TasGold Ltd
(A.B.N. 96 095 684 389)

P.O. Box 7996
Gold Coast Mail Centre
Queensland 9726
AUSTRALIA

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Facsimile: +61 (7) 5592 2275
Email: info@tasgold.com.au
Internet: www.tasgold.com.au

4th October 2005

Australian Stock Exchange Limited
Company Announcements Office

Dear Sir,

RIGHTS ISSUE PROSPECTUS

TasGold has lodged a prospectus with ASIC for a 1 for 1, non-renounceable Rights Issue of shares at 9 cents to raise up to a maximum of approximately $5.2 million. The record date is 14 October 2005 and the issue will close on 7 November 2005. A copy of the prospectus is attached.

The attached initial advice to shareholders and optionholders will be mailed to each shareholder and optionholder on 5 October 2005.

An appendix 3B in respect of the issue is also attached

Yours faithfully,

G M Edwards

Garry M. Edwards
Company Secretary

Encl.

Kc/ge108.05

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5 October 2005

Dear Shareholder / Optionholder,

INITIAL ADVICE OF NON-RENOUNCEABLE RIGHTS ISSUE

TasGold Limited (TasGold) is pleased to inform you of its planned non-renounceable Rights Issue to raise up to a maximum of approximately $5.2 million.

The purpose of the issue is to provide sufficient funds to continue the Company's exploration activities in Tasmania and Papua New Guinea and for working capital.

The Rights Issue

TasGold is making a non-renounceable Rights Issue of up to 58 million fully paid ordinary shares at 9 cents per New Share. If fully subscribed, the Issue will raise up to a maximum of approximately $5.2 million. The offer does not require shareholder approval.

The shares trade ex-entitlements commencing Monday 10 October 2005 and shareholders registered or entitled to be registered at 5pm on 14 October 2005 are offered 1 New Share for every 1 Share then held, at an issue price of 9 cents per New Share. Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares. Your Entitlement will be shown on the personalised Entitlement and Acceptance Form which will accompany the Prospectus when it is mailed to you.

The New Shares will rank equally in all respects from the date of issue with existing ordinary shares. There are no rights to New Shares for options currently held. An optionholder who exercises options and becomes registered as the holder of the shares issued on exercise of the options by 5pm on 14 October 2005 will be entitled to participate in the Rights Issue in respect of those shares.

A Prospectus detailing the non-renounceable Rights Issue was lodged by TasGold with the Australian Securities & Investments Commission on 4 October 2005. A copy is available on the TasGold website www.tasgold.com.au. The Prospectus, with personalised Entitlement and Acceptance Form, is expected to be mailed on 19 October 2005.

Before making a decision whether to take up any of these rights to shares, please carefully read the Prospectus when you receive it. The offer closes at 5pm on 7 November 2005.

Eligible shareholders wishing to take up all or a part of their rights should complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form and forward it together with a cheque or bank draft to Link Market Services Limited (formerly ASX Perpetual Registrars), TasGold's share registry.

Shareholders not wishing to take up their rights may not dispose of those rights.

Key Dates

SUMMARY OF PRINCIPAL DATES	
Shares trade ex-entitlements	10 October 2005
Record Date to determine Entitlements	14 October 2005
Prospectus and Entitlement and Acceptance Forms despatched	19 October 2005
Offer closes – last date for lodgement of Entitlement and Acceptance Forms and payment of application money	7 November 2005
New Shares issued and holding statements despatched	15 November 2005

If you have any questions regarding your rights or the mailing of the Prospectus and the accompanying Entitlement and Acceptance Form, please contact TasGold on (07) 5592 2274.

Yours faithfully,

G Edwards

Garry Edwards
Company Secretary

Kc/ge104.05

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

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

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

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

Name of entity

TASGOLD LTD

ABN

96 095 684 389

We (the entity) give ASX the following information.

Part 1 - All issues

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

1	+Class of +securities issued or to be issued	ORDINARY SHARES
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	UP TO A MAXIMUM OF APPROXIMATELY 58,000,000 ORDINARY SHARES
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	ORDINARY SHARES

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES.
5	Issue price or consideration	$0.09 PER SHARE
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	TO RAISE FUNDS TO CONTINUE EXPLORATION AND MEET OPERATING COSTS.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	15 NOVEMBER 2005

8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
UP TO APPROX. 116,226,293	FPO
26,064,754	LISTED OPTIONS (20 CENTS EXPIRING 31/11/2007)

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	3,440,000	NON TRANSFERABLE EMPLOYEE / DIRECTOR OPTIONS 20 CENTS, 31.12.07

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NO DIVIDEND DISTRIBUTION IS ENVISAGED IN THE NEAR FUTURE.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	1 Ordinary Share for every 1 Ordinary Share Held
14	+Class of +securities to which the offer relates	Ordinary Shares
15	+Record date to determine entitlements	14 October 2005
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Rounded up

+ See chapter 19 for defined terms.

18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	-
19	Closing date for receipt of acceptances or renunciations	7 November 2005
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	5%
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	19 October 2005
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	5 October 2005 – Initial advice of offer sent to shareholders and optionholders. No separate notice to optionholders.
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	15 November 2005

Part 3 - Quotation of securities

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

34 Type of securities
(*tick one*)

(a) ☑ Securities described in Part 1

(b) ☐ All other securities

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

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

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

Tick to indicate you are providing the information or documents

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

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

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

(now go to 43)

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

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

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

Number	+Class

(now go to 43)

All entities

Fees ASX TO INVOICE FEE DUE.

43 Payment method (tick one) AUSTRALIAN STOCK EXCHANGE LIMITED TO INVOICE THE FEE DUE.

☐ Cheque attached

☐ Electronic payment made

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

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

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

Quotation agreement

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

2 We warrant the following to ASX.

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

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

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

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

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

+ See chapter 19 for defined terms.

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

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

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

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

Sign here: .... Date: 4 October 2005
(Director/Company Secretary)

Print name: GARRY M. EDWARDS

== == == == ==

+ See chapter 19 for defined terms.

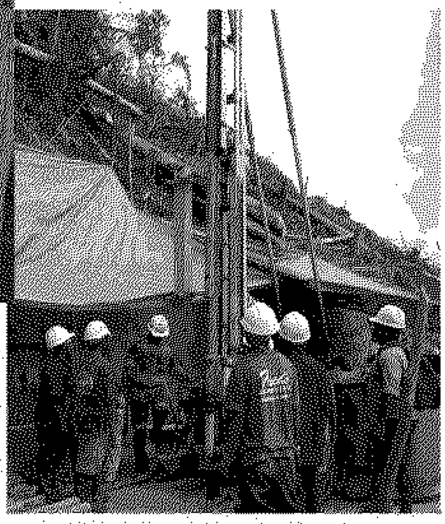
TASGOLD LTD

(ABN 96 095 684 389)

PROSPECTUS

**1 FOR 1 NON RENOUNCEABLE RIGHTS ISSUE AT
9 CENTS PER SHARE
TO RAISE A MAXIMUM OF APPROXIMATELY $5.2 MILLION.**

Shareholders may apply for new shares in excess of their entitlements.



This offer is not underwritten.

This is an important document and needs your urgent attention. If you are in any doubt as to how to deal with it, you should consult your stockbroker, legal or licensed financial adviser immediately.

The securities offered by this prospectus are of a speculative nature.

This issue closes at 5.00pm on 7 November 2005.

www.tasgold.com.au

ASX: TGD

Important Information

Entitlements Non-renounceable

The Entitlement to the New Shares is non-renounceable. Accordingly there will be no trading of the Entitlement on the ASX. If you do not take up your Entitlement before the close of the Offer, the Offer to you will lapse.

General

The date of this prospectus is 4 October 2005. A copy of this prospectus was lodged with ASIC on 4 October 2005.

ASIC and ASX take no responsibility for the contents of this prospectus.

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

Foreign Jurisdictions

This prospectus does not constitute an Offer in any place in which, or to any person to whom, it would be unlawful to make such an Offer.

Disclaimer

No person is authorised to give any information or make any representation in connection with the Offer that is not contained in this prospectus. A Shareholder may not rely on any information or representation in connection with the Offer that is not contained in this prospectus as having been made by the Company.

Notice to Shareholders

Shareholders should read this prospectus and complete their specific Entitlement and Acceptance Form in accordance with directions shown on page 7 and on the form if they wish to take up their Entitlement.

CONTENTS

SUMMARY OF PRINCIPAL DATES

Announcement of rights issue, lodgement of prospectus and publication on Company internet site www.tasgold.com.au	4 October 2005
Initial advice of Offer to Shareholders	5 October 2005
Shares trade ex-entitlements	10 October 2005
Record date	**14 October 2005**
Prospectus and Entitlement and Acceptance form despatched to Shareholders	19 October 2005
Rights Issue closes - last date for acceptances and payment of application money (Closing Date)	**7 November 2005**
Last day for allotment of New Shares	15 November 2005
Despatch of holding statements for New Shares	15 November 2005
Normal trading commences for New Shares on ASX	16 November 2005

These dates are indicative only and subject to change. The Company reserves the right to amend this timetable including, subject to the Corporations Act and the Listing Rules, to extend the Closing Date.

The Issue At A Glance

RIGHTS ISSUE

OFFER

1 New Share for every 1 Share held on 14 October 2005.

Shareholders may apply for additional Shares.

ISSUE PRICE

9 cents per New Share

MAXIMUM AMOUNT TO BE RAISED

A maximum of approximately $5.2 Million

ISSUE CLOSES

7 November 2005

The Offer is non-renounceable

The Offer is not underwritten

TASGOLD LTD

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1. Letter To Investors

Dear Shareholder

I invite you to participate in this entitlements issue to raise exploration and working capital for the next 2 years. Mineral commodities are booming and creating a conducive environment for exploration, with the possibility of significant returns to shareholders. The year 2005 to date has been productive for TasGold Ltd (TGD : ASX) and the company is seeking exploration and corporate success with renewed vigour now and into 2006. I have great confidence in TasGold's future and intend to subscribe $50,000 in the issue.

TasGold is currently drilling at the Narrawa Prospect in north-central Tasmania, preparing for a major summer exploration program in SW Tasmania and commencing exploration in our own right in PNG. Joint Venture partner South Pacific Minerals Corporation (South Pacific) (SPZ : TSX-V) is drilling a 3,000m program at the Kodu Deposit and undertaking various trenching, grid-based soil sampling and reconnaissance programs at Andewa and Likuruanga in PNG. Kodu could host a major copper, gold and molybdenum resource.

TasGold's projects have high mineral prospectivity and utilising our man portable diamond drilling rigs we have drilled potentially economic grades and/or widths of base and precious metal mineralisation at ALL our Tasmanian project areas in the last year including :

Gowrie Park	NC 22	- 9.0m of 135g/t Ag + 1.49g/t Au + 9.74% Pb + 5.90% Zn from 54m
	NC 25	- 1.5m of 25.5g/t Au from surface
	NC 27	- 3.8m of 10.9g/t Au from 42m
SMRV Project	WD 002	- 2.8m of 122g/t Ag + 10.5% Zn + 5.1% Pb + 0.3g/t Au from 65.7m
	WD 010	- 2.4m of 162g/t Ag + 9.8% Zn + 5.1% Pb + 0.4g/t Au from 22.6m
Lisle Project	PVD 001	- 0.8m of 22.4 g/t Au from 85m + 0.5m of 19.1 g/t Au from 107.2m

A high-grade silver-zinc-lead-gold mineralised massive sulphide horizon was tracked down-plunge on a fold keel for approximately 290m by last seasons drilling at the Wart Hill Prospect - SMRV project in SW Tasmania. This was a significant technical success that suggests a significant body of mineralisation could exist within the Prospect either off the keel or further south and fault displaced under Wart Hill itself.

The 'JV-Equity arrangement' with South Pacific could become a major asset with TasGold presently holding 14.5% equity and 15% free carried interest to bankable feasibility study (FCI to BFS), for a 27.3% 'effective' interest in all the 'projects'. Relevant factors are that the 'effective' interest will decrease as South Pacific issues more shares, TGD cannot yet free trade all its equity in South Pacific and it is difficult to place a value on a 15% FCI to BFS on a large property group.

TasGold Ltd's PNG subsidiary (TasGold PNG Ltd) has 4 ELAs that are all located in the Highlands of PNG, with Porgera type deposits as one of the many exploration targets. Previous exploration results have included up to 569 g/t Au in soils, 7,100 g/t Au in rocks, 15m of 57.4 g/t Au and 0.85m of 754 g/t Au in trench and 7.75m of 11.39 g/t Au from limited drilling. Lateritic nickel grading 1.3% Ni over 10m has been documented in 2 auger holes located about 2km apart and only 6 holes were drilled in the region in total.

The funds raised by this Issue will be used to advance exploration/drilling at the Company's Projects in Tasmania and Papua New Guinea. The SMRV Project in SW Tasmania has excellent mineralisation potential and offers 'company maker' sized targets warranting substantial exploration and drilling. The main target is a volcanic hosted massive sulphide deposit similar to the Rosebery Deposit/Mine, which is located ~125km to the north in the same Mount Read Volcanic sequence. Rosebery contains more than 32 million tonnes at 14.6% zinc, 4.5% lead, 146g/t silver and 2.3g/t gold.

The SMRV program will consist of a 3 dimensional Induced Polarisation (IP) program over Wart Hill (V19) and nearby Aldebaran (V34) Prospects commencing in early-November to define conductivity anomalies, evaluate the sulphide depth extent, better define the mineralised system and confirm drilling targets. This will be followed with diamond drilling in December 2005 to test the defined anomalies.

The widespread untested gold in creeks at the Hudson River and Porphyry Contact Zone will be evaluated by extensive hydraulic auger soil sampling and geological mapping /evaluation to define trenching and drilling targets. The company's diamond drilling rig, excavator and 2 crawlers are on-site and ready to commence work immediately following the IP program.

Exploration will continue at the Lisle and Gowrie Park to follow up previous gold in drill hole intersections, gold geochemical anomalies and other targets.

The company will seek to have the TasGold PNG Ltd applications in the highlands of Papua New Guinea granted, commence exploration and subsequently evaluate alternate funding arrangements. Drilling is planned at the Awari exploration licence application in 2006 and at the Bulago and Leonard Schultze exploration licence applications in 2007.

TasGold is planning substantial exploration programs in Tasmania and PNG during the coming 2 years and for them to be successful, we ask shareholders to seriously consider participating in the issue. Directors decided to undertake an entitlements issue so existing shareholders can participate in the continued growth and development of their company and do so with a significant incentive or bonus; this was done in preference to making placements to new investors or institutions.

The share price in this entitlements issue reflects a 17% discount to the previous week's closing average of $0.108, being an inducement or benefit for shareholders to invest. For TasGold's many small shareholders, this is an excellent opportunity to purchase shares and obtain a marketable parcel without brokerage costs.

Shareholders may apply for as many shares in addition to your 'rights' as you wish, on a "first come; first served" basis and are encouraged to do so.

Thank you for your confidence and I urge you to participate in this excellent opportunity. The 2006 year should prove to be a good one for TasGold, with drilling results anticipated regularly from the Narrawa Prospect, the SMRV and other Tasmanian exploration programs, the Kodu Deposit and other areas in PNG.

Sincerely,

Peter McNeil M.Sc.
Managing Director

2. Details Of The Entitlements Issue

2.1 Entitlement to New Shares

Shareholders registered at 5.00pm Eastern Standard Time on 14 October 2005 are offered 1 New Share for every 1 Share then held, at an issue price of 9 cents per New Share. Where fractions arise in the calculation of entitlements, they will be rounded up to the next whole number.

The terms and conditions of the New Shares are the same as existing Shares set out in Section 5.

The number of New Shares to which a Shareholder is entitled is shown on the Entitlement and Acceptance Form sent to that Shareholder.

The Company reserves the right to withdraw the Offer at any time, in which case it will refund all application money (without interest).

2.2 Payment for Shares

Shareholders who take up their entitlements to New Shares will be required to pay 9 cents per New Share on application. Payment methods are outlined in section 4.5.

2.3 Non Renounceable

The entitlements to the New Shares are non renounceable. There will be no trading of the Entitlements on ASX.

2.4 TasGold Shareholders and Optionholders

Shareholders will be forwarded a copy of this prospectus and invited to participate in the Issue. Shareholders will receive at least the amount of New Shares for which they apply, up to the quantity specified on the Entitlement and Acceptance Form which accompanies the prospectus sent to each Shareholder.

Shareholders may also be allotted New Shares in excess of their entitlement if they apply for additional New Shares. Shareholders will only be allotted additional New Shares above their entitlement from any Shortfall. If Shareholders apply for New Shares in excess of any Shortfall **the Directors will allocate any New Shares from the Shortfall in order of receipt of applications.**

An Optionholder is not entitled to participate in the Issue unless the Optionholder has exercised some or all of the Optionholder's Options and is the registered holder of the Shares issued on the exercise of those Options at the record date.

2.5 Closing Date of the Entitlements Issue

The closing date and time for acceptance of the Offer is 5.00pm Eastern Standard Time on 7 November 2005.

The Company reserves the right to extend the closing date of the Entitlements Issue. Notice of intention to extend the period of the Offer must be given at least 5 business days prior to the Closing Date.

2.6 Quotation of New Shares

Application has been made to ASX for the New Shares issued pursuant to this prospectus to be granted official quotation by ASX.

If ASX does not grant permission for the official quotation of the New Shares within 3 months after the date of issue of this prospectus, none of the New Shares offered by this prospectus will be allotted or issued. If no allotment or issue is made, all money paid on application for the New Shares will be refunded without interest within a reasonable time.

2.7 No Minimum Subscription

While the object of this prospectus is to raise a maximum of approximately $5.2 million, there is no minimum amount which must be subscribed to the Issue.

2.8 Subscription Money

Application money will be held in a subscription account until allotment. This account will be established and kept by the Company in trust for the Applicants. Any interest earned on the application money will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

2.9 Treatment of Overseas Applicants

This prospectus does not constitute an offer in any place where, or to any person to whom, it would be unlawful to make such an offer.

If it would be illegal to make the Offer to any Shareholder in a jurisdiction outside Australia or New Zealand, this prospectus does not constitute an offer to that Shareholder.

Shareholders who hold Shares on behalf of persons resident outside Australia or New Zealand are responsible for ensuring that taking up Entitlements does not breach applicable laws in the relevant jurisdiction.

2.10 Taxation Considerations

Shareholders should consult their own professional tax adviser in relation to the taxation implications of subscribing for New Shares under this prospectus.

2.11 Shortfall

The Directors reserve the right to issue any shortfall from the Issue within 3 months after the close of the Offer.

3. PURPOSE AND EFFECT OF ISSUE

3.1 PURPOSE OF THE ISSUE

3.1.1 Use of Funds

The funds raised by the Issue will be used to advance exploration/drilling at all the Company's Tasmanian Properties, in particular, the SMRV Project; to commence exploration/drilling on the TasGold PNG Ltd exploration licence applications (once granted) in the highlands of Papua New Guinea, corporate development (investigations into alternate funding possibilities for the PNG properties); and for general working capital.

An extensive exploration program will commence with a 3 dimensional Induced Polarisation (IP) program over Wart Hill (V19) and nearby Aldebaran (V34) Prospects in November 2005 to define conductivity anomalies, evaluate the sulphide depth extent, better define the mineralised system and to locate new drilling targets. This will be followed with diamond drilling in December 2005 to test the defined anomalies.

In addition, first pass follow up of some of the extensive untested gold in creeks at the Hudson River and Porphyry Contact Zone will be carried out and consists of extensive hydraulic auger c-horizon soil sampling to define trenching and drilling targets. The Company's diamond drilling rig, excavator and 2 crawlers are on-site and ready to commence work immediately following the IP program. $1.8 million has been budgeted for this project over the next 2 years.

Exploration will continue at the Lisle, Gowrie Park and other Tasmanian Projects to follow up previous gold in drill hole intersections, gold geochemical anomalies and other targets. $800,000 has been budgeted for these programs over the next two years.

Initial exploration will commence on all the Papua New Guinea licences, with drilling planned at the Awari exploration licence application in 2006 and at the Bulago and Leonard Schultz exploration licence applications in 2007. $1,740,000 has been budgeted for these exploration licence applications over the next two years.

$950,000 has been budgeted for 2 years of working capital and the cost of the Issue is estimated to be $50,000.

The use of funds is summarised below:

	Period to 30.06.06	Year to 30.06.07	Total
Exploration at SMRV Project	$850,000	$850,000	$1,700,000
Exploration at Lisle, Gowrie Park and Mt Ramsay Projects	$400,000	$400,000	$800,000
Exploration on PNG Projects	$700,000	$1,040,000	$1,740,000
Working Capital	$475,000	$475,000	$950,000
Cost of Issue	$50,000	-	$50,000
Total	**$2,475,000**	**$2,765,000**	**$5,240,000**

The above expenditures are budgeted expenditures and consequently may change, dependent on exploration results. In the event that exploration results from one of the above projects warrants a greater expenditure on that project, compared to the others, exploration expenditures may be reduced on one or more projects or further funds may be raised by additional equity raisings or by way of funding from joint venture partners.

3.1.2 Funding Shortfall

If the Issue is not fully subscribed the Directors will review the Company's expenditure commitments and alternative funding options in the light of information then available. Alternative funding options may include placements to existing or new shareholders and joint venture funding arrangements. Initially, if the full subscription to this entitlements issue is not received, it is proposed that the year two expenditure will be forgone and if needed, then year one's expenditure will be pro-rated as seen fit, dependent on the shortfall.

3.1.3 Future of the Company

It is essential for the Company to raise funds in order to be able to continue exploration on its exploration licences.

The future of the Company will depend on its exploration success and its ability to successfully exploit discoveries either by development or sale.

While the Company believes it has excellent potential in existing projects to deliver returns to Shareholders, there are risks associated with exploration companies and the risk section at 7.0 lists some of those risks.

Funds raised from this Issue will be applied to exploration activities, predominantly drilling, as well as corporate working capital.

3.2 CAPITAL STRUCTURE

3.2.1 Existing Share Capital and Options Outstanding

	No. of Shares/Options
Existing Shares	58,226,293
Existing Listed Options (Exercisable by 30/11/2007 at 20 cents)	26,064,754
Existing Unlisted Options (Non transferable - Exercisable by 31/12/2007 at 20 cents)	3,440,000

The number of New Shares which may be issued as a result of this prospectus is up to a maximum of approximately 58,000,000 New Shares.

3.2.2 New Shares

The number of New Shares that the Company issues as a result of the Offer will depend on the number of acceptances and the effects of rounding.

3.2.3 Expected Share Capital

If this Issue is fully subscribed, upon completion TASGOLD will have on issue:

- approximately 116,226,293 Shares;
- 26,064,754 Listed Options exercisable at 20 cents on or before 30 November 2007; and
- 3,440,000 Unlisted Options.

This assumes that no existing Options (refer Section 3.2.1) are exercised prior to the completion of this Issue.

3.2.4 Exercise of Options

If an existing Optionholder decides to exercise Options currently on issue the number of Shares on issue on completion of the Issue under this prospectus will be greater than the numbers given above, and the number of Options on issue will be reduced accordingly.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 IF YOU WISH TO APPLY FOR MORE THAN YOUR ENTITLEMENT

Complete the accompanying Entitlement and Acceptance Form by:

- inserting the number of additional New Shares you wish to apply for;
- calculate the total value of your entitlement and additional New Shares at 9 cents per New Share. An amount payable guide is included on page 26 as an example; and
- forward the completed Form with a cheque for the total amount payable in the preprinted envelope enclosed with this prospectus to reach the Share Registry at the address shown on the Form, by no later than 5.00pm Eastern Standard Time on 7 November 2005.

4.2 IF YOU WISH TO TAKE UP YOUR ENTITLEMENT IN FULL

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form. Forward your completed Form together with payment for the amount shown on the Form in the preprinted envelope enclosed with this prospectus to reach the Share Registry at the address shown on the Form, by no later than 5.00pm Eastern Standard Time on 7 November 2005.

4.3 IF YOU WISH TO TAKE UP PART ONLY OF YOUR ENTITLEMENT

Complete the accompanying Entitlement and Acceptance Form by inserting the total number of New Shares for which you wish to accept the Offer under this prospectus and forward the completed Form together with your payment at 9 cents per share in the preprinted envelope enclosed with this prospectus to reach the Share Registry at the address shown on the Form, by no later than 5.00pm Eastern Standard Time on 7 November 2005.

4.4 IF YOU DO NOT WISH TO TAKE UP ANY PART OF YOUR ENTITLEMENT

You are not required to take any action. Your entitlement to subscribe for New Shares will lapse if you take no action.

IF YOU ARE IN ANY DOUBT AS TO HOW TO COMPLETE OR DEAL WITH THE ENTITLEMENT AND ACCEPTANCE FORM, YOU SHOULD CONTACT YOUR STOCKBROKER OR YOUR LICENSED FINANCIAL ADVISER FOR ASSISTANCE.

4.5 PAYMENT FOR NEW SHARES

Payments for the New Shares are to be made in Australian currency either by cheque or bank draft drawn and payable at any Australian bank, made payable to "TASGOLD LTD" and crossed "Not Negotiable".

Shareholders are asked not to forward cash. Receipts for payments will not be issued.

4.6 ENTITLEMENTS NOT TAKEN UP

The entitlements to the New Shares are non renounceable. Accordingly there will be no trading of Entitlements on ASX. If you do not take up your entitlement the Offer to you will lapse.

5. Information On The New Shares

5.1 New Shares

5.1.1 Application has been made for the New Shares to be granted Official Quotation by ASX.

5.1.2 The New Shares to be issued pursuant to this prospectus are fully paid ordinary Shares and after their allotment will rank equally in all respects with the Company's ordinary Shares.

5.1.3 New Shares will entitle the holder to participate in dividends on the same basis as the holders of existing fully paid Shares.

5.1.4 The rights and liabilities attached to New Shares offered by this prospectus arise from a combination of:

- TASGOLD's constitution; and
- in certain circumstances, the Corporations Act, ASX Listing Rules, SCH Business Rules and the general law.

Shareholders may inspect a copy of TASGOLD's constitution at TASGOLD's registered office during normal business hours.

A summary of the significant rights attaching to New Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities attaching to New Shares.

Voting

At a general meeting, on a show of hands, every person present who is either a member, a proxy, an attorney or a representative of a Shareholder has one vote. At the taking of a poll, every Shareholder present in person or by proxy, attorney or representative has one vote for each fully paid Share held.

Dividends

The profits of TASGOLD which the Directors may, from time to time, determine to distribute by way of dividend shall be applied in payment of dividends on the Shares in proportion to the amount paid or credited as paid in respect of each Member's Shares. No dividends are payable except out of the profits of TASGOLD and a declaration by the Directors as to the amounts of profits available for dividend is conclusive evidence of the amount so available. The Directors may carry forward any profits of TASGOLD or carry profits to any appropriate reserve as they think proper, before declaring any dividends. The time for payment of a dividend is determined by the Directors.

Winding Up

Shareholders shall, upon TASGOLD being wound up, participate in any distribution of excess capital or assets of TASGOLD remaining after the liabilities of TASGOLD have been paid, in proportion to the amount paid or credited as paid in respect of each Shareholder's Shares.

Meetings and Notices

Each Shareholder is entitled to receive:

- notice of and attend general meetings of TASGOLD; and
- all notices, accounts and other documents TASGOLD is required to send Shareholders by TASGOLD's Constitution, the Corporations Act or the ASX Listing Rules.

Transfer of Shares

A Shareholder may transfer Shares:

- by a market transfer according to any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating the transfer of Shares;
- by an instrument in writing in a form approved by ASX; or
- in any other usual form or in a form approved by the Directors.

The Directors may refuse to register a transfer of Shares where:

(a) such refusal is permitted by the Listing Rules or registration would result in a contravention of or failure to observe the provisions of the Listing Rules or the Corporations Act or any other law of the Commonwealth or any State or Territory of the Commonwealth;

(b) the Company has a lien on the Shares the subject of the transfer;

(c) the transfer is in respect of a partly paid Share in respect of which a call has been made and is unpaid;

(d) the transfer would at the date of acquisition result in a new holding of less than a Marketable Parcel; and

(e) more than 3 persons are to be registered as joint holders except in the case of executors or trustees of a deceased Shareholder;

Where the Directors refuse to register a transfer of Shares, the Company will give written notice of the refusal and the precise reasons for the refusal to the transferee within 5 Business Days after the date on which the transfer was lodged with the Company.

Issue of Further Shares

The Directors may, subject to TASGOLD's Constitution, the Corporations Act and the ASX Listing Rules, issue and allot New Shares on terms and conditions they think fit.

Variation of Class Rights

Subject to the Corporations Act and the terms of issue of Shares in a particular class, the Company may vary or cancel rights attached to Shares in that class or convert Shares from one class to another:

- with the written consent of Shareholders who are entitled to at least 75% of the votes that may be cast in respect of the Shares in that class; or

- with the sanction of a special resolution passed by a meeting of the Shareholders holding Shares in that class.

Alteration of the Company's Constitution

The constitution can only be amended by a special resolution passed by at least three-quarters of Shareholders present and voting at a general meeting.

6. INFORMATION ON TASGOLD LTD

6.1 DIVIDENDS

It is the present intention of the Directors to maximise the leverage provided by Shareholders' funds through application of these funds to potentially high-return development and exploration projects. The primary objective lies in capital growth of Shareholders' equity. As a result, while TASGOLD retains the payment of dividends as a long term strategy, it is not the intention of the Directors to recommend the payment of dividends in the near term.

6.2 COMPANY REPORTING

TASGOLD is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations pursuant to ASX Listing Rules and the Corporations Act. The ASX Listing Rules require TASGOLD to immediately notify ASX (subject to limited exceptions), of information concerning TASGOLD that TASGOLD is or becomes aware of, that a reasonable person would expect to have a material effect on the price or value of TASGOLD's Shares.

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

The Company will provide a copy of the following documents, free of charge, to any person who requests such a document on or before the Closing Date:-

- the annual financial report of TASGOLD relating to the year ended 30 June 2005, being the most recently lodged annual financial report before the date of this prospectus;
- any continuous disclosure notices given by TASGOLD to ASX after the lodgement of the annual financial report of TASGOLD for the year ended 30 June 2005 and before the date of this prospectus. The following is a list of those continuous disclosure notices:

Document Date	Headline
20.09.05	Panama Nr Surface Quartz Veins to 9.1g/t Gold +36g/t Silver
22.09.05	First Drill Hole Reports Anomalous Tin Mt Ramsay Project
28.09.05	Mt Andewa Property Description & Exploration Update
29.09.05	Hole NC 027 Extended to 83.8m at Narrawa Prospect Tasmania
29.09.05	Kodu Drill Hole Intersects Copper and Gold Mineralisation
03.10.05	Notice of Annual General Meeting
04.10.05	Narrawa Drilling Update

Alternatively, these documents may be viewed at TASGOLD's website at www.tasgold.com.au

6.3 TRANSACTION SPECIFIC PROSPECTUS

This prospectus is issued in reliance on section 713 of the Corporations Act. Section 713 of the Corporations Act enables a company to issue a transaction specific prospectus if the prospectus is for an offer of securities of a class of securities that have been continuously quoted on ASX for at least 12 months before the date of issue of the prospectus. The New Shares offered under this prospectus are of a class of securities that are continuously quoted securities.

6.4 SHARE PRICE INFORMATION

On 3 October 2005, the last trading day prior to lodgement of this prospectus, the closing price of TASGOLD Shares was 13 cents.

An overview of the trading price of Shares on ASX over the one month and three month periods before the date of this prospectus is set out in the table below.

Share Price	High	Low
1 month	13.5 cents	9.1 cents
3 month	13.5 cents	8.1 cents

7. General Risk Factors

Investors should be aware that there are risks associated with investment in TASGOLD.

7.1 Market Conditions

The Shares of TASGOLD are listed on ASX and are subject to all the normal risks and benefits associated with ownership of an interest in a publicly traded company. As such, they are influenced by the broader market trends dominating the Australian share market, and can be subject to share price movement which is completely independent of developments within TASGOLD.

7.2 Precious Metal Prices

The performance of the share price of TASGOLD can be influenced by fluctuations in international precious metal prices. The determinants of these prices are associated with world economic conditions and it is not possible to accurately assess which conditions will prevail in the future.

7.3 Exchange Rates

Gold and other metals are traded on world markets in US dollars. Consequently, fluctuations in currency exchange rates will have an impact on the financial performance of TASGOLD.

7.4 Further Equity and Debt Funding

The Company's ability to exploit its exploration licences and meet operating costs depends on the Company's ability to raise funds sought under the Issue as well as additional equity or debt funding when required. The Company may also seek to raise debt funding in the future or enter into joint ventures. There is no guarantee the Company will be able to raise this equity or debt funding or enter into joint ventures. If the Company is unable to raise equity or debt funding or enter into joint ventures on suitable terms this may have an adverse effect on the Company's ability to achieve its objectives.

7.5 Internal Government Relations

TASGOLD is involved, and may expand its involvement, in developing countries, in which political control and applicable laws can be subject to rapid change. Such changes can have an impact on the ability of TASGOLD to operate effectively in those countries.

7.6 Exploration and Development Success

The success of TASGOLD is directly linked to the level of success it is able to achieve in the exploration and development of its prospects. Sustained failure of TASGOLD to locate and develop commercial deposits of gold, silver or other metals would endanger the long term commercial viability of TASGOLD.

7.7 Environmental

The mining industry is likely to become the object of increasing scrutiny with regard to its observance of environmental issues. TASGOLD is particularly aware of this risk but is not aware of any significant material exposure in this regard. TASGOLD's policy is to conduct its operations in accordance with all applicable laws.

7.8 Regulation

The Company's activities in the mining industry are subject to regulations and approvals including exploration licences and environmental regulations and approvals. Approvals, including renewals of exploration licences, although usually granted, are discretionary.

7.9 Native Title

The *Native Title Act 1993* (Cth) (**NTA**) and its interaction with the common law is complex. Much of the law remains uncertain and subject to litigation in the Federal and High Courts of Australia.

Native Title may exist, and should generally be presumed to exist over Crown land which is not (yet) the subject of a Native Title claim and should generally be presumed to exist over Crown land where extinguishment of Native Title cannot be demonstrated. The NTA only applies where Native Title rights and interests have not previously been completely extinguished by grant of inconsistent non-Native Title rights or interests over the same land or waters.

In relation to the grant of mining tenements (e.g. some prospecting permits, exploration permits and mining leases) over land where Native Title may not have been completely extinguished, the NTA prescribes the 'Right to Negotiate' procedure (**RTN**) which must be complied with in order that the grant is valid with respect to Native Title. The RTN is a substantial procedural right that is afforded to registered Native Title holders and claimants, the compliance of which may be significantly onerous for the applicant of the mining tenement. However, any renewal of a granted mining tenement is not required to comply with the RTN so long as the renewal does not confer any greater rights than the original tenement and the area of the renewed tenement is not extended.

7.10 Joint Venture Partners

TASGOLD is a party to joint venture agreements in which it may potentially hold minority interests and in which it may be voted into programs and budgets which could cause TASGOLD to expend working capital in a manner that may not reflect the priorities of our Board. Additionally, TASGOLD is involved in the speculative aspects of the metals exploration and production business. It is subject therefore to risks outside of its control which will relate to a variety of factors. TASGOLD may have little control over the financial performance of its joint ventures.

The above list of risk factors is not exhaustive of risks faced by TASGOLD. Those risk factors, and others not specifically referred to above, may in the future materially affect the financial performance of TASGOLD and the value of the Shares.

8. FINANCIAL INFORMATION

8.1 EFFECT OF THE ISSUE ON THE COMPANY

The principal effects of the Issue, if fully subscribed, will be to:

- increase cash reserves by up to approximately $5.2 million to enable the Company to pursue its objectives as set out in Section 3.1.1.
- increase the number of issued Shares by a maximum of approximately 58,000,000 to approximately 116,226,293.

The increase in the cash reserves of the Company as a result of the Issue should, if the Issue is fully subscribed, provide the Company with sufficient working capital to meet its immediate objectives as outlined in Section 3.1.1.

8.2 FINANCIAL STATEMENTS

Set out below is the Consolidated Statement of Financial Position of TASGOLD as extracted from the Financial Report for the year ended 30 June 2005. The note to the Financial Statements regarding the impacts of adopting Australian equivalent to IFRS is also reproduced below. Reference should be made to that Report (see Section 6.2) for the remaining notes to the Financial Statements. The Financial Report was audited by PricewaterhouseCoopers.

There have been no material changes to the financial position of the Company as disclosed in the following financial statements except that as at 31 August 2005:

(i) Cash assets had reduced to $198,117 as a result of normal operations.

(ii) Current receivables had reduced to approximately $164,000, primarily due to payments received.

(iii) Payables had reduced to approximately $107,000 as a result of normal business payments and purchases.

(iv) Capitalised exploration and evaluation expenditure had increased by approximately $49,000.

(v) The Company had incurred losses of approximately $374,000 as a result of normal operations including exploration and evaluation expenditure expensed of approximately $186,000.

	Notes	CONSOLIDATED 2005 $	CONSOLIDATED 2004 $	PARENT ENTITY 2005 $	PARENT ENTITY 2004 $
CURRENT ASSETS					
Cash assets		299,339	375,686	299,337	375,686
Receivables		652,082	5,015	652,082	5,015
Other		22,475	18,543	22,475	18,543
TOTAL CURRENT ASSETS		973,896	399,244	973,894	399,244
NON-CURRENT ASSETS					
Receivables		76,280	60,780	76,280	142,873
Property, plant and equipment		588,152	278,357	588,152	278,357
Investments		1,260,225	-	1,260,227	-
Exploration and evaluation expenditure		1,420,301	620,020	1,420,301	537,927
TOTAL NON-CURRENT ASSETS		3,344,958	959,157	3,344,960	959,157
TOTAL ASSETS		4,318,854	1,358,401	4,318,854	1,358,401
CURRENT LIABILITIES					
Payables		173,552	119,319	173,552	119,319
TOTAL LIABILITIES		173,552	119,319	173,552	119,319
NET ASSETS		4,145,302	1,239,082	4,145,302	1,239,082
EQUITY					
Contributed equity		5,993,871	3,210,554	5,993,871	3,210,554
Accumulated losses		(1,848,569)	(1,971,472)	(1,848,569)	(1,971,472)
TOTAL EQUITY		4,145,302	1,239,082	4,145,302	1,239,082

Impacts of adopting Australian equivalents to IFRS

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The Financial Controller has worked with the entity's accounting advisors to manage the transition to AIFRS and will continue to do so. A detailed timetable has been prepared for managing the transition and is currently on schedule.

The Financial Controller has analysed all of the AIFRS and has identified the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. These choices have been analysed to determine the most appropriate accounting policy for the consolidated entity.

The known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using AIFRS are set out below. The matters herein relate to both the parent and consolidated entities. No material impacts are expected in relation to the statements of cash flows.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the company prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Impairment of Assets

Under AASB 136 *Impairment of Assets* (AASB 136), there will be changes to the recoverable amount test, including the need to consider Cash Generating Unit (CGU) concepts. Assets are impaired when the carrying amount exceeds their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the value in use, based on discounted cash flows. Any impairment losses arising are taken to the income statement. The current policy is to measure recoverable amounts on an undiscounted cash flow basis.

Management have made comparison of the carrying amounts of the entity's assets at 30 June 2005 against their recoverable amounts, including measuring their value in use on a discounted cash flow basis. Management have determined no impairment loss is required to be recognised under the new policy.

Exploration and evaluation

AASB 6 *Exploration for and Evaluation of Mineral Resources* (AASB 6) was issued in December 2004 to facilitate the introduction of AIFRS in respect of the treatment of exploration and evaluation expenditure, pending the completion of a comprehensive project on accounting for extractive industries. According to AASB 6 it is expected that the outcome will be a revised extractive activities standard that will replace AASB 6.

Generally, for Australian reporting entities, AASB 6 permits the continuation of existing Australian Generally Accepted Accounting Principles (AGAAP) accounting policies for the treatment of exploration, consistent with AASB 1022 *Accounting for the Extractive Industries*. This means that for Australian reporting entities, a policy consistent with "area of interest" accounting will be retained. AASB 6 provides that for each area of interest, expenditures incurred in the exploration for and evaluation of mineral resources shall be either:

- expensed as incurred; or
- partially or fully capitalised, where appropriate criteria are satisfied.

Management have assessed the standard and the impact it will have on the entity's financial statements and have determined that the treatment of these costs under AASB 6 will not be materially different to that under the existing accounting policy of successful efforts accounting.

Income tax

Under AASB 112 *Income Taxes*, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

Management have made an assessment on the financial report for the year ended 30 June 2005 and determined that there would not be a material impact had the policy required by AASB 112 been applied.

Equity-based compensation benefits

The group has elected to apply an exemption to adopt the requirements of AASB *2 Share-based Payment* only in respect of equity instruments which were issued subsequent to 7 November 2002 and which had not vested prior to 1 January 2005. The group is required to recognise an expense for those options that were issued to employees under TasGold Limited's Employee Option Plans after 7 November 2002 but that had not vested by 1 January 2005.

This will result in a change to the current accounting policy under which no expense is recognised for equity-based compensation.

If the policy required by AASB 2 had been applied during the year ended 30 June 2005, consolidated and parent entity accumulated losses at 30 June 2005 would have been $112,000 higher, with a corresponding increase in the share-based payment reserve. For the year ended 30 June 2005, the consolidated and parent entity employee benefits expense would have been $52,305 higher, with a corresponding increase in the net movement in the share-based payment reserve. The employee benefit expense of $52,305 for the year ended 30 June 2005 forms part of the total $112,000 impact to accumulated losses as at 30 June 2005.

Financial instruments

The group will be taking advantage of the exemption available under AASB 1 to apply AASB 132 *Financial Instruments: Disclosure and Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* only from 1 July 2005. This allows the group to apply previous AGAAP to the comparative information of financial instruments within the scope of AASB 132 and AASB 139 for the 30 June 2006 financial report.

Under AASB 132, the current classification of financial instruments issued by entities in the consolidated entity would not change.

Under AASB 139, financial assets held by entities in the consolidated entity will be classified as either at fair value through profit or loss, held-to-maturity, available for sale or loans and receivables and, depending upon classification, measured at fair value or amortised cost.

Under AASB 139, investments in:

- non-traded equity securities will be classified as available for sale and may be measured at fair value, with changes in fair value recognised directly in equity until the underlying asset is derecognized
- loans and receivables and financial liabilities classifications will remain unchanged. Measurement of these instruments will initially be at fair value with subsequent measurement at amortised cost, using the effective interest rate method.

This will result in a change to the current accounting policy, under which financial assets are carried at the lower of cost and recoverable amount, with changes recognised in profit or loss.

As a result of the application of the exemption referred to above, there would have been no adjustment to classification or measurement of financial assets or liabilities from the application of AIFRS during the year ended 30 June 2005. Changes in classification and measurement will be recognised from 1 July 2005.

(For further notes to the financial statements refer to the Financial Report 2005 - available as set out in Section 6.2)

9. Additional Information

9.1 CHESS

The New Shares will participate from the date of commencement of quotation in the Clearing House Electronic Subregister System ('CHESS'), operated by ASX Settlement and Transfer Corporation Pty Limited. They may be held in uncertificated form (i.e. no share certificate will be issued) on the CHESS subregister under sponsorship of a broker or on the issuer-sponsored subregister.

If you wish to hold your Shares on the CHESS subregister under sponsorship of a broker, you should provide your HIN (Holder Identification Number) in the space provided in the Entitlement and Acceptance Form accompanying this prospectus. If you do not provide a HIN, your Shares will be held on the issuer-sponsored subregister.

Arrangements can be made at any subsequent time to convert your holding from the issuer-sponsored subregister to the CHESS subregister under sponsorship of a broker or vice versa by contacting TASGOLD or your broker.

9.2 Interests of Directors and Promoters

Except as set out in this prospectus no:

- Director or proposed Director; or
- promoter of the Company

holds or held at any time in the last two years any interest in:

- the formation or promotion of TASGOLD;
- property acquired or proposed to be acquired by TASGOLD in connection with its formation or promotion of the Offer; or
- the Offer.

The table below shows the relevant interests of each Director in securities of TASGOLD as at the date of this prospectus:

Director	Number of Shares in which a Relevant Interest is held	Number of Listed Options Exercisable by 30.11.2007	Number of Options Exercisable by 31.12.2007 (non-transferable)
R.D. McNeil	4,477,083	1,181,000	400,000
P.A. McNeil	7,045,641	749,000	400,000
G.J. Fish	20,829	16,829	400,000
W.J. Staude	50,000	50,000	400,000

Directors and their associates who hold Shares at the Record Date will be eligible to participate in the Issue.

9.3 PAYMENTS OR BENEFITS TO DIRECTORS AND PROMOTERS

Except as set out in this prospectus, no one has paid or agreed to pay any amount or provided or agreed to provide any benefit to:

- any Director or proposed Director to induce them to become or to qualify as a Director; or
- a Director or proposed Director or promoter, for services provided by that person in connection with:
- the formation or promotion of TASGOLD; or
- the Offer.

The remuneration paid or payable to Directors for the years ended 30 June 2004 and 30 June 2005 is set out below.

Director	Year	Consulting/Directors Fees	Superannuation	Options	Total Compensation
R.D. McNeil	2004	$15,000	$1,293	**$28,000	$44,293
	2005	$15,000	$1,350	**$28,000	$44,350
P.A. McNeil	2004	*$129,904	Nil	**$28,000	$157,904
	2005	*$155,295	Nil	**$28,000	$183,295
G.J. Fish	2004	$15,000	$1,350	**$28,000	$48,437
	2005	$41,347	$3,721	**$28,000	$73,068
W.J. Staude	2004	$15,000	$1,350	**$28,000	$44,350
	2005	$15,000	$1,350	**$28,000	$44,350

* Including provision of office and secretarial support

**Option value calculation using Black-Scholes Model

9.4 INTERESTS OF, AND PAYMENT OR BENEFITS TO ADVISERS AND EXPERTS

Except as set out in this prospectus, no person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this prospectus holds or has at any time during the last two years held, any interest in:

- the formation or promotion of TASGOLD;
- property acquired or proposed to be acquired by TASGOLD in connection with its formation or promotion or in connection with the Offer; or
- the Offer.

Except as set out in this prospectus, no person has paid or agreed to pay any amount or provided or agreed to provide any benefit to a person named in this prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this prospectus for services provided by such person in connection with:

- the formation or promotion of the Company; or
- the Offer.

Minter Ellison – Gold Coast

Minter Ellison – Gold Coast will receive approximately $14,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in relation to the Issue.

Link Market Services Limited (formerly ASX Perpetual Registrars)

Link Market Services Limited will receive approximately $10,500 (excluding GST and disbursements) from the Company for the provision of Share Registry services to the Company in relation to the Issue.

9.5 Costs of the Rights Issue

The total costs of the Rights Issue payable by the Company are estimated at approximately $50,000. These expenses include ASIC application fees, ASX listing fees, legal fees, accounting fees, printing and distribution.

9.6 Consents

Minter Ellison – Gold Coast have given and have not withdrawn their consent to be named as the Company's solicitors in the form and context in which they are named.

PricewaterhouseCoopers has given, and at the time of lodgement of this prospectus has not withdrawn, its consent to be named in this prospectus as Auditor in the form and context in which it has been named.

PricewaterhouseCoopers has made no statement, included in this prospectus or on which a statement made in the prospectus is based.

The Directors have given their consent to the lodgement of this prospectus with ASIC and have not withdrawn their consent prior to lodgement.

9.7 Liability of Persons Named in this Prospectus

For the purposes of the Corporations Act, and notwithstanding that reference may be made to the parties listed below elsewhere in this prospectus:

(a) Minter Ellison – Gold Coast has not authorised or caused the issue of any part of this prospectus.

(b) PricewaterhouseCoopers has not authorised or caused the issue of any part of this prospectus.

9.8 Interest on Application Money

TASGOLD will be entitled to all interest paid or accrued on application money held in trust by TASGOLD from the date of receipt of the application monies to the date of the allotment of the New Shares to which the application money relates.

9.9 Brokers Handling Fee

There are no brokers to the Issue but a handling fee of 5.0% of the price of Shares issued will be paid to members of ASX and to other agents approved by the Directors in respect of New Shares issued pursuant to applications lodged by them.

9.10 Electronic Prospectus

An electronic version of this prospectus is available from the Company at the internet address www.tasgold.com.au. The Entitlement and Acceptance Form included with the prospectus contains a declaration that the investor has personally received the complete and unaltered prospectus prior to completing the Entitlement and Acceptance Form.

The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the prospectus has been altered or tampered with in any way.

The Company has taken reasonable steps to ensure that the electronic version of the prospectus will not be tampered with or altered in any way and believes it to be extremely unlikely that this will occur during the period of the Issue, however, the Company cannot give any absolute assurance that this will not occur. Any investor in doubt concerning the validity or integrity of an electronic copy of the prospectus ought to immediately request a paper copy of the prospectus directly from the Company or a financial adviser.

9.11 Issue of Prospectus

Dated: 4 October 2005

Peter McNeil
Managing Director

This prospectus is issued by TASGOLD and each Director has consented in writing to the issue of the prospectus.

10. CORPORATE DIRECTORY

DIRECTORS

Robert Donald McNeil (Chairman)
Peter Andrew McNeil (Managing Director)
Graham John Fish
Warren John Staude

COMPANY SECRETARY

Garry Michael Edwards

REGISTERED OFFICE/MANAGEMENT OFFICE

Level 1
94 Bundall Road
BUNDALL QLD 4217

Telephone: (07) 5592 2274
Facsimile: (07) 5592 2275
Email: info@tasgold.com.au

POSTAL ADDRESS

P.O. Box 7996
Gold Coast Mail Centre
BUNDALL QLD 9726

SUBSIDIARY COMPANIES

TasGold PNG Limited - PNG Company No. 1-48129
South Pacific Minerals PNG Ltd

AUDITORS

PricewaterhouseCoopers
Waterfront Place
1 Eagle Street
BRISBANE QLD 4000

SHARE REGISTRY

Link Market Services Limited
Level 22
Hong Kong Bank Building
300 Queen Street
BRISBANE QLD 4000

SOLICITORS

Minter Ellison – Gold Coast
159 Varsity Parade
VARSITY LAKES QLD 4229

11. GLOSSARY

In this prospectus the following words have these meaning unless the context otherwise requires:

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

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

"**Company**" means TASGOLD LTD (ABN 96 095 684 389);

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

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

"**Entitlement**" **or** "**entitlement**" means the entitlement of a Shareholder to subscribe for New Shares pursuant to the Entitlements Issue;

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

"**Entitlements Issue**" means the pro rata offer of New Shares to Shareholders, as described in this prospectus;

"**Issue**" means the issue of New Shares pursuant to this prospectus;

"**Listing Rules**" means the official listing rules of ASX;

"**TASGOLD**" means TASGOLD LTD (ABN 96 095 684 389);

"**Marketable Parcel**" has the meaning given in the ASX Listing Rules;

"**New Shares**" means the Shares offered pursuant to this prospectus;

"**Offer**" means the offer contained in this prospectus;

"**Options**" means options to subscribe for Shares;

"**Optionholders**" means the holders of Options;

"**ozs**" means ounces;

"**Shares**" means fully paid ordinary shares in the capital of TASGOLD;

"**Shareholders**" means the holders of Shares;

"**Shortfall**" means the quantity of Entitlements under this Offer that Shareholders do not accept.

12. AMOUNT PAYABLE GUIDE

Number of New Shares	Amount Payable
5,000	$450
10,000	$900
20,000	$1,800
40,000	$3,600
60,000	$5,400
80,000	$7,200
100,000	$9,000
150,000	$13,500
200,000	$18,000
300,000	$27,000
500,000	$45,000
1,000,000	$90,000
5,000,000	$450,000