

PROSPECTUS

18 February 2003

The Company has today lodged a prospectus with ASIC for the issue of shares and 2005 options to raise up to \$820,000 by way of three independent placements, which comprise:

- 1 Issue of up to 20,000,000 shares each at 2.4 cents (each with a free attaching 2005 option), to raise up to \$480,000;
- 2 Issue of up to 13,000,000 shares each at 2 cents, to raise up to \$260,000; and
- 3 Issue of up to 20,002,005 options each at 0.4 cents, to raise up to \$80,000. This issue is subject to shareholder approval.

Please find attached a copy of the prospectus lodged with ASIC.

Yours faithfully

KANOWNA LIGHTS LIMITED



CHRIS BATH
Company Secretary

KANOWNA LIGHTS LIMITED

ACN 062 409 303

PROSPECTUS

For the issue of Shares and 2005 Options to raise up to \$820,000 by way of three independent placements which are collectively referred to as the Issue and comprise:

Share and 2005 Option Placement:

Issue of up to 20,000,000 Shares each at 2.4 cents (each with a free attaching 2005 Option) to raise up to \$480,000.

Share Placement:

Issue of up to 13,000,000 Shares each at 2.0 cents to raise up to \$260,000.

2005 Option Placement:

Issue of up to 20,000,000 2005 Options each at 0.4 cents to raise up to \$80,000 which is subject to shareholder approval.

The Issue is not underwritten.

THE SHARES AND 2005 OPTIONS OFFERED BY THIS PROSPECTUS ARE SPECULATIVE.

**THE ISSUE CLOSSES AT 5.00PM (WST) ON 2 MAY 2003.
VALID APPLICATIONS FORMS MUST BE RECEIVED BEFORE THAT TIME.
PLEASE READ THE INSTRUCTIONS IN THIS PROSPECTUS AND THE ACCOMPANYING APPLICATION FORMS PRIOR TO APPLYING FOR SHARES OR 2005 OPTIONS.**

THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

Corporate Directory

Directors

Thomas B Bannerman (Chairman)
John W Barr
Neil G Biddle

Secretary

Christopher J Bath

Registered Office

Level 3
30 Richardson Street
West Perth WA 6005
Telephone: (08) 9327 0980
Facsimile: (08) 9327 0901
Website: www.kanownalights.com.au
Email: corporate@kanownalights.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 2
45 St Georges Terrace
Perth WA 6000
Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

Auditors

Somes & Cooke
Chartered Accountants

Solicitors

Hardy Bowen
Lawyers

Australian Stock Exchange Limited

ASX Codes	KLS	Shares
	KLSO	2005 Options

TABLE OF CONTENTS

Page No

1.	Details of Issue.....	4
2.	Risk Factors	8
3.	Use of Funds and Effect of the Issue	11
4.	Additional Information.....	13
5.	Directors' Responsibility Statement	19
6.	Defined Terms.....	20
7.	Application Forms	22
	Schedule 1 – Share and Option Placement Application Form.....	23
	Schedule 2 – Share Placement Application Form	25
	Schedule 3 – 2005 Option Placement Application Form.....	27

Summary Of Important Dates

Lodgement of this Prospectus with ASIC and ASX	18 February 2003
Application to ASX for official quotation of Shares and 2005 Options	25 February 2003
Closing Date*	2 May 2003
General Meeting to approve the 2005 Option Placement*	24 April 2003

*The above key dates are indicative only and, subject to the Corporations Act and Listing Rules, may be changed by the Directors without notice.

Important Information

This Prospectus is dated 18 February 2003. A copy of this Prospectus was lodged with ASIC on 18 February 2003. ASIC and ASX take no responsibility for the contents of this Prospectus.

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

This Prospectus is for an offer of continuously quoted securities and, accordingly, is not required by the Corporations Act to contain all the information which is normally required to be set out in a document of this type. This Prospectus incorporates by reference information contained in documents that have been lodged with ASIC. A document incorporated into the Prospectus in this manner may be obtained free of charge from the Company during the application period.

Application will be made to ASX for official quotation of the Shares and 2005 Options offered by this Prospectus within 7 days of the date of this Prospectus.

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. 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.

This Prospectus is important and should be read in its entirety before you decide whether to participate in the Issue. If you do not fully understand this Prospectus, have any questions about the Issue or are in any doubt as to how to deal with this Prospectus, you should consult your stockbroker, solicitor, accountant or other professional adviser.

A copy of this Prospectus is available for inspection at the Company's registered office at Level 3, 30 Richardson Street, West Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person who requests a copy during the application period for this Prospectus. A copy of this Prospectus may also be obtained from, or inspected at, an ASIC office.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

Definitions of certain terms and abbreviations used in this Prospectus appear in the Defined Terms section of this Prospectus.

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

1. Details of Issue

1.1 Issue

Introduction

This Prospectus offers up to 33,000,000 Shares and 40,000,000 2005 Options to raise up to \$820,000 before Issue expenses by way of three independent placements which are collectively referred to as the Issue and comprise of the following:

1. Share and 2005 Option Placement

Issue of up to 20,000,000 Shares each at 2.4 cents (each with a free attaching 2005 Option) to raise up to \$480,000.

2. Share Placement

Issue of up to 13,000,000 Shares each at 2.0 cents to raise up to \$260,000.

3. 2005 Option Placement

Subject to shareholder approval the issue of up to 20,000,000 2005 Options each at 0.4 cents to raise up to \$80,000.

The Company does not have to complete all of the Placements or any parts thereof.

Shares and 2005 Options can be allotted and issued prior to the completion of all of the Placements or any parts thereof.

Shareholder Approval for the 2005 Option Placement

The 2005 Option Placement is subject to and conditional upon shareholder approval being obtained in accordance with the Corporations Act and Listing Rules on or before 2 May 2003. The Company will dispatch the Notice of General Meeting and Explanatory Memorandum to shareholders seeking their approval to the 2005 Option Placement within 21 days of the date of this Prospectus.

1.2 Purpose of the Issue

The purpose of the Issue is to raise up to \$820,000 before costs to fund ongoing exploration and evaluation of the Company's Mt Carrington Gold/Silver Project and Pinnacles Nickel Project, other exploration activities, working capital and the corporate and administrative activities of the Company.

1.3 Application for Shares and 2005 Options under the Placements

An application for Shares and 2005 Options under any of the Placements can only be made on the appropriate Application Form included in this Prospectus.

Application Forms must be completed in accordance with the instructions contained therein and in this Prospectus and must be accompanied by a cheque in Australian currency drawn on an Australian bank, made payable to "Kanowna Lights Limited Placement Account" and crossed "Not Negotiable" for the application monies. Cash payments will not be accepted but returned and the application deemed invalid. Receipts for payments will not be issued.

Once an Application Form is completed and returned it is irrevocable and may not be withdrawn or varied.

Application monies are payable in full on application.

Completed Application Forms together with payment of the application monies in full must be lodged as follows:

By post:	Kanowna Lights Limited PO Box 1176 West Perth WA 6872	In person:	Kanowna Lights Limited Level 3 30 Richardson Street West Perth WA 6005
-----------------	---	-------------------	---

1.4 Closing Date

The Company will accept Application Forms until 5.00pm WST on 2 May 2003 or such other dates as the Directors in their absolute discretion shall determine, for each Placement, subject to the requirements of the Listing Rules and Corporations Act ("**Closing Date**"). On this basis each Placement may have a different closing date.

Applications Forms for 2005 Options pursuant to the 2005 Option Placement are subject to and conditional upon shareholder approval being obtained in accordance with the Corporations Act and Listing Rules. Directors will not issue any 2005 Options pursuant to the 2005 Option Placement until they have obtained shareholder approval.

1.5 Application for ASX quotation

The Company will apply to ASX within seven days of the date of this Prospectus for official quotation of all of the Shares and 2005 Options offered pursuant to this Prospectus.

If approval is not granted by ASX within three months after the date of this Prospectus (or such longer period as may be allowed by ASIC), the Company will not issue any Shares or 2005 Options and will repay all application monies (where applicable) within the time prescribed under the Corporations Act, without interest.

In respect of Shares issued pursuant to the exercise of the 2005 Options, application will be made to ASX for the official quotation of these Shares within seven days of the issue date.

The fact that ASX may grant official quotation of the Shares and the 2005 Options is not to be taken in any way as an indication of the merits of the Company, or of the Shares or the 2005 Options.

1.6 No minimum subscription

There is no minimum subscription.

1.7 Underwriting

The Issue is not underwritten.

1.8 Placement fee

A fee of not more than 6% of the application monies will be paid to the holder of an Australian financial services licence in the event securities are issued to their clients.

1.9 Application monies held on trust

All application monies received on the application for securities pursuant to this Prospectus will be held in trust in a bank account maintained solely for the purpose of depositing payments received pursuant to this Prospectus until the securities are allotted and issued. All application monies will be returned (without interest) if the securities are not allotted and issued.

1.10 Application does not form a binding a contract

An application constitutes an offer to subscribe for Shares or 2005 Options on the terms and conditions in this Prospectus. A binding contract to issue Shares or 2005 options will only be formed when an application is accepted by the Company.

1.11 Allotments and issue of Shares and 2005 Options

The Directors expect to allot and issue the securities being offered as part of the Share and 2005 Option Placement and Share Placement as soon as possible after the Closing Date for each of those Placements.

If shareholders approve the 2005 Option Placement then Directors expect to allot and issue the 2005 Options being offered as part of the 2005 Option Placement as soon as possible after the date of the general meeting at which shareholders approve the 2005 Option Placement.

1.12 Taxation considerations

Applicants should consult their own professional adviser in regard to the taxation implications of subscribing for the securities subject of this Prospectus. Taxation consequences will depend on the particular circumstances of each investor. Neither the Company nor any of its officers, employees, agents and advisers accept any liability or responsibility in respect of the taxation consequences connected with an investment of the securities.

1.13 CHES

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532 ("**ASTC**"), a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of Shares and a statement of holding of 2005 Options.

If you are broker sponsored, ASTC will send you a separate CHES statement for Shares and 2005 Options.

The CHES statements will set out the number of Shares and 2005 Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the 2005 Options, including a notice to exercise the 2005 Options.

If you are registered on the Issuer Sponsored subregister, your statements will be dispatched by Computershare Investor Services Pty Limited and will contain the number of Shares and 2005 Options issued to you under this Prospectus and your 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 shareholding changes. Shareholders and Option holders may request a statement at any other time; however, a charge may be made for additional statements

1.14 Foreign Shareholders

No offer of Shares or 2005 Options will be made to persons resident outside Australia or New Zealand.

This Prospectus and the Application Forms do not, and are not intended to, constitute an offer of securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. 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.

1.15 Share and 2005 Option Prices

The last sale price of the Company's Shares and 2005 Options on ASX immediately before this Prospectus was lodged with ASIC was 2.5 cents on 17 February 2003 for the Shares and 0.5 cents on 6 February 2003 for the 2005 Options.

1.16 Risk Factors

An investment in securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in section 2.

2. Risk Factors

The Company's principal activities comprise mineral exploration and evaluation which by their nature involves significant risks.

The value of the Company's listed securities can increase or decrease based on the Company's exploration activities. The future profitability of the Company will be dependent on the success of exploration on the current and any future exploration assets of the Company and if possible the successful commercial exploitation of these assets.

A summary of the main risk factors relevant to the Company are set out below. However this summary is not exhaustive and potential applicants should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for the securities.

Factors which may affect the Company's financial position, prospects and price of its listed securities include the following:

2.1 Security Investments

Applicants should be aware there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Shares and 2005 Options regardless of the Company's performance.

Mineral exploration and mining are speculative operations which may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

2.2 Share Market Conditions

The market price of Shares and 2005 Options in the Company is also subject to various and unpredictable influences of the market in general. Therefore, the Shares and 2005 Options offered by this Prospectus may trade above or below their issue. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

2.3 Exploration and Development Risks and Resource Estimates

The mining tenements in which the Company has an interest are at the exploration stage only although current data indicates a presence of potentially economic mineralisation on certain of those tenements. There can be no assurance that exploration of those tenements, or any other tenement in which the Company may acquire an interest in the future, will result in the discovery of an economic mineral deposit. Even if any apparent viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

Exploration may be hampered by mining, heritage and environmental legislation, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies.

The success of the Company depends on the delineation of economically mineable reserves, access to required development capital, securing and maintaining title to its exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company's existing exploration and mining tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration and mining tenements.

2.4 Commodity Price Volatility

The price of commodities is influenced by physical and investment demand and supply. Fluctuations in the price of commodities may influence individual projects in which the Company has an interest and the price of the Company's listed securities.

2.5 Economic Factors

General economic factors such as inflation, currency exchange, industrial disruption and interest rate fluctuations, government policy and regulations, commodity prices and stock market prices may have an adverse impact on the exploration and production activities of the Company, on its ability to fund those activities and on the financial performance of the Company.

2.6 Environmental Risks and Native Title

Weather conditions over a prolonged period can adversely affect exploration, mining and drilling operations and the timing of earning revenues.

It is possible that there will exist on the Company's tenement areas sacred sites or sites of significance to Aboriginal people subject to the provisions of the Aboriginal Heritage Act or areas subject to claim or upon which a claim has been lodged under the Native Title Act. As a result, land within the mining tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage or native title. Should such a claim be lodged in respect to any land in which the Company has an interest, it may have a material adverse effect on the Company's business and its financial condition and performance.

Mining is an industry which has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation.

2.7 Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

2.8 Future Capital Requirements

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through this Issue will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Issue, there can be no assurances that the Company will have sufficient capital resources for that purposes, or other purposes, or that it will be able to obtain additional resources in terms acceptable to the Company or at all. Any additional equity financing may be dilute to the Company's existing shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

2.9 Mt Carrington Gold/Silver Project

The Company may not be able to re-negotiate the terms of the Agreement with Virotec International Limited so as to extend the expiry date for Stage One which currently expires on 15 March 2003. If the Company cannot re-negotiate the expiry date for Stage One then it may have to withdraw from the Mt Carrington Gold/Silver Project in which case the Agreement will terminate. Refer to the documents lodged with ASX for further information on the Mt Carrington Gold/Silver Project.

3. Use of Funds and Effect of the Issue

3.1 Use of Funds

The Issue will raise approximately \$820,000 before Issue costs. After Issue costs have been paid the balance of the Issue will be used to fund ongoing exploration and evaluation of the Company's Mt Carrington Gold/Silver Project and Pinnacles Nickel Project, other exploration activities, working capital and the corporate and administrative activities of the Company.

3.2 Capital Structure

	Number	\$
Shares – Listed		
Ordinary fully paid Shares	90,283,701	8,983,711
Shares issued by this Prospectus	20,000,000	480,000
Shares issued by this Prospectus	<u>13,000,000</u>	<u>260,000</u>
	<u>123,283,701</u>	<u>9,723,711</u>
2005 Options – Listed		
Existing 2005 Options	79,726,600	
2005 Options issued by this Prospectus	<u>40,000,000</u>	<u>80,000</u>
	<u>119,726,600</u>	<u>80,000</u>
Options – Unlisted		
31 January 2004 Options	<u>1,000,000</u>	<u> </u>
30 June 2004 Options	<u>3,000,000</u>	<u> </u>

3.3 Statement of Financial Position

The Issue will have an effect on the Company's Statement of Financial Position which will be to increase total equity and net assets by approximately \$803,200 (net of expenses of the Issue) if fully subscribed.

The Statement of Financial Position as at 31 December 2002 is based on unaudited management accounts as at 31 December 2002. The management accounts have been used to prepare an unaudited proforma Statement of Financial Position as at the close of Issue, which is set out below.

PROFORMA STATEMENT OF FINANCIAL POSITION

	31 December 2002 \$	Unaudited Pro forma \$
Current Assets		
Cash assets	26,843	830,043
Receivables	10,795	10,795
Other financial assets	7,205	7,205
	44,843	848,043
Non-Current Assets		
Property, plant and equipment	332,073	332,073
Exploration expenditure	1,698,364	1,698,364
	2,030,437	2,030,437
Total Assets	2,075,280	2,878,480
Current Liabilities		
Payables	59,414	59,414
	59,414	59,414
Total Liabilities	59,414	59,414
Net Assets	2,015,866	2,819,066
Equity		
Contributed equity	8,983,711	9,706,911
Reserves	474,056	554,056
Accumulated losses	(7,441,901)	(7,441,901)
Total Equity	2,015,866	2,819,066

NOTES

- (a) The above unaudited pro forma Statement of Financial Position has been prepared on the basis that there have been no material movements in the assets and liabilities of the Company between 31 December 2002 and the completion of the Issue, except:
- (i) the issue of securities pursuant to the this Prospectus to raise up to \$820,000 (before expenses of the Issue);
 - (ii) expenses of the Issue of approximately \$16,800 which are to be written off to Share Capital;
- (b) No allowance has been made for other expenditure incurred in the normal course of business from 31 December 2002 to the date of this Prospectus.

4. Additional Information

4.1 Rights and Liabilities Attaching to Shares

Shares issued pursuant to this Prospectus and the exercise of the 2005 Options, will rank equally in all respects with the then issued Shares in the Company. A broad summary of the rights and liabilities attaching to the Shares, as set out in the Company's Constitution is shown below.

A copy of the Company's Constitution may be inspected at the registered office of the Company during normal business hours.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote;
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share but in respect of partly paid shares shall have a fraction of a vote for each partly paid share. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). In this Clause amounts paid in advance of a call are ignored when calculating the proportion.

Dividends

Subject to the rights of persons (if any) entitled to shares with special rights to dividend, the Directors may declare a final dividend out of profits in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Shareholders of such a dividend.

It is not envisaged that dividends will be paid by the Company in the foreseeable future.

Winding Up

Subject to the rights of Shareholders (if any) entitled to shares with special rights, in a winding-up, all monies and property that are to be distributed among Shareholders on a winding-up, shall be so distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited on the Shares.

Transfer of Shares

Subject to the Constitution of the Company, the Corporations Act and the Listing Rules, Shares are freely transferable.

Future increases in capital

The allotment and issue of Shares is under the control of the Directors. Subject to the Constitution of the Company, the Corporation Act, the Listing Rules and restrictions on the allotment of Shares to Directors and their associates, the Directors may allot, issue or otherwise dispose of new Shares on such terms and conditions as they determine.

Variation of Rights

If at any time the share capital is divided into different classes of shares, the rights attaching to any class (unless otherwise provided by the terms of the issue of the shares of that class), whether or not the Company is being wound up, be varied or abrogated in any way with the consent in writing of the holders of three-quarters of the issued share of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation under this Clause shall be subject to Sections 246B to 246E of the Corporations Act.

4.2 Terms and Conditions of the 2005 Options

The terms and conditions of the 2005 Options are:

- (a) Each option entitles the holder to subscribe for one Share at a price of 20 cents.
- (b) Each option is exercisable at 20 cents per Share on or before 30 June 2005 (**Expiry Date**) and shall lapse at 5:00 pm WST on that date.
- (c) Subject to the Corporations Act, the Listing Rules and the Constitution of the Company the options are freely transferable.
- (d) Option holdings can be exercised in whole or in part, by notice in writing to the Company at any time prior to the Expiry Date.
- (e) There are no participating rights or entitlements inherent in the options and option holders will not participate in new issues of capital offered to shareholders during the currency of the option. Option holders will be afforded at least 12 Business Days to exercise their options prior to the date of determining shareholder entitlement for any new issues of capital that occur during the currency of the exercise period of the option.
- (f) The option holder does not have a right to a change in the exercise price of the option, or a change to the number of underlying securities over which it can be exercised.
- (g) Shares issued on exercise of the options will be issued not more than 14 days after the receipt of a properly executed exercise of option. Shares allotted or issued pursuant to the exercise of an option will rank equally with the then issued Shares of the Company. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the options.
- (h) In the event of any reconstruction of the issued capital of the Company, the options will be re-organised in accordance with the Listing Rules.
- (i) The options are officially quoted by ASX.

4.3 Consents

Computershare Investor Services Pty Ltd has given and not before the lodgement of this Prospectus withdrawn their written consent to being named in this Prospectus in the capacity as Share Registry of the Company. Computershare Investor Services Pty Ltd were not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of any part of this Prospectus other than what has been disclosed above.

Somes & Cooke have given and not before the lodgement of this Prospectus withdrawn their written consent to being named in this Prospectus in the capacity as Auditors of the Company. Somes & Cooke were not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of any part of this Prospectus other than what has been disclosed above.

Hardy Bowen have given and not before the lodgement of this Prospectus withdrawn their written consent to being named in this Prospectus as solicitors to the Company. Hardy Bowen have not authorised or caused the issue of this Prospectus or the making of the Issue. Hardy Bowen make no representation regarding, and to the extent permitted by law exclude any responsibility for, any statements in or omissions from any part of this Prospectus.

4.4 Continuous Disclosure Obligations

Kanowna is a disclosing entity under the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company Kanowna is subject to the Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Copies of documents lodged in relation to the Company with ASIC may be obtained from or inspected at any office of ASIC.

Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents free of charge, to any person on request prior to the Closing Date in relation to this Prospectus:

- (a) the financial statements of the Company for the financial year ended 30 June 2002 (being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus); and
- (b) any document released to ASX pursuant to Section 1001A(1) of the Corporations Act since the lodgement of the financial statements referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC.

The following is a list of documents lodged with ASX since the date of lodgement of the 2002 Annual Report.

Date	Description
25/10/2002	Annual Report received (full copy not yet available)
25/10/2002	Notice of Annual General Meeting
28/10/2002	Annual Report/Top 20
31/10/2002	First Quarter Activities & Cash flow Report
04/11/2002	Company Secretary Appointment
05/11/2002	Trading Halt
05/11/2002	Resignation of Company Secretary
06/11/2002	Mount Carrington Gold/Silver Project
07/11/2002	VTI announcement re option to Sell Mining Interest
29/11/2002	Results of Annual General Meeting
31/03/2003	Second Quarter Activities and Cash Flow Reports
07/02/2003	Response to ASX Query – Quarterly Cash Flow Report
10/02/2003	Mt Carrington Research Report
11/02/2003	Gold Intersections at Great Western Project

The documents referred to in paragraphs (a) – (b) above are not included in, and do not accompany this Prospectus.

4.5 Inspection of Documents

The following documents are available for inspection during normal business hours at the registered office of the Company at Level 3, 30 Richardson Street, West Perth, WA, 6005

- (a) this Prospectus;
- (b) the Constitution of the Company; and
- (c) the consents referred to in section 4.3 and the consents provided by the Directors to the issue of this Prospectus.

4.6 Directors' Interests

No Director has or had within 2 years before lodgement of this Prospectus with ASIC, any interest in the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company, in connection with its formation or promotion or the Issue and no amounts or benefits have been paid or agreed to be

paid (in cash or securities or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become or to qualify him as a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or the Issue other than as set out below or elsewhere in this Prospectus.

The interests of the Directors in the capital of the Company are set out below:

	TB Bannerman	JW Barr	NG Biddle
Shares			
Direct	10,001	-	-
Indirect	2,500,000	5,633,333	5,883,333
Options			
2005 Options			
Direct	-	-	-
Indirect	4,404,985	1,200,000	6,529,428
30/06/04			
Direct	-	1,000,000	-
Indirect	1,000,000	-	1,000,000
31/01/04			
Direct	-	-	250,000
Indirect	250,000	-	-

- (1) Shares and options are held by Fleubaix Pty Ltd of which Mr T B Bannerman has an interest as director, shareholder and beneficiary;
- (2) Shares and options are held by Cavendish Corporation Limited and Kensington Capital Pty Ltd of which Mr J W Barr has an interest as director and shareholder;
- (3) Shares and options are held by Biddle Partners Pty Ltd of which Mr N G Biddle is a related party;
- (4) Messrs Barr and Biddle are directors of Hallmark Consolidated Limited which holds 3,600,000 Shares and 1,200,000 2005 Options. These are included in the abovementioned total number of indirect 2005 Options.

4.7 Remuneration of Directors

The Constitution of the Company provides that the non-executive directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. Shareholders in general meeting have approved an amount not exceeding \$120,000 per annum. For the period commencing 1 July 2002 each Director will be paid fees of \$20,000 per annum which are paid quarterly in arrears.

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

The Company has paid amounts to director-related entities for consulting services. These services are provided on commercial terms and charged on a time basis. Consulting fees for the 6 months ended 31 December 2002 are as follows:

- (a) consultancy fees of \$19,800 (GST inclusive) paid to Fleubaix Pty Ltd, an entity in which a Director, T B Bannerman has an interest as director, shareholder and beneficiary;
- (b) consultancy fees of \$14,300 (GST inclusive) paid to Kensington Consulting Pty Ltd, an entity in which a Director, J W Barr has an interest as director and shareholder;
- (c) consultancy fees of \$38,500 (GST inclusive) paid to Biddle Partners Pty Ltd, an entity in which a Director, N G Biddle is a related party.

4.8 Interests of named persons

Except as disclosed in this Prospectus, no promoter or 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 holds, or since incorporation has held, 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 Issue or the Issue and no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to a promoter or any 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 for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Hardy Bowen have acted as solicitors to the Company and in that capacity have been involved in providing legal advice to the Company in relation to the Issue. The Company will pay approximately \$15,000 to Hardy Bowen for these services. Hardy Bowen have provided other professional services to the Company since incorporation for which the Company has paid fees totalling approximately \$18,571.27.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

4.9 Expenses of the Issue

The total expenses of the Issue payable by the Company are estimated at approximately \$16,800. These expenses include underwriting fees, expert fees, accounting fees, legal fees, ASX and ASIC fees, administration fees as well as the cost of advertising, printing and distributing this Prospectus and other miscellaneous expenses.

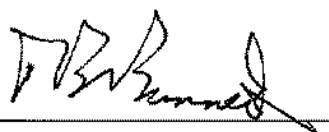
5. Directors' Responsibility Statement

The Directors of the Company state that they have made all reasonable enquires and have reasonable grounds to believe that any statements made by the Directors in this Prospectus are true and not misleading.

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

The Directors each consented to the issue of this Prospectus and to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

This Prospectus has been signed by a Director of the Company on 18 February 2003.

A handwritten signature in black ink, appearing to read 'T B Bannerman', is written over a horizontal line.

T B Bannerman
Director

6. Defined Terms

Where the following terms are used in this Prospectus they have the following meanings:

Application Form	Application form in section 7 of this Prospectus for applying for Shares and 2005 Options pursuant to one of the Placements.
ASIC	Australian Securities & Investment Commission.
ASX	Australian Stock Exchange Limited.
Business Day	Has the meaning ascribed to that term in the Listing Rules.
Closing Date	5.00pm WST on 2 May 2003 or such other date(s) as the Directors in their absolute discretion shall determine for each Placement, subject to the requirements of the Listing Rules and Corporation Act. On this basis each Placement may have a different closing date.
Company or Kanowna	Kanowna Lights Limited ACN 062 409 303.
Corporation Act	Corporations Act 2001 of the Commonwealth of Australia as applying in each State and Territory.
Directors	The directors of the Company at the date of this Prospectus.
Issue	The issue of Shares and 2005 Options pursuant to the Placements.
Listing Rules	The official Listing Rules of ASX.
2005 Option	An option to subscribe for one Share exercisable at 20 cents on or before 30 June 2005 and on the other terms and conditions referred to in section 4.2 of this Prospectus.
2005 Option Placement	The placement of up to 20,000,000 2005 Options each at 0.4 cents to raise up to \$80,000.
Placements	The Share and Option Placement, the Share Placement or the 2005 Option Placement.
Prospectus	This Prospectus dated 18 February 2003.
Share	Fully paid ordinary share in the capital of the Company.

Share Placement	The placement of up to 13,000,000 Shares each at 2 cents to raise up to \$260,000.
Share and 2005 Option Placement	The placement of up to 20,000,000 Shares (each with a free attaching 2005 Option) each at 2.4 cents to raise up to \$480,000.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

7. Application Forms

Attached are Application Forms for the following:

- 1 Share and Option Placement
- 2 Share Placement
- 3 2005 Option Placement.

Guide to Kanowna Lights Limited Application Form – Share and 2005 Option Placement Application Form

This Application Form relates to the offer of Shares and 2005 Options in Kanowna Lights Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares and 2005 Options of the Company and it is advisable to read this document before applying for Shares and 2005 Options. 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.

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 and 2005 Options 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 2.4 cents.
- 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 the 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 (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES 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 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 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 If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application Form in uncertificated form on the CHES sub register, 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.
- H Complete cheque details as requested. Your cheque must in Australian currency drawn on an Australian bank, made payable to "Kanowna Lights - Placement Account" and crossed "Not Negotiable". 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 Prior to completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this application is for Shares and 2005 Options in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares and 2005 Options equal to or less than the number of Shares and 2005 Options indicated in Section A that may be allotted and issued 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

Only legal entities are allowed to hold Shares and 2005 Options. 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 Smith

Lodgment of Application Forms and Cheques

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

By Post:	Kanowna Lights Limited PO Box 1176 WEST PERTH WA 6872	In person:	Kanowna Lights Limited Level 3 30 Richardson Street WEST PERTH WA 6005
-----------------	---	-------------------	---

Application Forms must be received no later than the Closing Date

Privacy

Please refer to the Important Notices in the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this form, the Company may not be able to accept or process your application.

Guide to Kanowna Lights Limited Application Form – Share Placement Application Form

This Application Form relates to the offer of Shares in Kanowna Lights Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of 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.

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 2 cents.
- 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 the 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 (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES 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** 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** 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** If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application Form in uncertificated form on the CHES sub register, 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.
- H** Complete cheque details as requested. Your cheque must in Australian currency drawn on an Australian bank, made payable to "Kanowna Lights - Placement Account" and crossed "Not Negotiable". 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** Prior to completing the Application Form the applicant(s) should read the Prospectus to which the Application Form 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 and issued 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

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

Lodgment of Application Forms and Cheques

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

By Post:	Kanowna Lights Limited PO Box 1176 WEST PERTH WA 6872	In person:	Kanowna Lights Limited Level 3 30 Richardson Street WEST PERTH WA 6005
-----------------	---	-------------------	---

Application Forms must be received no later than the Closing Date

Privacy

Please refer to the Important Notices in the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this form, the Company may not be able to accept or process your application.

Guide to Kanowna Lights Limited Application Form –2005 Option Placement Application Form

This Application Form relates to the offer of 2005 Options in Kanowna Lights Limited pursuant to the Prospectus. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the 2005 Options of the Company and it is advisable to read this document before applying for 2005 Options. 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.

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 2005 Options you wish to apply for.
- B Insert the relevant amount of application monies. To calculate your application monies, multiply the number of 2005 Options applied for by the sum of 0.4 cents.
- 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 the 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 (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES 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 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 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 If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application Form in uncertificated form on the CHES sub register, 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.
- H Complete cheque details as requested. Your cheque must in Australian currency drawn on an Australian bank, made payable to "Kanowna Lights - Placement Account" and crossed "Not Negotiable". 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 Prior to completing the Application Form the applicant(s) should read the Prospectus to which the Application Form relates. By lodging the Application Form, the applicant(s) agrees that this application is for 2005 Options in the Company upon and subject to the terms of this Prospectus, agrees to take any number of 2005 Options equal to or less than the number of 2005 Options indicated in Section A that may be allotted and issued 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

Only legal entities are allowed to hold 2005 Options. 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

Lodgment of Application Forms and Cheques

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

By Post: Kanowna Lights Limited PO Box 1176 WEST PERTH WA 6872	In person: Kanowna Lights Limited Level 3 30 Richardson Street WEST PERTH WA 6005
--	--

Application Forms must be received no later than the Closing Date

Privacy

Please refer to the Important Notices in the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this form, the Company may not be able to accept or process your application.