Post:
Security Transfer Registrars Pty Ltd
PO Box 535
APPLECROSS WA 6953

By Hand:
Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Application Forms must be received no later than 5.00 pm WST time on 25 September 2005