



Eagle Bay Resources N.L.  
ACN 051 212 429

## Company Announcement

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Date: 21 October 2003  
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Subject: **Non-Renounceable Pro-rata Issue – Fully Underwritten  
Prospectus Dated 21 October 2003  
Letter to Shareholders  
Letter to Optionholder  
Appendix 3B – Application for Quotation of New Shares**

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Dear Sirs

The Company has today lodged the attached Prospectus with ASIC for a Non Renounceable Pro-rata Issue on the basis of 1 new share for every six shares held (at the record date of 30 October 2003) at a cost of six (6) cents per new share. The Issue, which is fully underwritten, will result in 22,585,489 shares being issued at 6 cents each raising a total of approximately \$1,355,000.

Please find attached the following documents that were despatched today as required by Appendix 7A of the ASX Listing Rules explaining the details of the issue.

- Letter to Optionholders advising of the Issue; and
- Letter to Shareholders providing information on the Issue.

Also attached is an Appendix 3B – Application for Quotation of Additional Shares.

For and on behalf of  
**Eagle Bay Resources N.L**

Paul Fromson  
Company Secretary

# **EAGLE BAY RESOURCES N.L.**

A.C.N. 051 212 429

## **THIS DOCUMENT IS IMPORTANT**

IF YOU DO NOT FULLY UNDERSTAND IT, OR ARE IN DOUBT AS TO HOW TO DEAL WITH IT, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

# **NON-RENOUNCEABLE PRO RATA ISSUE PROSPECTUS**

For the issue of approximately 22,585,489 New Shares at an issue price of six cents per New Share through a pro rata non-renounceable issue to shareholders on the basis of one New Share for every six existing shares held at the Record Date to raise up to approximately \$1,355,129.

**This issue is underwritten by Kefu Underwriters Pty Limited. Shareholders may apply for additional shares above their entitlement however additional shares will be issued entirely at the discretion of the Directors of Eagle Bay Resources NL**

The Securities offered by this Prospectus should be considered speculative. Applicants should read this Prospectus in its entirety before deciding to apply for New Shares.

# EAGLE BAY RESOURCES N.L.

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## PROPOSED TIMETABLE

Prospectus lodged with ASIC & ASX	21 October 2003
Application to ASX for official quotation of New Shares	21 October 2003
Record date to determine entitlements	30 October 2003
Despatch of Prospectus and Entitlement and Acceptance Form	31 October 2003
Acceptances close	21 November 2003
Advise Underwriters of shortfall	28 November 2003
Placement of shortfall with Underwriters	5 December 2003
New Shares allocated and holding statements despatched	12 December 2003

## **CORPORATE DIRECTORY**

<b>DIRECTORS</b>	Anthony Rechner Terrence G Salotti James B Craib Richard E Diermajer
<b>COMPANY SECRETARY</b>	Paul Fromson
<b>REGISTERED OFFICE</b>	1 <sup>st</sup> Floor, 14 Outram Street, West Perth Western Australia 6005  Telephone: (08) 9481 3322 Facsimile: (08) 9481 3330 Email: ebr@indigo.net.au Web: www.eaglebay.indigo.net.au  Postal Address: PO Box 913, West Perth Western Australia 6872
<b>ACN</b>	051 212 429
<b>AUDITORS</b>	PKF * Chartered Accountants Level 7, BGC Centre 28 The Esplanade, Perth Western Australia
<b>UNDERWRITER</b>	Kefu Underwriters Pty Limited*
<b>STOCK EXCHANGE</b>	The Company's shares are quoted on the official list of the Australian Stock Exchange Ltd, ASX Code EBR
<b>SHARE REGISTRY</b>	Advanced Share Registry * Level 7, 200 Adelaide Terrace, Perth Western Australia  Telephone (08) 9221 7288 Facsimile (08) 9221 7869

\* These entities have had no involvement in the preparation of this Prospectus and their names appear above for information purposes only.

# EAGLE BAY RESOURCES N.L.

Dear Investor

The shares offered in this Prospectus are at a discount to the market price at the time of writing and are offered at a time when your company is planning to commence a drilling program over its Myall Creek copper/gold deposit and the oil and gas Moby prospect in offshore Gippsland Basin.

Under this Offer, each existing shareholder may subscribe for one New Share for every six Shares held by them at the Record Date and may apply for Additional Shares if they wish. The allocation to shareholders of Additional Shares is entirely at the discretion of the Directors of Eagle Bay Resources NL.

The intention of this Issue is to raise funds for exploration and for working capital. In particular, funds raised will be used for:

<b>EXPLORATION ACTIVITY</b>	<b>COST</b>
1. Exploration in VIC/P47 for oil and gas via a proposed sub-underwriting underwriting of Moby Oil & Gas Limited – see section 1.5 for complete details.	\$1,000,000
2. Ongoing Gold- Copper Exploration Initiative.	\$200,000
3. Working capital	\$68,000
<b>TOTAL</b>	<b>\$1,268,000</b>

Yours sincerely

**A. Rechner**  
Chairman

# **EAGLE BAY RESOURCES N.L.**

## **IMPORTANT NOTICE**

This Prospectus is dated 21 October 2003. Copies of this Prospectus were lodged with the Australian Securities and Investments Commission (ASIC) and the Australian Stock Exchange (ASX) on 21 October 2003. Neither the ASIC, ASX or their respective officer's take responsibility as to the contents of this Prospectus.

In accordance with the Corporations Act 2001 no shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representations in connection with this Prospectus which is not contained in this Prospectus. In making representations in this Prospectus regard has been made to the fact that the ASX maintains a file containing publicly disclosed information about the Company, that the Company is a disclosing entity for the purpose of the Corporations Act 2001 and that certain matters may reasonably be expected to be known to professional advisers of any kind whom potential investors may reasonably be expected to consult.

This is an important document. Before deciding to apply for New Shares you should consider whether they are a suitable investment for you. Persons wishing to subscribe for the New Shares offered by this Prospectus should carefully read this Prospectus and consult their licensed professional advisers for the purpose of making an informed assessment of this offer of shares under this Prospectus.

The directors of the Company consider this to be a speculative investment.

This Prospectus does not constitute an offer in a place where it is not lawful to make an offer, if any.

## **1. TERMS OF THE OFFER**

### **1.1 Important Note**

This Section is not intended to provide full information for those intending to apply for the New Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

### **1.2 Offer**

Under this Prospectus, the Company is making a non-renounceable offer to Eligible Participants on the basis of one New Share for every six Shares held on the Record Date at an issue price of six cents per New Share (the “**Issue**”). Fractional entitlements will be rounded up.

Based on the capital structure of the Company at the date of this Prospectus, 22,585,489 New Shares will be offered pursuant to the Issue and the proceeds from the Issue will be approximately \$1,355,129 (before costs).

In accordance with the terms of existing options, the Company will be giving optionholders notice allowing them to exercise their options to have Shares issued to them in order to participate in the Issue. Accordingly, the number of New Shares to be issued under the Issue may increase if existing optionholders exercise their options. There is only one optionholder and that person holds 100,000 options exercisable at 39 cents per Share on or before 24 November 2005.

### **1.3 Shareholder Entitlement**

The number of New Shares for which an Eligible Participant is entitled to subscribe is set out in the Entitlement and Acceptance Form which accompanies this Prospectus.

Eligible Participants may accept their entitlement to subscribe for New Shares under this Issue in whole or in part. If Eligible Participants decide not to accept their Entitlement by the due date for doing so, their Entitlement will lapse.

It is important that you consider the Issue carefully. If you decide to accept your Entitlement (either in whole or in part), you must do so in accordance with the instructions set out on the accompanying Entitlement and Acceptance Form and Section 2. If you are in doubt as to the course of action you should or may take, you should consult your professional adviser.

### **1.4 Additional Shares**

The Issue is underwritten, however each Eligible Participant may apply for additional New Shares, in addition to their Entitlement, at an issue price of six cents per Share (“Additional Shares”). In the event that there is a shortfall in subscriptions under the Issue, the Company will, entirely at the discretion of Directors, issue the shortfall of New Shares to the subscribers of Additional Shares prior to such shortfall being issued to the Underwriter.

An individual or entity that wishes to apply for Additional Shares (in the event of a shortfall) must complete the additional shares section on the Entitlement and Acceptance Form attached to this Prospectus.

The Directors reserve the right to allocate any shortfall of New Shares to subscribers of Additional Shares at their absolute discretion. The Company may reject any application for Additional Shares or allocate fewer New Shares than applied for by subscribers of Additional Shares.

The Company will make the issue of any shortfall of New Shares to the subscribers of Additional Shares within 3 months of the Closing Date. However it is anticipated that this will occur prior to 12 December 2003.

Eligible Participants should read the Entitlement and Acceptance Form and follow the instructions detailed in the Form when applying for Additional Shares.

### 1.5 Purpose of the Offer

In respect of the net funds of approximately \$1,268,000 raised under this Issue:

- A\$1,000,000 is proposed as a sub-underwriting commitment for the issue of shares in Moby Oil & Gas Ltd (“Moby”). The minimum subscription for the issue of shares in Moby is \$4.5 million which is to be underwritten by Great Missenden Holdings Pty Ltd. The formation of Moby was sponsored by Bass Strait Oil Company Ltd (“BSOC”) our farminee who has committed to drill Moby-1 in Vic P47.
- A\$200,000 is proposed to be used for the ongoing gold-copper exploration initiative. Exploration will consist of acquisition of data, geochemistry, gravity surveying and drilling.
- The remaining A\$68,000 will be applied to working capital for the company.

In respect of the funds of approximately A\$1.0 million raised under this Issue it is proposed that the A\$1 million will be allocated to oil and gas exploration in VIC/P47. The Company is carried through the first \$5.75 million of exploration expenditure in VIC P47, which is budgeted to be spent in drilling Moby-1. The Company has allocated \$1 million in the first instance to assist Bass Strait Oil Company Ltd (“BSOC”) in the funding of the VIC/P47 programme on the basis of a sub-underwriting commitment for the minimum subscription to list Moby. The minimum subscription is to fund the first A\$3.75 million cost of Moby, overruns to \$5.75 million are paid by BSOC and Eagle Bay must contribute only 25% of any cost overruns above \$5.75 million. The budget for Moby 1 is \$3.75 million. If the issue is fully subscribed Eagle Bay will not contribute to the issue but will receive a sub-underwriting commission. In the event we proceed with this sub-underwriting a condition will be that details will be provided to all Eagle Bay Resources NL shareholders together with a copy of the Moby prospectus with the ability for Eagle Bay Resources NL shareholders to subscribe to the issue. Should BSOC not utilise these funds they will be applied as follows:



- a) Negotiations are currently taking place which may allow the Company to assist Lakes Oil N.L. in the drilling of Gilbert No. 1 in VIC/P47. If successful the Company could earn up to an additional 25% interest in Gilbert No. 1 (expenditure of approximately A\$1 million).
- b) Secondly – pipeline and completion costs to bring a well into production in the event of a commercial discovery (approximately A\$1 million).
- c) Thirdly – to assist in the drilling of the Year 3 commitment well (approximately A\$1 million).

In summary it is proposed the funds will be utilised as follows:-

<b>EXPLORATION ACTIVITY</b>	<b>COST</b>
1. Exploration in VIC/P47 for oil and gas	\$1,000,000
2. Ongoing Gold/Copper exploration initiative	\$200,000
3. Working capital.	\$68,000

Exploration is a high risk activity as summarised in Section 5 and the Directors will continually review the above intended exploration strategy as results are obtained or events transpire and will review the projects and allocate funds to maximise shareholder value.

## 1.6 **Opening and Closing Dates**

The Offer will open for receipt of applications on the Opening Date and will close on the Closing Date. To the extent it is permitted to do so, the Company reserves the right to extend the Closing Date without prior notice. Eligible Participants are encouraged to submit their applications as soon as possible.

## 1.7 **How to Accept your Entitlement**

Section 2 explains how Eligible Participants may accept the Offer. Prior to accepting the Offer you should carefully read Section 2 and the instructions on the reverse side of the Entitlement and Acceptance Form accompanying this Prospectus.

## 1.8 **Allotment**

New Shares issued pursuant to duly completed Entitlement and Acceptance Forms will be allotted not later than 15 Business Days after the Closing Date. The Company may issue the New Shares progressively at any time after receipt of your Entitlement and Acceptance Form in accordance with the Corporations Act and ASX Listing Rules.

Where the number of New Shares granted is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the issue and allotment of the New Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on such bank account and each Applicant waives the right to claim any such interest.

A completed and lodged Entitlement and Acceptance Form together with a cheque for the application monies constitutes a binding and irrevocable application for a number of New Shares specified in the Form. The Form does not need to be signed to be a binding application.

If a Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as a valid application. The Director's decision as to whether to accept the application or how to construe, amend or complete it shall be final. However, an applicant will not be treated as having applied for more New Shares than is indicated by the amount of the cheque for the application monies.

## 1.9 **Stock Exchange Listing**

Application will be made for Official Quotation by ASX of the New Shares the subject of this Prospectus within 7 days after the date of the issue of this Prospectus. If approval is not granted by ASX before the expiration of three months after the date of issue of this Prospectus, the Company will not allot or issue any shares the subject of this Prospectus and all application monies received by the Company will be returned.

## 1.10 **Share Trading History**

The highest and lowest market price of the Company's Shares in ASX during the three months immediately preceding the date of this Prospectus and the respective dates of these sales and the last sale (on which sales occurred) on the Business Day immediately preceding the date of this Prospectus were:

	Shares	
	Value	Date
Highest	21.5	15/9/03
Lowest	2.8	29/7/03
Last	12.0	20/10/03

## 1.11 **Underwriting**

This issue is underwritten by Kefu Underwriters Pty Limited.

The Underwriter currently holds 901,001 shares in the Company at the date of this Prospectus.

If the Underwriter is issued the entire allotment of New Shares the subject of this Issue (there being no applications for New Shares by investors) the Underwriter's voting power in the Company will be 14.9%.

The details of the Underwriting Agreements are summarised in section 6.

**1.12 Minimum Subscription Level**

No minimum Subscription has been set for this Prospectus, as it is fully underwritten.

**1.13 Overseas Investors**

Investors resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed, to enable them to apply for New Shares.

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

**1.14 Dividends**

It is not envisaged that dividends will be paid in the foreseeable future. However, the Directors will consider on an ongoing basis whether or not to pay dividends to shareholders.

## 2. ACCEPTANCE OF OFFER

2.1 This Offer may only be accepted by validly completing the Entitlement and Acceptance Form accompanying this Prospectus and in accordance with the instructions referred to in this Prospectus and delivering it on or before the Closing Date to by delivery or by post to:

Advanced Share Registry  
Level 7  
200 Adelaide Terrace  
PERTH WA 6000

Advanced Share Registry  
PO Box 6283  
East Perth  
WA 6892

Completed Entitlement and Acceptance Forms must be accompanied by payment in full at six cents per New Share. Payment must be made by cheque in Australian Dollars, crossed “**Not Negotiable**” and made payable to “**Eagle Bay Resources NL Share Issue Account**”. Applicants must not forward cash. Receipts for payments will not be issued.

The Entitlement and Acceptance Form indicates your Entitlement for the number of New Shares you can apply for. The Entitlement and Acceptance Form also contains a section where you can apply for Additional Shares above your entitlement. The issue of Additional Shares is entirely at the discretion of the Directors of Eagle Bay Resources NL.

If an Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company’s decision as to whether to accept the application or how to construe, amend or complete it, shall be final, but no Applicant will be treated as having offered to purchase more New Shares or Additional Shares than is indicated by the amount of the cheque for application monies.

Directors will be excluded from oversubscribing

### 2.2 Taking up part only of your Entitlement

If you wish to take up part only of your Entitlement you must indicate in the space provided on the Entitlement and Acceptance Form the number of New Shares for which you wish to subscribe.

### 2.3 Entitlements not taken up

Entitlements not taken up by lodging the Entitlement and Acceptance Form with the Company by the Closing Date will lapse.

### 2.4 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement please contact:

Advanced Share Registry  
Level 7  
200 Adelaide Terrace  
PERTH WA 6000  
Telephone: (08) 9221 7288

### **3. RIGHTS ATTACHING TO NEW SHARES**

All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally in all respects with the Company's existing Shares.

The Constitution of the Company sets out the rights attaching to Shares which will apply to the New Shares and copies of the Constitution are available for inspection at the Company's registered office during normal business hours, without charge.

The following is a summary of the rights, which attach to the Company's Shares.

#### **Voting rights**

- (a) Subject to paragraph (b), the Listing Rules and 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:
- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative:
  - (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
  - (iii) 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 shall be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable, excluding amounts credited, provided that amounts paid in advance of a call are ignored when calculating a true proportion.
- (b) In the event of a breach of the Listing Rules relating to restricted securities or of any escrow agreement entered into by the Company under the Listing Rules in relation to any shares which are classified under the Listing Rules or by ASX as restricted securities, the member holding the shares in question shall cease to be entitled to any voting rights in respect of those shares for so long as the breach subsists.

#### **Dividends**

The Directors may from time to time declare a dividend to be paid to the shareholders entitled to the dividend. The dividend as declared shall (subject to certain provisions in relation to any restriction agreements as set out in the Constitution of the Company, the rights of any preference shareholders and to the right of the holders of any shares created or raised under any special

arrangement as to dividend) be payable on all shares in accordance with the Corporations Act.

### **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 such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

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 as paid up on the shares. Any share that is a Restricted Security which at the commencement of the winding up is subject to an escrow agreement entered into by the Company, will rank after all other shares.

### **Issue of Shares**

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, shares for the time being unissued shall be under the control of the Directors, and subject to the Corporations Act, the Listing Rules and the Constitution of the Company, the Directors may at any time and from time to time issue such number of shares either as ordinary shares or shares of a named class or classes (being either an existing class or a new class) and with such preferred, deferred or other special rights or such restrictions, whether with regard to dividend, return of capital, or otherwise, and whether as preference shares that are or at the option of the Company are liable to be redeemed, as the Directors shall, in their absolute discretion determine.

### **Transfer of Shares**

Subject to the Constitution of the Company, the Corporations Act and the Listing Rules, ordinary shares in Eagle Bay Resources NL are freely transferable.

### **Variation of Rights**

Subject to the Listing Rules, if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation of rights shall also be subject to the

Corporations Act. The provisions of the Constitution of the Company relating to general meetings shall apply so far as they are capable of application and with necessary alterations to every such separate meeting except that a quorum is constituted by three persons of the class.

#### 4. EFFECT OF THE ISSUE

##### 4.1 Principal Effect

The immediate effect of the Issue will be to increase cash reserves by approximately \$1,355,129 (less the expenses of the Issue, approximately \$87,000).

##### 4.2 Consolidated Statement of Financial Position and Pro Forma Statement of Financial Position

An Annual Report audited by the auditors for the year ended 30 June 2003 has been released to the ASIC and ASX. Set out below is the Consolidated Statement of Financial Position extracted from that Annual Report plus two proforma statements of financial position. Proforma A is based on the Annual Report and takes into account the recent issue of 17,600,000 shares at 6 cents raising \$1,056,000 less estimated expenses of the Issue of \$74,000, net \$982,000. Proforma B is based on the Annual Report and takes into account this recent capital raising and shows the impact of this Issue, 22,585,489 shares at six cents each raising \$1,355,129 less expenses of \$87,000, net \$1,268,129.

	Audited 30 June 2003 Report \$	Pro Forma A (which shows the impact of the recent placement of 17.6 million shares subscribed in full at 6 cents) 30 June 2003 \$	Pro Forma B (which assumes completion of the recent placement plus this Issue) 30 June 2003 \$
<b>CURRENT ASSETS</b>			
Cash	765,432	<b>1,747,432</b>	3,015,561
Receivables	20,506	<b>20,506</b>	20,506
<b>TOTAL CURRENT ASSETS</b>	<b>785,938</b>	<b>1,767,938</b>	<b>3,036,067</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	206,018	<b>206,018</b>	206,018
Exploration expenditure	1,919,989	<b>1,919,989</b>	1,919,989
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,126,007</b>	<b>2,126,007</b>	<b>2,126,007</b>
<b>TOTAL ASSETS</b>	<b>2,911,945</b>	<b>3,893,945</b>	<b>5,162,074</b>
<b>CURRENT LIABILITIES</b>			
Payables	67,085	<b>67,085</b>	67,085
<b>TOTAL CURRENT LIABILITIES</b>	<b>67,085</b>	<b>67,085</b>	<b>67,085</b>
<b>TOTAL LIABILITIES</b>	<b>67,085</b>	<b>67,085</b>	<b>67,085</b>
<b>NET ASSETS</b>	<b>2,844,860</b>	<b>3,826,860</b>	<b>5,094,989</b>
<b>EQUITY</b>			
Contributed Equity	14,229,869	<b>15,211,869</b>	16,479,998
Accumulated Losses	(11,385,009)	<b>(11,385,009)</b>	(11,385,009)
<b>TOTAL EQUITY</b>	<b>2,844,860</b>	<b>3,826,860</b>	<b>5,094,989</b>



#### 4.3 **Capital Structure**

(a) Current capital structure:

The Company currently has on issue 135,512,935 Shares.

The Company also has currently on issue 100,000 unlisted options exercisable at 39 cents on or before 24 November 2005.

(b) Impact of the Issue

After the Issue the Company will have on issue (assuming the 100,000 unlisted options are not exercised):

- 158,098,424 Shares;
- 100,000 unlisted options exercisable at 39 cents on or before 24 November 2005.

## **5. RISK FACTORS**

Whilst the Directors commend this Offer, it is strongly recommended that Eligible Subscribers examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus. In addition, Eligible Subscribers should be aware that there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the major risk factors which investors need to be aware of:

### **5.1 Share Market Conditions**

As the Company is listed on ASX, its Share Price is subject to numerous influences which may affect both the trend in the share market and the share prices of individual companies.

### **5.2 Economic Conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as wars, currency fluctuations, inflation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and share market prices. The Company's future possible revenue and share prices can be affected by these factors, all of which are beyond the control of the Company and the Directors. In addition the Company's ability to raise additional capital, should it be required, may be affected.

### **5.3 Operational Risk**

By its nature, the business of exploration, mineral development and production contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and efficient financial management. For its part, exploration is a speculative endeavour, while mining operations can be hampered by circumstances beyond the control of the Company which may cause cost overruns.

### **5.4 Native Title**

Native Title may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensation may be payable to Native Title claimants.

### **5.5 Environmental Risks**

Requirements to obtain environmental approvals may delay exploration and production. Exploration programs impact on the environment. Although these impacts are minimised by the Company's application of best practice principles, compensation may be payable for any damage caused to the environment.

## 5.6 Government Policy

Industry profitability can be affected by changes in government policy relating to exploration and production which are beyond the control of the Company.

## 5.7 War

The Underwriters cannot terminate the Underwriting Agreements in the event of war. In the event of war or a legal withdrawal by the Underwriter the Company will drill the Myall Creek copper/gold deposit but may minimise other activities in the best interests of the Company, depending on the amount of funds received.

The above factors and others not specifically referred to may in the future materially affect the financial performance of the Company and accordingly an investment in the Company should be considered speculative.

## 6. MATERIAL CONTRACTS

### Underwriting Agreement

The Company has entered into an Underwriting Agreement with Kefu Underwriters Pty Limited (the Underwriter). The Underwriting Agreement is for the underwriting of both the recently completed placement and this non renounceable pro rata issue.

The Recitals in the Underwriting Agreement, which was entered into immediately prior to the recent placement of 17.6 million shares at 6 cents each, are reproduced as follows:

#### ***Recitals in Underwriting Agreement***

**(A)** *The Company has on issue, at the time of lodgement of the first Prospectus to place 17.6 million shares @ 6 cents the following securities:*

- (a) 117,912,935 Shares; and*
- (b) 100,000 Options exercisable at 39 cents each on or before 24 November 2005.*

**(B)** *The Company proposes to issue on the terms and conditions contained in the first Prospectus 17,600,000 Shares at an issue price of 6 cents per Share through a placement with the right to accept subscriptions at the discretion of the Underwriter to raise \$1,056,000.*

*The first Prospectus will issue shares under the "15% rule" which ability to place will be renewed with shareholders approval shortly afterwards. The first Prospectus will be a continuous disclosure short form Prospectus with compliance details and a single page Chairman's address and will be registered five business days after the signing of this agreement.*

**(C)** *Following the receipt of funds from the first Prospectus the Company will have on issue, at the time of lodgement of the second Prospectus the following securities:*

- (a) 135,512,935 Shares; and*

(b) 100,000 Options exercisable at 39 cents each on or before 24 November 2005.

(D) The second Prospectus proposes to issue on the terms and conditions contained in the second Prospectus approximately 22,585,489 Shares at an issue price of 6 cents per Share to raise A\$1,355,129.34 through a pro rata non renounceable rights issue to Shareholders on the basis of one Share for every existing six Shares held by Shareholders with the right to accept oversubscriptions by Shareholders at the discretion of the Directors of the Company.

*This second Prospectus with compliance details and a single page Chairman's address and will be registered five days after receipt of funds by the company pursuant to the first Prospectus.*

(E) The Company has requested the Underwriter to underwrite the issue. The Underwriter has agreed to underwrite both Prospectus' on the terms of this Agreement, to raise a total of A\$2,411,129.34 by the issue of 40,185,489 Shares at 6 cents per Share.

### **Termination Events**

The Underwriting Agreement can be terminated by the Underwriter if a termination event occurs and the Underwriter forms the reasonable opinion in good faith that the termination event has or could have a material adverse effect on the prospect of the Issue, the subsequent market for Shares or the condition, trading, financial position, performance, profits and losses or prospects of the Company. The termination events are:

- the Company is in breach of any provision of the Underwriting Agreement (whether or not the same is expressed to be a condition) and such failure is not remedied to the satisfaction of the Underwriter prior to the issue of the shortfall notice;
- any of the representations, warranties or undertakings given by the Company cease to be, or are found not to have been, true and correct in all material respects;
- there is a misstatement or inaccuracy in, or omission from, the Prospectus (including but not limited to, any representation with respect of any future matter) which is or becomes misleading or deceptive in any material respect;
- there is a material adverse change in the financial position or prospects of the Company;
- the Company withdraws the Prospectus;
- the occurrence of an event as described in section 652C of the Corporations Act in relation to the Company, as though the Company were a target company other than any allotment or issue of securities, and any grant of security contemplated in the Prospectus;

- an application is made by ASIC for an order under section 1324B of the Corporations Act in relation to the prospectus and that application has not been dismissed or withdrawn;
- the Prospectus does not comply with sections 710, 711 or any other relevant provision of the Corporations Act;
- there is a refusal or omission to lodge a Supplementary Prospectus in relation to the Prospectus which, in the reasonable opinion of the Underwriter, is required to be lodged in accordance with Part 6D.2 of the Corporations Act;
- any Supplementary Prospectus is lodged with ASIC in relation to the Prospectus which:
  - in the reasonable opinion of the Underwriter may have a Material Adverse Effect on the Offer; or
  - is lodged without the prior written approval of the Underwriter;
- any party withdraws written consent to the inclusion of statements made by it in the Prospectus pursuant to section 716 of the Corporations Act;
- a stop order or interim stop order or notice of intention to hold a hearing being issued by the ASIC in relation to the Prospectus or any supplementary prospectus relating thereto, in accordance with section 739 of the Corporations Law;
- a resolution is passed, proceedings being commenced or an order of made by a court competent jurisdiction for the winding up of the Company;
- a receiver or receiver and manager or administrator or other controller is appointed to all or any part of the assets or undertaking of the Company;
- the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intention or is endeavouring to do so;
- the Company suspends payment of its debts or is unable to pay its debts within the meaning of section 95A of the Corporations Act;
- ASIC commences or the Company or the Underwriters become aware of, the intention to commence an investigation under the Australian Securities and Investments Commission Act 2001 into all or any part of the Company;
- a provisional liquidator is appointed to the Company;
- an inspector is appointed pursuant to the Corporations Act to investigate all or any part of the affairs of the Company;

- the Company or an officer of the Company is charged with or convicted of an offence in relation to the Company's constituent documents or any law relating to companies or securities of the ASX Listing Rules or any indictable offence relating to any financial or corporate matter;
- if without the prior consent of the Underwriter, which consent will not be unreasonably withheld, a material contract is terminated (whether by breach or otherwise), rescinded, altered or amended or any such contract is found to be void, voidable, or unenforceable;
- the Company alters or announces an intention to alter its capital structure or its Constitution without the prior consent of the Underwriters, which shall not be unreasonably withheld;
- ASX refuses, does not grant on terms acceptable to the Underwriter, or withdraws approval for the granting of the official quotation for the New Shares comprising the Offer or ASX makes a statement to that effect to the Company, the Underwriter or any other person;
- ASX refuses, does not grant on terms acceptable to the Underwriter, or otherwise withdraws approval for the Company to be admitted to the official list or ASX makes a statement to that effect to the Company, the Underwriter or any other person;
- the oil price as published in the Australian Financial Review falls below US\$25 /barrel or the gold price as published in the Australian Financial Review falls below US\$325/ounce ;
- the All Ordinaries Index of ASX or the Dow Jones Industrial Average or the NASDAQ Index falls by more than 10% of the level at the date the Underwriting Agreement was entered into;
- the adoption of or announcement by or on the authority of the United States of America or Australian Governments of the following:
  - any change in fiscal or monetary or taxation policy which in the Underwriter's opinion acting reasonably would materially and adversely affect companies generally or the Company in particular or investment in stocks and shares generally including but not limited to any change which is likely to materially affect interest rates; or
  - any law or prospective law or other measure having the effect or restraining capital issues corporate profits or foreign investment.
- any warranty or representation or any public statement made by the Company in relation to the Offer is or becomes false, misleading or incorrect in any material respect;
- if the Company during the term of this Agreement, disposes of or agrees to dispose of the whole or any substantial part of its business or

property without the prior written consent of the Underwriter (which must not be unreasonably withheld), except in the ordinary course of business for full market consideration;

- the Company gives a security in favour of any person who is not a security holder at the date of this Agreement or gives any additional security to any existing security holder without the prior written consent of the Underwriter, which must not be unreasonably withheld;
- the Company (whether directly or indirectly or through its agents) makes any statement or communicates, publishes, broadcasts or issues by any means any notice, circular or advertisement (whether or not in writing) relating to the Company, the Offer or the Prospectus which is materially prejudicial to the prospect of the Underwritten Shares being fully exercised (by persons other than the Underwriter) without the approval of the Underwriter (which must not be unreasonably withheld, although the Underwriter will be entitled to insist as a condition of any approval that it is named as Underwriter with reasonable prominence in any such statement, notice, circular or advertisement).

### **Underwriting Fee**

The Company will pay the Underwriters an underwriting fee equal to 5% of the total amount underwritten of \$2,411,129.34 (plus GST). The Company will be required to reimburse the Underwriters' reasonable legal expenses and costs incurred in relation to the Underwriting Agreement.

### **Sub Underwriters**

The Underwriters are permitted to seek sub-underwriters.

### **Indemnifications & Warranties**

The Company has indemnified the Underwriter against any loss or damage arising from non-compliance with or a breach of any legal requirement or the Listing Rules in relation to the Prospectus, any statements, mis-statement, mis-representation, non-disclosure, inaccuracy or omission from the Prospectus or any breach by the Company of the Underwriting Agreement.

The Company has provided the usual warranties including as to its capacity and this Prospectus. The Company has also provided warranties that it holds all licenses and approvals necessary to enable it to conduct its business, that except as disclosed to the Underwriter prior to lodgement of this Prospectus, there is no pending or threatened litigation against the Company, and that the Company has complied with the Corporations Act.

## 7. ADDITIONAL INFORMATION

### Interests of Directors

The following persons hold office as directors of Eagle Bay Resources N.L. at the date of this Prospectus.

<b>Anthony Rechner BSc, MAusIMM</b>	<b>Chairman</b>
<b>Richard Edward Diermajer Dip. Leg. Stud.</b>	<b>Executive Director</b>
<b>James Benton Craib JP CPA</b>	<b>Non-executive Director</b>
<b>Terrence George Salotti FAIM, FAICD</b>	<b>Non-executive Director</b>

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now or has had in the two year period ending on the date of this Prospectus, any interest in:

- (a) the formation or promotion 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; or
- (c) the offer of the securities.

Except as disclosed in this Prospectus, no amount of any kind (whether in cash or shares or otherwise) has been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with the promotion or formation of the Company or the offer of the securities.

As at the date of this Prospectus the Directors hold the following beneficial interests in the capital of the Company:

	<b>Shares in own name:</b>	<b>Shares in other names:</b>
A. Rechner	51	9,089,651
R. E. Diermajer	-	2,582,315
J. B. Craib	37,200	1,109,500
T.G. Salotti	352,588	-



Directors' remuneration for the last two financial years is as follows:

	Consulting Fees		Directors fees and superannuation thereon		Value of fringe benefits received	
	2002	2003	2002	2003	2002	2003
A. Rechner	189,000	<b>189,000</b>	15,000	<b>15,000</b>	37,732	<b>5,159</b>
R.E. Diermayer	63,000	<b>63,000</b>	15,000	<b>15,000</b>	1,033	<b>939</b>
J.B. Craib	-	-	15,000	<b>15,000</b>	-	-
T.G Salotti	-	-	15,000	<b>15,000</b>	-	-

Amounts paid, or due and payable, include all consulting and directors fees paid to Directors (or their associates) but excludes any reimbursement of out of pocket expenses incurred by Directors in the normal course of performing their duties as a Director.

### Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter, or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

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

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash or Shares or Options or otherwise) have been paid or agreed to be paid to any expert, promoter, the Broker to the Offer or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or offer of the securities.

PKF has acted as auditor to the Company. The Company has paid fees totalling \$40,963 in the last 2 years to PKF, for auditing and related services.

## **Consents**

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with ASIC:

### **(a) Advanced Share Registry**

Advanced Share Registry has given its consent to be named as the Share Registry of the Company in this Prospectus and has not withdrawn such consent before lodgement of this Prospectus with ASIC. Advanced Share Registry has not been involved in the preparation of any part of this Prospectus other than this paragraph and the references in this Prospectus to its name, and specifically disclaims liability to any person in respect of any misleading or deceptive statement in, or omission from, any part of this Prospectus.

### **(b) PKF**

PKF has given its consent to be named as the Auditor to the Company in this Prospectus and has not withdrawn such consent before lodgement of this Prospectus with ASIC. PKF has not been involved in the preparation of any part of this Prospectus other than this paragraph and the references in this Prospectus to its name, and specifically disclaims liability to any person in respect of any misleading or deceptive statement in, or omission from, any part of this Prospectus.

### **(c) Kefu Underwriters Pty Limited**

Kefu Underwriters Pty Limited has given its consent to be named as the Underwriter of the Issue in this Prospectus and has not withdrawn such consent before lodgement of this Prospectus with ASIC. Kefu Underwriters Pty Limited has not been involved in the preparation of any part of this Prospectus other than this paragraph and the references in this Prospectus to its name, and specifically disclaims liability to any person in respect of any misleading or deceptive statement and or omission from any part of this Prospectus.

## **Continuous Disclosure**

Eagle Bay Resources N.L. is a “disclosing entity” under the Corporations Act 2001 and as such, is subject to regular reporting and disclosure obligations under the Listing Rules of the ASX. Having taken such precautions and 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 twelve months immediately prior to the issue of this Prospectus) which required the Company to notify ASX of information about specified events or matters as they arose for the purpose of ASX making that information available to the stock market conducted by ASX.

Section 713 of the Corporations Act 2001 enables companies to issue “continuously quoted prospectuses” where those companies are, and have been for a period of 12 months, a “disclosing entity” and subject to the continuous disclosure regime provided for in the Corporations Act 2001 and ASX Listing Rules.

In general terms, “continuously quoted 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 those securities. It is not necessary to include general information in relation to all the assets and liabilities, financial position, profit position, profit and losses or prospects of the issuing company.

The Company maintains files containing publicly disclosed information about itself. These files are available for inspection at the Company’s registered office during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any Regional Office of ASIC.

Information which 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 whom so requests during the period that this Offer remains open.

- (a) Quarterly Report            March 2003
- (b) Quarterly Report            June 2003
- (c) Annual Report                30 June 2003
- (d) All announcements made since lodgement of the annual financial report for the year ended 30 June 2003 on 19 September 2003 and in addition all announcements made since 30 June 2003 being:

<b>Date</b>	<b>Details</b>
4/7/03	Exploration report to 4/7/03
4/9/03	Drilling Results Myall Creek Gold Project S.A.
10/9/03	Drilling Results Myall Creek Gold Project S.A.
15/9/03	Trading Halt
15/9/03	Response to ASX Query – Share Price
17/9/03	Change in substantial shareholding
19/9/03	Announcement of Underwriting Agreement – Placement and Pro Rata Issue
23/9/03	Change of Directors Interests (4)
25/9/03	Response to ASX Query regarding Announcements of 10/9/03 and 4/10/03 on Myall Creek
25/9/03	Response to ASX on late lodgement of change in directors interests
26/9/03	Prospectus & Appendix 3B for Placement of 17.6 m shares
26/9/03	Response to ASX Query re: 25 March 2003 Announcement
20/10/03	Response to ASX Query

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules that investors or their professional advisers would reasonably require for making an informed assessment of:

- The effect of the Issue on the Company; or
- The rights and liabilities attaching to the Shares offered pursuant to the Issue.

The following documents are also available for inspection during normal business hours at the Company's registered office:

- (a) this Prospectus;
- (b) the Company's Constitution; and
- (c) the consents of the parties referred to above.

#### **Expenses of the Issue**

The total expenses of the Issue are estimated to be \$87,000. These comprise;

• Share Registry fees	\$1,000
• ASIC lodgement fee	\$2,010
• ASX listing fees	\$5,822
• Printing and distribution of the Prospectus	\$5,000
• Underwriting Fee	\$67,756
• Legal fees	\$5,000
• Sundry fees and costs	\$412
<b>TOTAL</b>	<b>\$87,000</b>

## 8. GLOSSARY

In this Prospectus, the following terms and abbreviations have the following meanings, unless otherwise stated or the context otherwise requires:

**“Additional Shares”** means Shares which are subscribed for by Eligible Participants above their Entitlement by completing the additional shares section contained in the Entitlement and Acceptance Form.

**“Applicant”** means a subscriber for New Shares under this Prospectus;

**“ASIC”** means Australian Securities and Investments Commission;

**“ASX”** means Australian Stock Exchange Limited (ACN 008 624 691);

**“Closing Date”** means 21 November 2003;

**“Company”** means Eagle Bay Resources N.L. (ACN 051 212 429);

**“Directors”** means the directors of the Company;

**“Eligible Participant”** means a shareholder in the Company as at the Record Date;

**“Entitlement and Acceptance Form”** means the application form accompanying this Prospectus;

**“Entitlement”** means an Eligible Participant’s right under the Offer to apply for that number of New Shares that is equivalent to one share for every six shares held by that Eligible Participant as at the Record Date;

**“Issue”** means the offer and issue of New Shares pursuant to this Prospectus;

**“Listing Rules”** means the Official Listing Rules of ASX, as amended from time to time;

**“New Shares”** means the Shares offered pursuant to this Prospectus;

**“Offer”** means the issue of approximately 22,585,489 New Shares at an issue price of six cents per New Share offered pursuant to this Prospectus;

**“Prospectus”** means this Prospectus together with any replacement or supplementary prospectus;

**“Record Date”** means 30 October 2003;

**“Issue”** means the offer of New Shares to Eligible Participants of their Entitlement pursuant to this Prospectus;

**“Shares”** means fully paid ordinary shares in the Company.

**“Underwriter”** means Kefu Underwriters Pty Limited (A C N 089 945 568).

## **9. DIRECTORS RESPONSIBILITY STATEMENT**

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of New Shares pursuant to this Prospectus.

Signed for and on behalf of Eagle Bay Resources NL

A.Rechner  
**Chairman**

**UNDERWRITERS APPLICATION FORM**

**DO NOT COMPLETE THIS FORM UNLESS YOU ARE AN UNDERWRITER UNDER THE PROSPECTUS**

The Prospectus dated 21 October 2003 must accompany this Underwriters Application Form.

**EAGLE BAY RESOURCES N.L.  
A.C.N 051 212 429**

**REGISTERED OFFICE:**

FIRST FLOOR  
14 Outram Street  
WEST PERTH WA 6005  
Telephone: (08) 9481 3322  
Facsimile: (08) 9481 3330

**SHARE REGISTRY:**

Advanced Share Registry Services  
LEVEL 7  
200 Adelaide Terrace, Perth, WA 6000  
Telephone: (08) 9221 7288  
Facsimile: (08) 9221 7869

TO THE DIRECTORS,

AN ISSUE OF APPROXIMATELY 22,585,489 SHARES AT AN ISSUE PRICE OF 6 CENTS PER SHARE.

1) I/We apply for New Shares under the terms of the Prospectus dated 21 October 2003.

Shares requested ..... At 6 cents each = \$.....

2) I/We enclose my/our cheque for the amount above.

3) I/We hereby authorise you to place my/name (s) on the register in respect of the number of Shares allotted to me/us.

4) I/We agree to be bound by the Constitution of the Company.

5) My/Our contact number in case of enquires are below:

Name: .....

Address: .....

**Cheque Details:**

Name of Bank: \_\_\_\_\_ BSB: \_\_\_\_\_ A/C No: \_\_\_\_\_

Broker Sponsored Applicants Only – SBN/IPN..... HIN.....

Telephone: .....

Facsimile: .....

**NOTE;**

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSITUTE YOUR APPLICATION FOR NEW SHARES. NO SIGNATURE IS REQUIRED. PAYMENT IN FULL MUST BE LODGED WITH THE SHARE REGISTRY NO LATER THAN 5.00PM WST ON 5 DECEMBER 2003.

21 October 2003

Dear Shareholder

### **Non-Renounceable Pro rata Issue**

The Company has announced a capital raising by way of a 1 for 6 non-renounceable Pro rata issue. In accordance with the Listing Rules of the Australian Stock Exchange we are pleased to provide you with the following information about the issue.

Each shareholder registered on the Company's register of members as at 5.00pm, Western Standard Time on 30 October 2003 (the record date) will be entitled to subscribe for one (1) new fully paid ordinary share in the company for every six (6) ordinary shares held as at the record date, at a price of 6 cents per new share.

The number of new shares to be issued is approximately 22,585,489 new shares. The issue is fully underwritten. This would raise a maximum of \$1,355,129. New Shares issued as a result of entitlements taken up will be quoted on the Australian Stock Exchange and will rank equally with existing ordinary shares of the Company.

The proceeds from this capital raising will be used for exploration in VIC P47 and for the ongoing gold/copper exploration initiative.

A Prospectus will be sent to you on or about 31 October 2003. The closing date for receipt of acceptances and payments in full is 21 November 2003.

If you wish to take up your entitlement in full or in part, your completed Entitlement and Acceptance Form (which will be mailed to you with the Prospectus) and cheque must reach the Company's share registry, Advanced Share Registry Services by no later than 5.00pm Western Standard Time on 21 November 2003.

Please call the Company should you have any queries or alternatively consult your professional adviser.

**For and on behalf of  
Eagle Bay Resources N.L**

Anthony Rechner  
Chairman



21 October 2003

Dear Optionholder

### **Non-Renounceable Pro-rata Issue**

The Company has announced that it will be offering its shareholders a Non-Renounceable Pro-rata Issue to raise approximately \$1,355,000. The proceeds of this capital raising will be used for exploration in VIC P47 and for the ongoing gold/copper exploration initiative.

The Company has set the Record Date of 30 October 2003 for the purposes of determining security holders entitled to participate in the Non-Renounceable Pro-rata Issue.

The Non-Renounceable Pro-rata Issue is being offered to holders of EBR ordinary shares, as determined at the Record Date, on a 1:6 basis, at an issue price of 6 cents per New Share.

In order for Optionholders to be able to participate in the Non-Renounceable Pro-rata Issue, they will need to exercise their Options **prior** to the Record Date.

If you do not understand this letter you should consult your professional advisor.

For and on behalf of  
**Eagle Bay Resources N.L**

Paul Fromson  
Company Secretary

# Appendix 3B

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

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

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

EAGLE BAY RESOURCES NL

ABN

14051212429

We (the entity) give ASX the following information.

### Part 1 - All issues

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

- |   |  |                                       |
|---|--|---------------------------------------|
| 1 | +Class of +securities issued or to be issued   | Fully Paid Ordinary Shares            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 22,585,489 Ordinary Fully Paid Shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | N/A                                   |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>YES</p>				
<p>5 Issue price or consideration</p>	<p>Six (6) cents each</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pursuant to a Non-Renounceable Pro-rata Issue on the basis of one new share for every six shares held at the record date.</p> <p>Purpose includes:</p> <ul style="list-style-type: none"> <li>• exploration in VIC P47</li> <li>• ongoing gold-copper initiative</li> <li>• Funds for working capital.</li> </ul>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>No later than 15 business days after applications closing date.</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">158,098,424</td> <td style="text-align: center;">Ordinary Fully Paid Shares</td> </tr> </tbody> </table>	Number	+Class	158,098,424	Ordinary Fully Paid Shares
Number	+Class				
158,098,424	Ordinary Fully Paid Shares				

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+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	100,000	Unlisted options exercisable at 39 cents each by November 2005
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	NO
12 Is the issue renounceable or non-renounceable?	Non-Renounceable
13 Ratio in which the +securities will be offered	One New Share for every six shares held.
14 +Class of +securities to which the offer relates	Ordinary Fully Paid Shares
15 +Record date to determine entitlements	30 October 2003
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	Fractions rounded up.
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19 Closing date for receipt of acceptances or renunciations	21 November 2003

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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20	Names of any underwriters	Kefu Underwriters Pty Limited
21	Amount of any underwriting fee or commission	\$67,756
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	31 October 2003
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	21 October 2003
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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+ See chapter 19 for defined terms.

- 32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)?
- 33 <sup>+</sup>Despatch date

### Part 3 - Quotation of securities

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

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities – N/A

*Tick to indicate you are providing the information or documents*

- 35  If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders
- 36  If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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**Entities that have ticked box 34(b)**

38 Number of securities for which  
 +quotation is sought 

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39 Class of +securities for which  
 quotation is sought 

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40 Do the +securities rank equally in all  
 respects from the date of allotment  
 with an existing +class of quoted  
 +securities?

If the additional securities do not  
 rank equally, please state:

- the date from which they do
- the extent to which they  
 participate for the next dividend,  
 (in the case of a trust,  
 distribution) or interest payment
- the extent to which they do not  
 rank equally, other than in  
 relation to the next dividend,  
 distribution or interest payment

--

41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end of  
 restriction period

(if issued upon conversion of  
 another security, clearly identify that  
 other security)

--

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

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+ See chapter 19 for defined terms.

**Quotation agreement**

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

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

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

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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+ See chapter 19 for defined terms.



**Appendix 3B**  
**New issue announcement**

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Company secretary

Date: 21 October 2003

Print name:

PAUL FROMSON

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+ See chapter 19 for defined terms.