03 September, 2004

Dear Shareholder,

LIMITED OFFER ONLY AVAILABLE TO A1 SHAREHOLDERS TO PURCHASE SHARES AT A DISCOUNT

As a Shareholder and Managing Director of the Company, I am pleased to invite you to participate in the A1 Minerals Limited Share Purchase Plan (the SPP) to purchase up to $5,000 worth of shares in the company at a discount price to market with no associated costs in brokerage and commission.

The capital raised from this SPP will be used to fund further drilling to continue A1's exploration success.

We greatly appreciate our past shareholder support, and given that many were scaled back in our oversubscribed IPO we are pleased to be able to offer this opportunity to subscribe for additional shares exclusively to existing shareholders.

OUR REQUIREMENT FOR CAPITAL

In our IPO document, A1 set out its plan for expenditure over the coming 2 – 3 years which involved exploration at both its BrightStar and Narnoo Projects. This expenditure plan is on track and proceeding well.

The degree of exploration success to date has presented the Company with some options to accelerate expenditure and continue to expand the BrightStar Discovery. Capital raised from this SPP will be used to fund further drilling and continue A1's exploration success.

If all Shareholders take up their full entitlement under the SPP ($5,000), the maximum subscription will be $3,665,000.

For illustration purposes an example of how the funds raised will be spent is set out below. The figures shown are based on the maximum subscription under the SPP.

Description	**Expenditure**
Exploration Expenditure	3,300,000
Working Capital	345,000
Offer Expenses	20,000
	3,665,000

Where a lesser amount is raised the funds spent on exploration will be reduced to ensure the Company has sufficient working capital to meet its objectives.

BACKGROUND

A1 listed on the Australian Stock Exchange (ASX) on 5 December 2003. Since that date it has been successfully engaged in exploration on its highly prospective BrightStar Project east of Laverton, in Western Australia.

A1 Minerals has a 100% interest in the potentially significant gold discovery at BrightStar.

A1's reinterpretation of the mineralisation that had been defined with early exploration at BrightStar was of a shallow dipping style displaying similar characteristics to multi million ounce deposits in the Laverton district, notably Sunrise/Cleo (+9moz) and Wallaby/Just in Case (+7moz).

Before A1 listed on the ASX, only 500m (the BrightStar Discovery Zone - BDZ) within a 10km long series of gold geochemical anomalies had been adequately tested with encouraging results including 5m grading 9.97gpt Au, 7m grading 7.09gpt Au, 7m grading 7.65gpt Au, 12m grading 47.66gpt Au and 5m grading 5.65gpt Au. All high-grade intercepts at the BrightStar Discovery Zone had been intercepted in oxidised bedrock at shallow depths providing early indications of an open pit mining scenario.

Since listing, the BrightStar is much closer to mining with excellent drill results, native title clearance and the granting of the BrightStar mining lease. A1 has been aggressively exploring every month since listing completing:

- A vacuum drilling program over the tenements finding a number of kilometre-scale anomalies;
- A 20,000 metre RAB and Aircore drilling program finding zones of economic significance and enlarging the Brightstar Discovery Zone to over 1100 metres of strike length, and
- RC drilling programs which have added to an impressive list of high quality drill intercepts which augur well for a deep open pit and possible underground scenario's at BrightStar.

In addition to the above A1 geologists have compiled related project area data including aerial magnetic, air photo, multi element analysis of vacuum geochem results and other drill data over the BrightStar tenements. Analysis of this data has revealed that ancient buried river and stream channels palaeo-drainages exist over much of the area and have a masking effect, affecting the detection of the near surface gold mineralisation. This could mean a possible 3km extension to the BDZ. As a result A1 has recently commenced a shallow (70 metre depths) RAB drill program to explore the potential for a south eastern extension along strike.

A diamond drilling program is also testing the deeper potential of the Brightstar Discovery Zone.

Expenditure is being driven by exploration success and managements ability to add value to the asset holdings of the Company. It is worth mentioning that A1 geologists have maintained a +70% success rate in RC drill holes significantly intercepting greater than 1g/t gold.

Attached to this letter are the SPP terms and conditions together with an application form.

The indicative timetable for the offer is as follows:

Entitlement Date (Record Date)	3 September 2004
SPP Offer Closing Date	24 September 2004
Issue of Shares and Dispatch of Holding Statements	30 September 2004

I look forward to your continued support, should you have any questions or require further information regarding the SPP, please contact myself or Mark Pitts on 08 9244 1400 or by email: info@a1minerals.com.au.

Yours faithfully

John Williams
Managing Director

A1 MINERALS LTD - SHARE PURCHASE PLAN

The Australian Securities and Investments Commission (ASIC) through Policy Statement 125 and Class Order 02/831, determined that offers of shares to existing shareholders are exempt from the requirements to issue a prospectus if certain requirements are met.

Broadly these requirements are that:

- Any offer is made only to registered shareholders of the company where it is lawful and practical to do so;
- The offer to each registered shareholder amounts to no more than $5,000 in any consecutive 12 month period;
- The offer is made to each registered shareholder on the same terms and conditions;
- The offer is non-renounceable; and
- The offer is made at a discount to market price as at the date of the offer.

Terms and Conditions
The terms and conditions of the SPP are set out below.

The Offer
The SPP enables all shareholders, irrespective of the size of their shareholding to purchase up to $5,000 worth of shares in the Company at a discount to market price, **with no associated costs of brokerage, commission and stamp duty**. The SPP provides smaller shareholders with the opportunity to increase their holdings into more meaningful and financially viable parcels of shares.

The offer to participate under the SPP is non-renounceable and therefore you are not permitted to transfer your right to subscribe for shares under the SPP. Participation in the SPP is entirely optional and is subject to the terms and conditions specified in this letter and on the attached Application Form.

The requirements of ASX listing rule 7.1 are exempted provided the number of shares to be issued under the SPP is limited to 30% of the issued capital in any 12 month period. The Directors do not anticipate that the numbers of shares to be issued under this SPP will exceed the limit.

Eligibility
The offer is open to all shareholders who are registered as holders of fully paid ordinary shares in the company at 5.00pm Western Standard Time on 3 September 2004 ("**the Record Date**") and whose address as recorded in the register is in Australia or in any other jurisdiction within which it is lawful and (in the opinion of the Company) practical for the Company to offer shares under the SPP.

Where a member is expressly noted on the register as a trustee or nominee on account of another person (**"Beneficiary"**) the Beneficiary will be deemed to be the Eligible Shareholder and any relevant acceptance of the offer and issue of the shares will be made by or to the Beneficiary.

Subscription Price
The subscription price under this SPP will allow the purchase of new ordinary shares at a 5% discount to the volume weighted average price for the 10 business days immediately preceding the issue date, to a maximum of $5,000 per shareholder.

The shares offered under the SPP are a speculative investment and the price of the shares may change between the date of the offer and the date of issue of shares under the SPP. Accordingly, the value of the shares may rise or fall.

How much can be Invested
Eligible Shareholders may apply for shares from a minimum value of $1,000 up to a maximum of $5,000 by way of illustration, if the issue price is 40 cents the number of shares will vary from 2,500 to 12,500 ordinary shares.

Rights attaching to shares
The rights and obligations of the shares are contained in the constitution of the Company (which is available for inspection at the registered office of the Company during the period of the offer). The shares will be issued on the same terms and conditions as all other ordinary shares in the Company and the Company will apply for the shares to be quoted on ASX.

How to Participate in this Offer
This offer is not a prospectus and does not require disclosure for the purposes of Chapter 6D of the *Corporations Act 2001.* You must rely on your knowledge of A1, previous disclosures made by A1 to the ASX and if necessary, consult your professional adviser when deciding whether or not to accept the offer and participate in the SPP.

In order to apply for shares under the offer, complete the enclosed application form in accordance with the instructions and forward, together with your cheque, to A1's share registry in the reply-paid envelope provided. All amounts in this offer are expressed in Australian dollars.

Completed application forms and full payment must be received by A1's share registry no later than 5.00pm Western Standard Time on 24 September 2004.

Timetable
The indicative timetable for the offer is as follows:

Entitlement Date (Record Date)	3 September 2004
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Issue of Shares and Dispatch of Holding Statements	30 September 2004

Suite 34 : 25 Walters Drive : Osborne Park : Western Australia : 6017
Telephone (618) 9244 1400 : Facsimile (618) 9244 1600 : ASX Code AAM
Email info@a1minerals.com.au website www.a1minerals.com.au

A1 MINERALS LIMITED
ABN 44 100 727 491

Shareholder Share Purchase Plan Offer and Acceptance Form
Offer Closes 5.00pm (WST) 24 September 2004

---- DPID ----
<Address Line 1>
<Address Line 2>
<Address Line 3>
<Address Line 4>
<Address Line 5>
<Address Line 6>

< BARCODE OF SRN / HIN >
Record Date: *<3 September 2004>*
Holder Identification Number (HIN): X0000000000

This is an offer to eligible shareholders to subscribe for additional shares in A1 Minerals Limited ("A1") under the Terms and Conditions of the A1 Shareholder Share Purchase Plan ("the SPP") as set out in the accompanying letter from the Managing Director.

The issue price for the shares under the SPP will be a 5% discount to the volume weighted average price for the 10 business days immediately preceding the share issue date, to a maximum of $5,000 per shareholder

Eligible shareholders can choose to invest in one of five alternatives: $1,000, $2,000, $3,000, $4,000 or $5,000.

The shares offered under the SPP are a speculative investment and the price of the shares may change between the date of the offer and the date of issue of shares under the SPP. Accordingly, as the value of the shares changes the number of shares to be issued may rise or fall.

The maximum number of ordinary shares that can be allotted to each shareholder (being $5,000 of Shares under the Plan in any 12 month period) will apply **even if a shareholder received more than one offer** (whether in respect of a joint holding or because the shareholder has more than one holding under separate share accounts). A1 reserves the right to reject any application where this rule has not been complied with.

By accepting the Offer you agree to be bound by the Terms and Conditions of the A1 Shareholder Share Purchase Plan and the Constitution of A1 Minerals Limited.

Application for Shares

I/we being the above mentioned, being registered as ordinary shareholder(s) in A1 Minerals Limited as at the record date of 3 September 2004, do hereby apply for the number of ordinary shares in A1 Minerals Limited as indicated below at an issue price to be determined as above issued in accordance with the Terms and Conditions of the A1 Minerals Limited Shareholder Share Purchase Plan. I/we confirm that the total cost of shares purchased by us (including through joint holding(s), multiple share accounts or any holding in which I/we have a beneficial interest/s) does not exceed $5,000 in accordance with the Applicants Certification and Confirmation.

To participate in the Shareholder Share Purchase Plan shareholders must select **only one** of the following options. Please mark the selected box.

Offer A		Offer B		Offer C		Offer D		Offer E
$5,000	**OR**	**$4,000**	**OR**	**$3,000**	**OR**	**$2,000**	**OR**	**$1,000**

Please complete the following cheque payment details:

Drawer	Bank	Branch or BSB	Amount

Cheques should be made payable to **"A1 Minerals Limited"** and crossed **"Not Negotiable"**.

Telephone number where we may contact you during business hours. (__________) ________________________

Contact Name: ______________________________

If you have any questions regarding the Share Purchase Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or the Company.

Return this form and cheque to Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6840

Offer Closes 5.00pm (WST) 24 September 2004

Applicant's Certification and Confirmation

1 By lodging this Entitlement and Acceptance Form you certify that the aggregate of the application price for the following does not exceed $5,000:

(a) the A1 ordinary shares that are the subject of this application; and
(b) any other A1 ordinary shares applied for by you under the SPP (or any similar arrangement in the 12 months prior to the application), whether:

(i) in your own right, or
(ii) jointly with one or more persons, or
(iii) in your capacity as a beneficiary (as defined below),

but not including in your capacity as a trustee or nominee where it is expressly noted on A1's register of members that your shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the A1 shares to which this entitlement relates, this certificate is taken to be given by each joint holder in respect of him/her/itself.

If a trustee or nominee is expressly noted on A1's register of members as holding the shares to which this entitlement relates on account of another person (the "beneficiary"), this certification and confirmation is taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

2...... By lodging this form with your cheque you confirm that you have read, understood and agreed to the terms and conditions of the Plan.

Notes

- The terms and conditions of the Shareholder Share Purchase Plan in the enclosed letter should be read carefully.
- Applications will be processed on first received, first accepted basis.
- Payments may only be made by cheque or bank draft in Australian dollars and drawn on an Australian branch of a financial institution.
- Cheques or bank drafts are to be made payable to: **"A1 Minerals Limited"** and crossed with "Not Negotiable".
- Cheques will be deposited on their day of receipt. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Receipts for payment will not be issued.
- Cash payments will not be accepted via the mail or at Computershare.
- If you wish to accept this offer please return this entitlement and acceptance form duly completed together with a cheque for the subscription amount, in the envelope provided, **by 5.00pm 24 September 2004.**
- A1 Minerals Limited may reject an acceptance of this offer, in its absolute discretion, if this form is not completed in accordance with this offer, is incomplete or if the exact amount payable is not tendered with this form.

Receipt by A1 Minerals Limited of this form duly completed, together with the full subscription amount, will constitute acceptance in accordance with the terms and conditions of the Shareholder Share Purchase Plan and the constitution of A1 Minerals Limited by the shareholder named on this form. A signature on this form is not required.

This offer is not renounceable and as such may only be transferred after the shares are allotted.

QUESTIONS AND CONTACT DETAILS

If you have any questions regarding the Share Purchase Plan or how to deal with this Offer, please contact our Share Registry on **1300 557 010**

Addresses:

By Post	By Hand
A1 Minerals Limited C/- Computershare Investor Services Pty Limited GPO Box D182 Perth, Western Australia 6840	A1 Minerals Limited C/- Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace Perth, Western Australia 6000

Return this form and cheque in the enclosed business reply paid envelope provided.

Offer Closes 5.00pm (WST) 24 September 2004