
REEFTON MINING NL

ABN 68 010 546 675

PROSPECTUS

For a placement of up to 68,000,000 Shares and 68,000,000 free attaching 2009 Options at an issue price of \$0.025 per Share to raise up to \$1,700,000 before deducting the costs of the Issue.

The Issue has been fully underwritten by SA Capital Pty Ltd (AFS Licence # 291787).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

SECTION 1

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

1.1 Summary of Important Dates

Lodgement of Prospectus with ASIC	15 February 2006
Opening Date	9am (WST), 16 February 2006
Closing Date *	5pm (WST), 22 February 2006
Anticipated date of Allotment *	24 February 2006

*The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares and free attaching 2009 Options are allotted may vary with any change in the Closing Date.

1.2 Important Notes

This Prospectus is dated 15 February 2006 and a copy of this Prospectus was lodged with ASIC on that date. ASIC takes no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 5:00pm on that date which is 13 months after the date this Prospectus was lodged with ASIC (**Expiry Date**). No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

SECTION 2

2. CORPORATE DIRECTORY

Directors

Bradley Steven Moore (Chairman)
Garry Robert Hemming
Anthony Ogilvie-Thompson

Company Secretary

John Cooke

Registered Office

Level 1, 47 Ord Street
WEST PERTH WA 6005
AUSTRALIA

Telephone: (61 8) 9322 7822
Facsimile: (61 8) 9322 7823

Email: enquiries@reeftonmining.com.au

Website: www.reeftonmining.com.au

Share Registry*

Computershare Investor Services Pty Limited
Level 2
45 St Georges Terrace
PERTH WA 6000

Telephone: 1300 557 010 (within Australia)
Telephone: (61 3) 9415 4000 (outside Australia)
Facsimile: (08) 9323 2033

Underwriter*

SA Capital Pty Ltd
AFS Licence No. 291787
35A Woottona Terrace
St Georges SA 5064

Telephone: (61 8) 8338 4880
Facsimile: (61 8) 8338 4880

*These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

SECTION 3

3. DETAILS OF THE ISSUE

3.1 Offer of Shares & Free Attaching 2009 Options

The Directors have resolved to issue by way of placement up to 68,000,000 Shares and 68,000,000 2009 Options at an issue price of \$0.025 per Share.

Allottees will be determined at the Directors discretion.

This Prospectus invites investors to apply for a total of up to 68,000,000 Shares and 68,000,000 free attaching 2009 Options at an issue price of \$0.025 per Share to raise up to \$1,700,000 before deducting the costs of the Issue.

All of the Shares and free attaching 2009 Options will be issued on the terms set out in Section 5 of this Prospectus.

The Issue has been fully underwritten by SA Capital Pty Ltd (AFS License No. 291787). Material details of the underwriting agreement are disclosed at Section 7.7 of this Prospectus.

3.2 Opening and Closing Dates of the Issue

The Opening Date and Closing Date of the Issue are set out in Section 1.1 of this Prospectus. The Directors reserve the right to close the Issue early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

3.3 Application for Shares and Free Attaching 2009 Options

Applications for Shares and free attaching 2009 Options must be made using the Application Form accompanying this Prospectus.

Payment for the Shares and free attaching 2009 Options must be made in full at the issue price of \$0.025 per Share. Applications for Shares and free attaching 2009 Options must be for a minimum of 100,000 Shares and 100,000 free attaching 2009 Options and thereafter in multiples of 50,000 Shares and 50,000 2009 Options.

Completed application forms and accompanying cheques must be mailed or delivered to:

Reefton Mining NL
Level 1
47 Ord Street
WEST PERTH WA 6005

Cheques should be made payable to "Reefton Mining NL – Placement Account" and crossed "Not Negotiable". Completed Application Forms must be received by no later than the Closing Date.

The proposed allottees of Shares and free attaching 2009 Options are not known. The allottees will be determined by the Directors at their discretion.

3.4 Minimum Subscription

There is no minimum subscription.

3.5 Allotment of Shares and Free Attaching 2009 Options

The allotment of Shares and free attaching 2009 Options will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until allotment. This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place and each applicant waives the right to claim any interest.

Where the number of Shares and free attaching 2009 Options allotted is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no allotment is made the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

3.6 ASX Listing

Application will be made within 7 days after the date of issue of this Prospectus to ASX for permission for the Shares and 2009 Options to be issued pursuant to this Prospectus to be listed for official quotation by ASX.

In the event that ASX does not grant permission for the official quotation of the Shares and 2009 Options within 3 months after the date of issue of this Prospectus (or such period as is varied by ASIC), none of the Shares or 2009 Options offered by this Prospectus will be allotted or issued and the Company will repay all application monies for the Shares and 2009 Options within the time period set out under the Corporations Act, without interest.

3.7 Restrictions on the Distribution of the Prospectus

The distribution of this Prospectus outside Australia may be restricted by law.

This Prospectus is not intended to, and does not, constitute an offer of, or invitation to apply for, securities in any place which, or to any person to whom, the making of such offer or invitation would not be lawful under the laws of any jurisdiction outside Australia.

3.8 Taxation

The Company does not propose to give any taxation advice and neither the Company, its Directors nor its officers accept any responsibility or liability for any taxation consequence to applicants. Applicants should consult their own professional tax advisers in regard to taxation implications of the Issue.

3.9 Privacy Act

If you complete an application for Shares and free attaching 2009 Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of Shares and 2009 Options, facilitate distribution payments and corporate communications to you as a holder of Shares and 2009 Options and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares and free attaching 2009 Options, the Company may not be able to accept or process your application.

3.10 Enquiries

Any questions concerning the Issue should be directed to Mr Bradley Moore at the Company's registered office.

SECTION 4

4. PURPOSE AND EFFECT OF THE ISSUE

4.1 Purpose of the Issue

The purpose of the Issue is to raise up to approximately \$1,400,000. The proceeds from the Issue will be used as follows:

	Use of Funds	Funds Applied
(a)	fund the ongoing exploration and evaluation programmes (Diamonds and Industrial Minerals) of the Company's Skeleton Coast Project (EPL 2698 – 2700). In particular, funds will be directed to the completion of a 10,000 metre aircore drilling programme into EPL 2699 and EPL 2700;	\$400,000
(b)	fund the ongoing exploration and evaluation programmes of the Company's Erongo Polymetallic Project (EPL 2805 – 2811). Specifically, funds will be used to conduct ground based exploration of geophysical anomalies identified by the recently completed airborne HyVista Spectral Scanning Programme;	\$150,000
(c)	Fund the review, acquisition and exploration of newly identified resource projects. Projects currently under review include those located in Sri Lanka and in several African countries;	\$450,000
(d)	provide funds for the corporate and administration activities of the Company;	\$300,000
(e)	provide working capital; and	\$274,996
(f)	meet the costs of the Issue.	\$125,004
Total		\$1,700,000

4.2 Effect of the Issue and Pro Forma Consolidated Statement of Financial Position

The principal effect of the Issue will be to:

- (a) increase cash reserves by approximately \$1,700,000 immediately after completion of the Issue and before estimated expenses of the Issue, assuming all the Shares and free attaching 2009 Options offered under this Prospectus are issued; and
- (b) increase the number of Shares on issue by 68,000,000 to 364,616,677; and
- (c) increase the number of 2009 Options on issue by 68,000,000 to 269,494,234.

Upon completion of the Issue the capital structure of the Company will be:

Shares and partly paid shares on issue post completion of issue	Number
Shares on issue at the date of this Prospectus	296,616,677
Listed Partly Paid Shares issued at 7.0 cents and paid to 1.0 cent on issue at the date of this Prospectus	38,940,000
Unlisted Partly Paid Shares issued at 9.0 cents and paid to 1.0 cent on issue at the date of this Prospectus	5,000,000
Shares to be issued pursuant to this Prospectus	68,000,000
Total Issued Shares and Partly Paid Shares	408,556,677
Options	
2009 Options (exercisable at \$0.10 and expiring 30 November 2009) on issue at the date of this Prospectus	201,494,234
2009 Options to be issued pursuant to this Prospectus	68,000,000
Unlisted Options (exercisable at \$0.10 and expiring on 30 June 2006) on issue at the date of this Prospectus	1,000,000
Total Issued Options	270,494,234

Set out below is an unaudited pro-forma consolidated statement of financial position of the Company based on the Economic Entity's unaudited state of financial position as of 31 December 2005:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Economic Entity

	Unaudited 31/12/2005 AUD\$	Pro-forma assuming the Issue is <u>fully</u> <u>subscribed</u> AUD\$
CURRENT ASSETS		
Cash and Cash Equivalents	2,570,963	4,145,959
Receivables	73,932	73,932
Inventories	103,367	103,367
Available for Sale Investments	77,586	77,586
TOTAL CURRENT ASSETS	2,825,848	4,400,844
NON-CURRENT ASSETS		
Available for Sale Investments	30,000	30,000
Property, plant and equipment	532,452	532,452
Other	-	-
TOTAL NON-CURRENT ASSETS	562,452	562,452
TOTAL ASSETS	3,388,300	4,963,296
CURRENT LIABILITIES		
Trade and Other Payables	206,988	206,988
Short Term Provisions	281	281
Other	-	-
TOTAL CURRENT LIABILITIES	207,269	207,269
NON-CURRENT LIABILITIES		
Trade and Other Payables	-	-
TOTAL NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	207,269	207,269
NET ASSETS	3,181,031	4,756,027
EQUITY		
Share Capital	21,389,037	22,964,033
Accumulated losses	(18,208,006)	(18,208,006)
TOTAL EQUITY	3,181,031	4,756,027

Note: The pro-forma statement of financial position assumes that the costs of the Issue have been paid and that the net proceeds of the Issue have been received as cash, but does not reflect the application of funds as those additional expenditures will be made over time.

SECTION 5

5. RIGHTS ATTACHING TO SHARES AND 2009 OPTIONS

The following is a summary of the more significant rights attaching to Shares and 2009 Options. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1 Rights attaching to Shares

Shares to be issued pursuant to this Prospectus, and those to be issued following the exercise of the free attaching 2009 Options offered pursuant to this Prospectus will rank equally in all respects with the existing Shares on issue. The rights attaching to all such Shares include:

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at a General Meeting of Reefton every holder of fully paid ordinary Shares present in person or by an attorney, representative or proxy shall have one vote on a show of hands and one vote per Share on a poll.

A person who holds a Share which is not fully paid is entitled, on a poll, to such number of votes as bears the same proportion to the total of those Shares registered in the Shareholder's name as the amount of the issue price of shares paid bears to the total issue price. In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, attorney or representative, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Shareholders.

Dividend Rights

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. Subject to Clause 5.5 of the Constitution and subject to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all Shares in proportion to the number of Shares held by them, irrespective of the amount paid up or credited as paid up in the Shares in accordance with Part 2H.5 of Chapter 2H of the Corporations Act.

Rights on Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so decided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

Transfer of Shares

Subject to the constitution of Reefton, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

Creation and Issue of further Shares

The allotment and issue of any new Shares is under the control of the Directors and, subject to any restrictions on the allotment of Shares imposed by Reefton's constitution, the Listing Rules or the Corporations Act, the Directors may allot, issue, grant options over, or otherwise dispose of, those Shares to such persons on such terms and conditions and with such rights and privileges as they may from time to time determine.

Variation of Rights

At present, Reefton has on issue ordinary Shares. Any variation of rights shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act.

General Meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of Reefton and to receive all notices, accounts and other documents required to be furnished to shareholders under Reefton's Constitution, the Corporations Act or the ASX Listing Rules.

5.2 Terms and Conditions of 2009 Options

Each 2009 Option will entitle the holder to subscribe for a Share in the Company at ten (10) cents per Share on the following terms:-

- (a) The 2009 Options shall expire at 5:00 pm (WST) on 30 November 2009 but may be exercised at any time prior to 30 November 2009.
- (b) The 2009 Options are only exercisable at ten (10) cents each payable in cash.
- (c) The 2009 Options shall only be exercisable wholly or in part by executing and forwarding to the Company a 2009 Option Exercise Form.
- (d) There are no participating rights, or entitlements inherent in the 2009 Options to participate in any new issue or bonus issue of securities which may be offered to members of the Company from time to time prior to or on 30 November 2009.
- (e) 2009 Optionholders have the right to exercise their 2009 Options prior to the date of determining entitlements to any capital issue to the then existing shareholders of the Company made during the currency of the 2009 Options. In this regard, 2009 Optionholders shall be given at least 10 Business Days notice before the determination of entitlements to any issue, to exercise their 2009 Options.
- (f) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the 2009 Options will be re-organised in accordance with the Listing Rules applicable at the time of the re-organisation.

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- (g) Application for Official Quotation of the 2009 Options will be made by the Company in accordance with the ASX Listing Rules and the Corporations Act. In addition, application for Official Quotation of the Shares allotted and issued pursuant to the exercise of the 2009 Options will be made by the Company within three (3) business days after the date of allotment of such Shares.
 - (h) Shares allotted and issued pursuant to the exercise of the 2009 Options will be allotted and issued no more than 15 days after the receipt of a properly executed exercise notice and receipt of the application monies.
 - (i) A statement will be issued for the 2009 Options. Attached to the statement there will be a form that must be executed and forwarded to the Company when exercising the 2009 Options. If there is more than one 2009 Option on a statement, and prior to 30 November 2009 those 2009 Options are exercised in part, the Company will issue another statement for the balance of the 2009 Options held and not yet exercised.

SECTION 6

6. RISKS

The offer of Shares and free attaching 2009 Options pursuant to this Prospectus should be considered speculative because of the uncertainties of success in procuring interests in mineral tenements and the exploration, evaluation and development of such tenements or any other investment. Such activities will form a substantial part of the activities of the Company. The offer of Shares and free attaching 2009 Options should be considered speculative for the following reasons:

- (a) Fluctuations in the price of commodities including but not limited to base, precious and rare metals, rare earths, precious gemstones, uranium and mineral sands.
- (b) Inflation, interest rates, general economic changes, industrial disputes and political factors in Australia and overseas likely to affect the Australian equities markets.
- (c) Exploration and mining by its nature contains elements of significant risk in that success depends on discovery and delineation of recoverable and economic ore reserves, design of suitable processes for recovery of minerals and construction of an efficient operation at a remote location. There is also the aspect of obtaining long term markets for any mineral product.
- (d) The Company's success in obtaining the renewal of its existing mineral licences from time to time, and in having applications for new mineral licences granted by relevant government departments in the countries where the Company operates.
- (e) The market price of the Company's securities being affected by varied, unpredictable and often indefinable influences for equities in general and mining and exploration stocks in particular.
- (f) It is possible that there will exist on the Company's tenement areas containing sacred sites or sites of significance to indigenous people. As a result land within the mining tenements may be subject to exploration, mining or other restrictions as a result of claims of heritage sites or indigenous title.
- (g) Possible sovereign risks including but not limited to social or political upheaval, indigenous peoples claims, and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rules of exchange and controlled land and water use and mine safety. This risk is particularly relevant with the Company's principal mineral assets being located in Namibia, and potential opportunities under review being located outside of Australia.
- (h) For reporting periods beginning on or after 1 January 2005 the Company must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board. These changes will affect the way in which certain items are reported in the Company's financial statements.
- (i) The Directors of the Company believe its available cash, and the net proceeds of the Issue will be adequate to fund the current exploration

and corporate activities of the Company as stated in this Prospectus. Any inability to obtain additional finance as required for subsequent exploration and corporate activities following the use of the Company's presently available funds and those to be raised pursuant to this Prospectus would have a material adverse effect on the Company.

- (j) ASIC is carrying out an investigation into suspected contraventions of several sections of the Corporations Act, in relation to the affairs of the Company during the period from 1 July 2004 to 7 April 2005. It is understood that the focus for the investigation is the announcement made by the Company on 18 March 2005, entitled "New Uranium Discovery", and events (including trading in securities) leading up to and following that announcement.

The sections of the Corporations Act specified in documents given to the Company and its officers by ASIC are:

- Section 674: obligation to comply with the continuous disclosure requirements of the ASX Listing Rules.
- Section 1041E: offence of making false or misleading statements which are likely to induce dealing in, or to affect the price of, securities.
- Section 1043A: offence of insider trading.

ASIC has not notified the Company of any specific allegations against the Company or any of its present or former officers.

The Company's assessment is that it is unlikely to incur criminal or civil penalty liability under any of the sections referred to above. However, if the Company was held to have made a misleading statement it could be ordered to pay civil compensation to any person who suffered loss by relying on the statement.

In addition the Company is obliged under its constitution to indemnify its present and former directors, principal executive officers and secretaries against liabilities to third parties and against certain legal costs, subject to the limitations prescribed by the Corporations Act. If any of these officers is held liable to compensate third parties for loss suffered as a result of conduct of the officer that does not involve a lack of good faith, the Company may be required to indemnify the officer against the liability. The Company may also be obliged to indemnify officers in the above categories against:

- the cost of any legal action which they are able to defend successfully; or
- the cost of any successful application for relief from liability under section 1317S or 1318 of the Corporations Act.

SECTION 7

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities. The Shares that will be issued pursuant to this Prospectus, and the Shares to be issued upon conversion of the free attaching 2009 Options that will be issued pursuant to this Prospectus, will be in the same class of Shares that have been quoted on the official list of ASX during the 12 months prior to the issue of this Prospectus.

In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

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, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half year financial report lodged with ASIC by the Company after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC; and

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- (iii) any documents used to notify ASX of information relating to the Company during that period in accordance with ASX Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report refer to the table set out below.

Date	Description of Announcement
25 October, 2005	Annual Report
31 October, 2005	First Quarter Activities & Cashflow Report
25 November, 2005	Response to ASX Query re: Share Price & Volume Query
25 November, 2005	AGM
16 December, 2005	Becoming a substantial shareholder
22 December, 2005	News Release: Namibian Sands & Diamond Project
31 January, 2006	Second Quarter Activities & Cashflow Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal hours. Copies of the Company's announcements may be viewed on its website at www.reeftonmining.com.au or alternatively ASX's website at www.asx.com.au.

7.2 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any organisation in which such a Director is a partner or director, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Securities pursuant to this Prospectus; or
- (c) the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or to any organisation in which any such Director is a partner or director, 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.

Directors' interests in the Company's securities at the date of this Prospectus are:

Director	Fully Paid Shares	Listed Partly Paid Shares	2009 Options
Bradley S. Moore	643,814	NIL	325,000
Garry R. Hemming	105,000	NIL	NIL
Anthony Ogilvie Thompson	NIL	NIL	NIL

The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting.

The maximum aggregate limit of fees payable to Directors is \$100,000. The Directors currently receive remuneration of \$65,000 plus statutory superannuation allocated amongst them as they determine.

Roscoria Pty Ltd, a company of which Mr G Hemming is a director, received \$65,680 (excl GST) for geological services provided to the Company during the 2005 financial year (2004: \$76,777 excl GST). For the period 1 July 2005 to the date of lodgement of this Prospectus, Roscoria Pty Ltd has received \$40,350 (excl GST) for the provision of these services.

Quadrant Management Pty Ltd is a company of which Mr V Nikolaenko (a former director of the Company) is a director and shareholder. Mr V Nikolaenko is deemed an associate of Mr Moore, the Chairman of the Company, due to Mr Moore's relationship with Mr Nikolaenko's daughter. Quadrant Management Pty Ltd received a total of \$300,000 (excl GST) in management fees pursuant to a management agreement during the 2005 financial year (2004: \$300,000) and \$166,685 (excl GST) for corporate services (2004: \$188,276) provided to the Company in the ordinary course of business at normal commercial rates. For the period 1 July 2005 to the date of lodgement of this Prospectus, Quadrant Management Pty Ltd has received management fees of \$175,000 (excl GST) and corporate services fees of \$80,283 (excl GST). Quadrant Management Pty Ltd also received out of pocket expenses reimbursed at cost during the above periods.

7.3 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert nor any organisation in which such expert has an interest, has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Securities pursuant to this Prospectus; or
- (c) the offer of Securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, a expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

SA Capital Pty Ltd has agreed to fully underwrite the placing of the Shares and free attaching 2009 Options offered pursuant to this Prospectus. SA Capital Pty Ltd will be entitled to be paid underwriting fees by the Company in accordance with Section 7.7 of this Prospectus.

SA Capital Pty Ltd have not acted for the Company on any previous occasion and in the last 2 years have not been paid any fees by the Company. The Principal of SA Capital Pty Ltd, Angus Middleton, was however previously associated with Leadenhall Australia Limited. Sophisticated Capital Pty Ltd, of which Mr Middleton was a director, was an authorised corporate representative of Leadenhall Australia Limited who held an AFS Licence. Leadenhall Australia Limited was paid placement and underwriting fees from the Company totalling \$112,407 over the past 2 years.

7.4 Estimated Expenses of Issue

The estimated expenses of the Issue are as follows:

	Full Subscription AUD\$
ASX Listing Fees	14,644
ASIC Fees	2,010
Consulting Fees	6,000
Underwriting Fees *	102,000
Printing and Postage	350
	<hr/>
Total	\$125,004

* Pursuant to the terms of the Underwriting Agreement entered into with SA Capital Pty Ltd, the Company will pay an underwriting fee of 6% of monies raised by the Issue.

7.5 Market Price of Fully Paid Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: 3.8 cents per Share on 25 November 2005.

Lowest: 2.7 cents per Share on 9 February 2006.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with ASIC was 2.9 cents per share on 15 February 2006.

7.6 Consents

SA Capital Pty Ltd has given its written consent to being named in Section 3.1, 7.3 and 7.7 of this Prospectus as the entity that has agreed to fully underwrite the placing of the Shares and free attaching 2009 Options offered pursuant to this Prospectus, and they have not withdrawn their consent to being named in this Prospectus prior to lodgement of this Prospectus with ASIC.

7.7 Underwriting Agreement

On 15 February 2006, the Company entered into an underwriting agreement with SA Capital Pty Ltd (AFS Licence No. 291787) to have the Issue fully underwritten.

The material terms of the underwriting agreement include:

a) Fee:

In return for fully underwriting the Issue, the Underwriter will be paid:

- a) a fee totalling 6% of the monies raised by the Issue; and
- b) the payment of approved incidental costs and expenses incurred by SA Capital Pty Ltd in acting as underwriter to the Issue.

b) Indemnity:

The Underwriter will be indemnified in respect to liability for the content of the Prospectus as follows:

"As between the Parties, the Company shall take full responsibility for the form and content of the Prospectus and for all claims, proceedings and actions however arising out of the Prospectus or its publication (other than as may arise out of the form or content of any material prepared, published or circulated by the Underwriter without the prior written consent of the Company or out of the use of the Prospectus by the Underwriter otherwise than in its capacity as Underwriter to the Company), and subject to those qualifications, the Company agrees to indemnify and keep indemnified the Underwriter from and against all costs and expenses in respect of all claims, proceedings and actions however arising out of the Prospectus or its publication excluding those arising as a consequence of any negligent act or omission or breach of the Agreement by the Underwriter."

c) Termination:

The underwriter may terminate its obligations under the underwriting agreement in the following circumstances:

"The Underwriter may without cost or liability to themselves terminate their obligations under this Underwriting Agreement or renegotiate their obligations herein at their sole choice and discretion on or at any time after the happening of any of the following events on or before the time at which the Underwriter is required to lodge or caused to be lodged with the Company an application for shares and 2009 Options under clause 7.2: -

-
- (a) *Any announcement is made by the Government of Australia or any state of Australia or any governmental authority or the Reserve Bank of Australia which in the reasonable opinion of the Underwriter could materially adversely affect the success of the Offer as a consequence of proposed or promulgated legislation or regulations which would materially adversely affect the operations of the Company or any industry in which the Company operates; or*
 - (b) *There is in the reasonable opinion of the Underwriter any material adverse change in relation to any of the interests held by the Company or in any of its projects or businesses which are referred to in the Prospectus;*
 - (c) *The Company is in default under any of the terms and conditions of this Underwriting Agreement or any of the provisions binding on it hereunder;*
 - (d) *The Company withdraws the Prospectus;*
 - (e) *The occurrence of any event set out in 652C of the Corporations Act in relation to the Company as though the Company were a target, other than any allotment of securities, and any grant of security, contemplated in the Prospectus;*
 - (f) *The Prospectus does not comply with Part 6D.2 - Division 4 or any other relevant provision of the Corporations Act;*
 - (g) *ASX refuses, does not grant on terms acceptable to the Underwriter, or withdraws approval for the granting of Official Quotation for the Shares and 2009 Options offered pursuant to the Offer or ASX makes a statement to that effect to the Company, the Underwriter or any other person;*
 - (h) *There is an outbreak of hostilities (whether war has been declared or not) involving any one or more of Australia, the United Kingdom, the United States of America, the Philippines, the People's Republic of China, the Union of Soviet Socialist Republics, the Republic of Namibia, Africa, Indonesia, and/or Japan;*
 - (i) *If a resolution is passed by the Company for its voluntary liquidation or an order is made for its winding-up or the Company enters into a scheme of arrangement with its creditors under the Corporations Act or any liquidator, receiver, or official manager is appointed in respect of the Company or if the Company becomes insolvent;*
 - (j) *There is in the reasonable opinion of the Underwriter a material adverse change in the state of domestic and/or overseas securities markets that jeopardise the success of the Offer; or*
 - (k) *There is in the opinion of the Underwriter any material adverse change in the financial position or prospects of the Company.*

Any termination by the Underwriter under clause 11.1 shall take effect when notice in writing thereof is given by the Underwriter to the Company. The Underwriter covenants that should it exercise any of its rights to be relieved of its obligations after the opening of the Offer the Underwriter will immediately notify the Australian Stock Exchange Limited.

7.8 Directors' Consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with ASIC.

Bradley S. Moore
For and on behalf of
Reefton Mining NL

GLOSSARY

Applicant means an investor that applies for Shares and free attaching 2009 Options using an Application Form pursuant to this Prospectus.

Application Form means the application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date for receipt of Application Forms under this Prospectus as set out in Section 1.1 of this Prospectus.

Company or **Reefton** means Reefton Mining NL (ABN 68 010 546 675).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means directors of the Company at the date of this Prospectus.

Dollar or "**\$**" means Australian dollars.

Economic Entity means Reefton Mining N.L. and its controlled entities.

Issue means the proposed issue of Shares and free attaching 2009 Options referred to in the "Details of the Issue" section of this Prospectus.

Listed Partly Paid Share means an ordinary share in the capital of the Company issued at 7 cents and paid to 1 cent, which is quoted on ASX under the ASX Code RTMCA.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

Opening Date means the opening date for receipt of Application Forms under this Prospectus as set out in Section 1.1 of this Prospectus.

2009 Option means an option to acquire a Share at an exercise price of \$0.10 each on or before 30 November 2009, issued on the terms and conditions specified in this Prospectus.

Prospectus means this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Unlisted Option means a non-transferable option to acquire a Share at an exercise price of \$0.10 each on or before 30 June 2006, which is not quoted on ASX.

Unlisted Partly Paid Share means an ordinary share in the capital of the Company issued at 9 cents and paid to 1 cent, which is not quoted on ASX.

WST means Western Standard Time.

APPLICATION FORM – SHARES & FREE ATTACHING 2009 Options

REEFTON MINING NL ABN 68 010 546 675

APPLICATION FORM

Pin your cheque here

To meet the requirements of the Corporations Act this form must not be handed on unless accompanied by the Prospectus.

Broker's Stamp

For items A to F refer to instructions for completion on the reverse side of this form

PLEASE USE BLOCK LETTERS

A I/We apply for

--

Shares and the equivalent number of free attaching 2009 Options or such lesser number of Shares and equivalent number of free attaching 2009 Options as may be allocated to me/us by the Company.

I/We acknowledge that this application is for Shares and free attaching 2009 Options up to the number applied for by me/us. I/We hereby authorise the Company to complete and execute any documents necessary to effect the issue of Shares and free attaching 2009 Options to me/us.

B I/We lodge full application monies

\$

Being \$0.025 for each Share applied for by me/us.

C Complete Full Name Details

Name	(if a company provide an A.C.N. Number)

D Complete Address Details

Number and Street

--

Suburb or City	State	Postcode

E Telephone Details

Home	Work

F HIN and/or PID

HIN	PID

G Cheque Details

Drawer	Bank	Branch (BSB)	Amount of cheque
\$			

I/We declare that this application is completed according to the declarations/appropriate statements on the reverse of this form and agree to be bound by the Constitution of Reefton Mining NL and I/We further agree to take any number of Shares and equivalent number of free attaching 2009 Options equal to or less than the number applied for. Lodge your application form as soon as possible.

NO SIGNATURE REQUIRED

PLEASE COMPLETE FRONT

How to Apply for Shares and free attaching 2009 Options

Please complete all relevant sections of the Application Form using BLOCK LETTERS. If you have any questions on how to complete this Application Form please telephone the Company on (618) 9322 7822.

Please post or deliver the completed Application Form together with your cheque to the address listed below:

Reefton Mining NL
Level 1
47 Ord Street
WEST PERTH WA 6005

Application Forms must be received by no later than 5.00 pm (WST) on the Closing Date specified in the Prospectus.

The Application Form does not need to be signed.

A Insert the **NUMBER OF SHARES AND FREE ATTACHING 2009 OPTIONS** you wish to apply for in **Box A**. The minimum number that can be applied for is 100,000 Shares and 100,000 free attaching 2009 Options, and thereafter in multiples of 50,000 Shares and 50,000 free attaching 2009 Options. A ready reckoner of amounts payable for different numbers of Shares and free attaching 2009 Options applied for is as follows:

Number of Shares and free attaching 2009 Options Applied For	Amount
100,000	\$2,500
150,000	\$3,750
300,000	\$7,500
500,000	\$12,500
1,000,000	\$25,000

B Insert the amount of your **APPLICATION MONIES** in Box B. The amount must be equal to the number of Shares applied for (as in **Box A**) multiplied by \$0.025 per Share.

C Write your **FULL NAME** in **Box C** (exactly as on your existing holding statement if you are an existing shareholder). This must be either your own name or the name of a company. You should refer to the examples noted below for the correct forms of name which can be registered. Applications using the incorrect form of name may be rejected. If your Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not however, be treated as having offered to subscribe for more Shares and free attaching 2009 Options than is indicated by the amount of the accompanying cheque for the application monies referred to in **Box B**.

D Enter your **POSTAL ADDRESS** for all correspondence in **Box D**. All communications to you from the Company's Share Registry (shareholding statements, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown in Box D.

E Enter details of contact person and telephone number to assist if any queries need to be made by the Company or the Share Registry in **Box E**.

F The Company participates in the CHESS System. If you are a participant in the CHESS System insert your HIN ("Holder Identification Number") and/or PID ("Participation Identifier") in Box F.

G1 Complete cheque details as required in **Box G**.

G2 Insert TOTAL AMOUNT OF YOUR CHEQUE(S) OR BANK DRAFTS in Box G. The total amount of your cheque(s) or bank drafts must equal the total application monies (see Box B). Cheques or bank drafts must be drawn on an Australian bank in Australian currency and made payable to "REEFTON MINING NL PLACEMENT ACCOUNT" and crossed "NOT NEGOTIABLE". Do not send cash. A separate cheque or bank draft should accompany each Application Form lodged. No receipts will be issued.

CORRECT FORMS OF REGISTRABLE TITLE

Note that **ONLY** legal entities can hold Shares and 2009 Options. The application must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Reefton Mining NL. Applications for Shares and free attaching 2009 Options on behalf of trusts should be made in the name of the trustee. At least one full given name is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below:

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith (John David Smith Family A/C)	John David Smith Family Trust
Partnerships	Mr John David Smith and Ian Lee Smith	John Smith & Son
Superannuation Funds	John Smith Pty Ltd (John Smith Superannuation Fund A/C)	John Smith Superannuation Fund
