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ABN 22 057 793 834

6 August 2010

The Manager  
Company Announcements  
ASX Limited  
Level 45, 525 Collins Street  
Melbourne VIC 3000

Dear Sir/Madam,

**RE: PROSPECTUS – BCD RESOURCES NL (BCD)**

BCD will be issuing a Prospectus pursuant to section 713 of the Corporations Act 2001 (Cth).

Under the Prospectus, BCD will offer 1,000 shares at an issue price of 14.4 cents (*Offer*). The purpose of the Offer is to remove any trading restrictions that may have attached to shares previously issued by BCD as part of a placement to sophisticated and professional investors made in early July 2010.

The cleansing prospectus has been lodged with the ASIC today and will be available after lodgement on the ASX website [www.asx.com.au](http://www.asx.com.au) and also on BCD's website [www.bcdresources.com.au](http://www.bcdresources.com.au).

The funds raised will be put towards the costs of the Offer.

Yours faithfully,

**Brian Coulter**  
**Company Secretary**





**BCD RESOURCES NL**

**ABN 22 057 793 834**

## **PROSPECTUS**

For the issue of 1,000 shares  
at an issue price of 14.4 cents each  
to raise \$144.00

### **IMPORTANT NOTICE**

The Shares offered by this Prospectus should be considered a speculative investment and potential investors should refer to Section 6 for further details concerning the risk factors.

This document is important. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

Neither BCD Resources NL nor any other person guarantees the performance of the Shares offered pursuant to this Prospectus, or the performance of BCD Resources NL, or the return of any investment.

**BCD Resources NL****ABN 22 057 793 834****Directors**

Dr Denis E Clarke, Chairman, Non-Executive Director

Bill Colvin, Chief Executive Officer and alternate director for Dr Denis E Clarke

Kevin Perrin, Non-Executive Director

Dr Mohd Ajib Anuar, Non-Executive Director

Choo Mun Keong, Non-Executive Director

Michael W Trumbull, Non-Executive Director

Bill Tsingos, Non-Executive Director

**ASX Code**

BCD

**Company Secretary**

Brian D Coulter

**Registered Office**

Level 7, Exchange Tower  
530 Little Collins Street  
Melbourne VIC 3000

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**Legal Advisor**

Mills Oakley Lawyers

Level 6, 530 Collins Street

Melbourne VIC 3000

**T** (03) 9670 9111

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**Share Registry\***

Computershare Investor Services  
Pty Limited

452 Johnston Street

Abbotsford VIC 3067

**T** 1300 850 505

**F** (03) 9473 2500

\*Computershare Investor Services has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. It is named for information purposes only.

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# **1 Summary of Important Dates and Important Notes**

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## **1.1 Timetable and Important Dates**

|   |                   |
|---|-------------------|
| Lodgement of Prospectus with the ASIC and ASX     | 6 August 2010     |
| Opening Date                                      | 9 August 2010     |
| Closing Date*                                     | 10 September 2010 |
| Expected date of Official Quotation of the Shares | 17 September 2010 |

\*The Company reserves the right to extend the Closing Date or close the Offer early without notice.

## **1.2 Important Notices**

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 6 August 2010 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The Expiry Date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Shares 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. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering 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.

## **1.3 Risk Factors**

Eligible Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus. For further information in relation to the risk factors of the Company please refer to Section 6 of this Prospectus.

## **2 Details of the Offer**

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### **2.1 Offer**

By this Prospectus, the Company invites Eligible Shareholders to apply for a total of 1,000 Shares at an issue price of 14.4 cents per Share payable in full on application to raise \$144.00.

### **2.2 Objectives**

The Company is seeking to raise only a nominal amount of \$144.00 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date ("**Disclosure Shares**").

The Disclosure Shares comprise 14,818,182 Shares issued by the Company to sophisticated and professional investors at an issue price of 11 cents in the previous 3 months.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

### **2.3 Opening and Closing Dates of the Offer**

The Opening Date of the Offer will be 9 August 2010 at 9.00am AEST and the Closing Date will be 10 September 2010 at 5.00pm AEST. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

## **2.4 Application for New Shares**

An application for the New Shares may only be made by an Eligible Shareholder at the direction and invitation of the Company and must be made using an Application Form.

The Directors reserve the right to issue New Shares pursuant to this Offer at their absolute discretion. Accordingly, do not submit an Application Form unless directed to do so by the Directors.

A completed Application Form and accompanying cheque must be mailed or delivered to:

BCD Resources NL  
Level 7, Exchange Tower  
530 Little Collins Street  
MELBOURNE VIC 3000

A cheque should be made payable to “BCD Resources NL Shares Account” and crossed “Not Negotiable”. A completed Application Form must reach the Company by the Closing Date.

## **2.5 Allotment of the New Shares**

Allotment of the New Shares will take place as soon as practicable after the Closing Date. The Company will determine the allottee(s) of the New Shares and reserves the right to reject any Application.

Until allotment and issue of the New Shares, the Application Moneys will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Moneys will be for the benefit of the Company and will be retained by it irrespective of whether allotment and issue of the New Shares takes place.

## **2.6 ASX Listing**

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the Shares offered pursuant to this Prospectus. If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot the New Shares and will repay all Application Moneys (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares.

## **2.7 Minimum Subscriptions**

The minimum subscription to be raised pursuant to this Prospectus is \$144.00. In the event the minimum subscription is not achieved within four (4) months of the date of lodgement of the Prospectus with the ASIC, no New Shares will be issued to any of the applicants, all Application Moneys will be

returned and all applications will otherwise be dealt with in accordance with the Corporations Act.

## **2.8 Underwriter**

The Offer is not underwritten.

## **2.9 Restrictions on the Distribution of the Prospectus**

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

This Offer does not, and is not intended to, constitute an offer in any place of jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

This Offer is only open to Eligible Shareholders.

## **2.10 Clearing House Electronic Sub-Register (CHES) and Issuer Sponsorship**

The Company will not be issuing share certificates. The Company is a participant in CHES for those investors who have a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with separate statements (similar to a bank account statement) that set out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

## **2.11 Privacy Act**

Shareholders provide personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder 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's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share 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 (Cth) (as amended), the Corporations Act and certain rules such as the ASIC Settlement Rules.



You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

## **2.12 Enquiries**

Any questions concerning the Offer should be directed to the Company Secretary, Mr Brian Coulter on (03) 9909 7401.

### 3 Purpose and Effect of the Offer

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#### 3.1 Purpose of the Offer

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Disclosure Shares.

The effect of the Offer on the capital structure of the Company is set out below.

##### Shares

|   |  | <b>Number</b>      |
|---|--|--------------------|
| Shares currently on issue                           |  | 421,698,959        |
| Shares offered pursuant to the Offer                |  | 1,000              |
| <b>Total Shares on issue after the Closing Date</b> |  | <b>421,699,959</b> |

##### Other securities

|   |  | <b>Number</b>     |
|---|--|-------------------|
| Unlisted partly paid shares                                   |  | 3,250,000         |
| Options on issue  |  | 16,050,000        |
| Convertible Notes   |  | 8,250,000         |
| <b>Total other securities on issue after the Closing Date</b> |  | <b>27,550,000</b> |

##### Notes

After expenses of the Offer of approximately \$10,000, there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$144.00) will be met from the Company's existing cash reserves.

#### 3.2 Use of Funds

Gross proceeds of \$144.00 will be raised by this Offer. These funds will be applied towards the costs of the Offer.

#### 3.3 Financial effect

The issue of 1,000 Shares under this Prospectus will not have a material impact on the Company's financial position. For this reason, a pro-forma statement of financial position showing the financial effect of the Offer has not been included in this Prospectus.

## **4 Rights and Liabilities attaching to New Shares**

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### **4.1 Rights attached to New Shares**

New Shares will, once issued, rank equally with existing Shares. The rights attached to Shares are:

- (a) set out in BCD's Constitution which may be examined free of charge by appointment between 9.00am and 5.00pm on normal business days at the registered office of BCD at Level 7, 530 Little Collins Street, Melbourne, Vic, 3000; and
- (b) in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

Set out below is a summary of the principal rights attaching to Shares:

- (a) General meetings and notices

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

- (b) Voting rights

Each Share confers the right to vote at general meetings. On a show of hands, each person present, whether as a member, proxy, attorney or representative, has one vote. If a poll is held, each Share will confer one vote. Partly Paid Shares do not confer voting rights.

Where there are 2 or more joint holders of a Share and more than one of them is present at a general meeting, in person or by proxy, attorney or representative, and tender a vote in respect of the Share, BCD will count only one vote cast by, or on behalf of, the member whose name appears first in BCD's register of members.

- (c) Issue of further Shares

The Board may, on behalf of BCD, issue, allot or otherwise dispose of unissued Shares to any person on terms, with the rights, and at the times that the Board decides. However, the Board must act in accordance with the restrictions imposed by BCD's constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to the Shares in any special class of those shares.

- (d) Variation of rights

At present, BCD has on issue two classes of shares only; namely, Shares and Partly Paid Shares.

Subject to the Corporations Act, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the shares of the class.

(e) Winding up

If BCD is wound up, whether voluntarily or otherwise, and after distribution of assets to repay paid-up capital there remains assets available for distribution to shareholders, with the sanction of a special resolution, the liquidator may distribute the surplus to shareholders in proportion to the number of shares they hold, irrespective of the amount paid up on those shares. A member who is in arrears in a payment of any call is not entitled to share in a distribution of any surplus until the amount owing in respect of the call has been duly paid and satisfied.

(f) Dividends

Subject to BCD's constitution and the Corporations Act, the Board may resolve to pay any dividend it thinks appropriate and fix the time for payment. Each holder of Shares will participate fully in any dividends declared by BCD, irrespective of the amount paid or credited on the shares and provided no call is due and unpaid on the shares in respect of which the dividend is paid. The Partly Paid Shares carry no right to dividends while partly paid.

(g) Transfer of Shares

Generally, Shares in BCD are freely transferable, subject to satisfying the requirement of the ASX Listing Rules, the ASTC Rules, the ACH Clearing Rules and the Corporations Act. However, the registration of transfers may be declined if:

- BCD has a lien over the relevant Shares;
- it would result in a contravention of or failure to observe the provisions of any Australian law or the ASX Listing Rules; or
- the transfer would create a new shareholding of less than a marketable parcel (as defined in the ASX Listing Rules).

If BCD refuses to register a transfer, it must give the lodging party written notice of the refusal and the reasons for it within 5 business days after the transfer is delivered to BCD.

## **4.2 CHESS and BCD sponsorship**

BCD participates in CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules, the ASTC Settlement Rules and the ACH Clearing Rules. Holders of New Shares will not be issued a certificate but will be issued and sent a confirmation of their allotment of their holding of New Shares.

If you are a sponsored holder in CHESS, you will be sent a confirmation notice by the Share Registry which will set out the number of New Shares issued to you under this Prospectus and provide details of your HIN (holder identification number).

If you are registered on the issuer sponsored sub-register, your holding statement will contain the number of New Shares issued to you under this Prospectus and your SRN (securityholder reference number).

A CHESS holding statement or issuer sponsored holding statement will otherwise be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

## **5 Continuous Disclosure Obligations**

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### **5.1 Nature of this Prospectus**

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities to issue a prospectus with less rigorous disclosure requirements if:

- (a) the securities offered by the prospectus are in a class of securities that have been quoted securities at all times in the 3 months before the date of the prospectus; and
- (b) the company is not subject to certain exemptions or declarations prescribed by the Corporations Act.

Securities are quoted securities if:

- (a) the company is included in the official list of ASX; and
- (b) the ASX Listing Rules apply to those securities.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information necessary to make an informed assessment of:

- (a) the effect of the Offer on BCD; and
- (b) the rights and liabilities attaching to the New Shares offered by this Prospectus.

As BCD has been listed on ASX since March 1993, a substantial amount of information concerning BCD has previously been notified to ASX and is therefore publicly available.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to BCD which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Eligible Shareholders should therefore also have regard to the other publicly available information in relation to BCD before making a decision whether or not to invest in the New Shares. Information can be accessed from ASX or via BCD's website at [www.bcdresources.com.au](http://www.bcdresources.com.au).

### **5.2 Regular reporting and disclosure obligations**

BCD is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require BCD to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by ASX. In particular, BCD has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning BCD which a reasonable person would expect to have a material effect on the price or value of securities in BCD.

BCD is also required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an auditor's report.

All announcements made by BCD are available from ASX.

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

BCD believes there is no other information that Shareholders or investors would reasonably require for the purposes of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of BCD and the rights and obligations attaching to the New Shares under this Prospectus, which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules.

### 5.3 Your right to obtain copies of BCD's documents

Copies of any documents in relation to BCD which are lodged with ASIC may be obtained from, or inspected at, an ASIC office.

During the period that the Offer remains open, BCD will provide copies of the following to any person on request, free of charge:

- (a) BCD's annual financial report for the year ended 30 June 2009 being the last annual financial report that has been lodged with ASIC before lodgement of this Prospectus;
- (b) BCD's financial report for the half-year ended 31 December 2009 lodged with ASIC after the lodgement of the annual report referred to in paragraph (a) and before the date of lodgement of this Prospectus; and
- (c) any continuous disclosure notices used to notify ASX of information relating to BCD between 16 October 2009 (being the date of lodgement of the financial report referred to in paragraph (a) with ASIC) and the date of lodgement of this Prospectus.

The following documents were lodged by BCD with ASX during this period:

| <b>Title of Notice as lodged with ASX</b>                | <b>Lodgement Date</b> |
|--|-----------------------|
| Quarterly Activities Report                              | 30/07/2010            |
| Bendigo and BCD merger presentation                      | 22/07/2010            |
| BCD and Bendigo Merger Presentation                      | 22/07/2010            |
| Notice of initial substantial shareholding from BDG      | 22/07/2010            |
| BCD and Bendigo to Merge                                 | 22/07/2010            |
| Bendigo and BCD merger announcement                      | 22/07/2010            |
| Updated Presentation                                     | 22/07/2010            |
| Trading Halt   | 21/07/2010            |
| Appendix 3B  | 05/07/2010            |
| \$1.6 Million Capital Raising                            | 05/07/2010            |
| Appointment of Alternate Director                        | 02/07/2010            |
| Trading Halt   | 01/07/2010            |
| Change of Director's Interest Notice                     | 25/06/2010            |
| 66,000 oz of High Grade Resources added at Tasmania Mine | 28/05/2010            |
| Updated Investor Presentation                            | 19/05/2010            |
| Best Tasmania Reef gold intersection since 1983          | 17/05/2010            |
| Quarterly Activities Report                              | 30/04/2010            |
| Tasmania Mine Exploration Update                         | 20/04/2010            |
| BCD Investor Presentation                                | 30/03/2010            |
| Production Update  | 12/03/2010            |

|  |            |
|--|------------|
| Half Yearly Report and Accounts                        | 19/02/2010 |
| Change of Director's Interest Notice                   | 17/02/2010 |
| Quarterly Activities Report                            | 28/01/2010 |
| Increases in Tasmania Mine Gold Resources and Reserves | 21/01/2010 |
| New Website  | 16/12/2009 |
| Investor Presentation December 2009                    | 09/12/2009 |
| Results of Meeting                                     | 17/11/2009 |
| CEO's Presentation to AGM                              | 16/11/2009 |
| Chairman's Address to AGM                              | 16/11/2009 |
| Quarterly Activities Report                            | 30/10/2009 |
| Annual Report to shareholders                          | 16/10/2009 |
| Notice of Annual General Meeting / Proxy Form          | 16/10/2009 |

#### **5.4 Documents available for inspection**

The following documents are available for inspection during normal business hours at the registered office of BCD:

- (a) this Prospectus;
- (b) the constitution of BCD; and
- (c) the consent referred to in section 7.3 of this Prospectus.



## **6 Risk Factors**

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### **6.1 General**

There are a number of factors, both specific to BCD and of a general nature, which may affect the future operating and financial performance of BCD and the value of an investment in BCD.

Some of these factors can be mitigated by the use of safeguards and appropriate commercial action. However, many are outside the control of BCD and cannot be mitigated.

This section describes certain risks associated with an investment in BCD. Prior to making an investment decision, Eligible Shareholders should carefully consider the following risk factors, as well as the other information contained in this Prospectus.

### **6.2 Share Investment**

Eligible Shareholders should be aware that there are risks associated with investment in shares of companies listed on a stock exchange. The value of Shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, variations in the operating costs and costs of capital replacement which BCD may in the future require. Accordingly, assuming that the New Shares are granted official quotation by ASX, they may trade on ASX at higher or lower prices than the issue price.

Similarly, the level of dividends which will be paid in respect of BCD shares can move either up or down and it is possible that BCD may not be able to pay any dividends.

Each Eligible Shareholder should consider whether shares are a suitable investment for them before deciding to invest in the New Shares. Any Eligible Shareholder in doubt about investing in shares should consult their stockbroker, accountant, lawyer or other professional adviser immediately.

### **6.3 Economic risks**

#### **(a) Economic risk and external market factors**

Factors, such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on BCD's operating costs, profit margins and share price. These factors are beyond the control of BCD and BCD cannot, to any degree of certainty, predict how they will impact on BCD.

#### **(b) War and terrorist attacks**

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of BCD.

(c) Gold price volatility

BCD's revenue is dependent on the international gold price. The international gold price may be cyclical and volatile. The international gold price is affected by numerous factors beyond BCD's control. In the past three years the international gold price has varied between US\$650 and US\$1260 per ounce. A sharp reduction in the international gold price could substantially reduce the profitability of BCD's revenue from gold production.

#### **6.4 Specific risks**

(a) Profitability

Future operating results depend to a large extent on management's ability to successfully manage full expansion and growth, which necessarily requires rapid expansion of all aspects of the business operations, such as revenue forecasting, addressing new markets, controlling expenses, implementing infrastructure and systems and managing its assets. Inability to control the costs and organisational impacts of business growth or an unpredicted decline in the growth rate of revenues without a corresponding and timely reduction in expense growth or a failure to manage other issues arising from growth could materially adversely affect BCD's operating results.

(b) On-going capital requirements for BCD

If BCD requires access to further funding at any stage in the future, BCD may be adversely affected in a material way if, for any reason, access to that capital is not available. There can be no assurance that additional funds will be available. If additional funds should be raised by issuing equity securities, this might result in dilution to the then existing Shareholders.

(c) Merger with Bendigo

BCD has entered into a Scheme Implementation Agreement with Bendigo in order to facilitate a merger between the two companies. Subject to the satisfaction of a number of conditions (detailed in BCD's announcement to the ASX dated 22 July 2010), if the Scheme is successful, BCD will become a wholly owned subsidiary of Bendigo. Consequently Shareholders will potentially be exposed to additional risks in respect of Bendigo for example, factors affecting Bendigo's business, financial performance, results of operations, cash flow and prospects. As required by the terms of the Scheme Implementation Agreement, Bendigo has consented in writing to BCD issuing this Prospectus and conducting the Offer of New Shares, but has had no involvement in the preparation of this Prospectus.

(d) Ability to attract personnel

BCD's success depends, in part, on its ability to identify, attract, motivate and retain additional suitably qualified management personnel. Competition for qualified staff is strong. The inability to access and retain the services of a sufficient number of qualified

staff could be disruptive to BCD's development efforts or business development and could materially adversely affect its operating results.

(e) Operating risk

The nature of exploration, mining and mineral processing involves hazards which could result in BCD incurring uninsured losses and liabilities to third parties. These could include rock falls, flooding, unfavourable ground conditions or seismic activity, ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected. The Directors believe that the risk of the BCD mine being flooded in the future is minimal given BCD's current operating practices.

(f) Insurance risk

The Directors believe that BCD has taken out insurance to cover specified risks. The BCD mine is not insured against all operational risks. BCD may incur uninsured losses or liabilities. In the event that insured losses or liabilities occurred, until insurance proceeds are received production may be lost, budgets for exploration, development and operations may be reduced and the value and tenure of BCD's assets may be reduced.

(g) Occupational health and safety risk

The operations of BCD involve occupational health and safety risk. For example, hazardous chemicals are stored and used at the BCD mine.

(h) Regulatory risk

The regulatory environment for BCD's operations could change in ways that could substantially increase BCD's liabilities, tax liability or costs of compliance. This could materially and adversely affect BCD's financial position.

(i) Equipment risk

The operations of BCD could be adversely affected if essential equipment failed. This could result in a shutdown of the BCD mine, and loss of production and significant repair costs.

## **6.5 Mining tenements**

There is a risk that BCD may lose title to mining tenements if conditions to which the tenements are subject are not complied with, including expenditure requirements. Mining tenements may be forfeited or have conditions imposed upon them for failure to meet government requirements or for breaches of tenement conditions. There are minimum expenditure requirements, periodic relinquishment requirements and lease and licence conditions. BCD may decide to surrender or relinquish areas of tenements as priorities change or to meet budgetary requirements.

## **6.6 Resource and Reserve estimates**

There is a risk that the mineral resources and ore reserves of BCD, which are estimated and published on a regular basis by BCD in accordance with ASX Listing Rules and the Australasian Code for Reporting of Mineral Resources and Ore Reserves, are incorrect. If those estimates are materially in excess of the recoverable mineral content of the tenements, the production and financial performance of BCD would be adversely affected.

## **6.7 Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Shares.

Therefore, the New Shares carry no guarantee with respect to the payment of dividends, returns of capital or their market value. Eligible Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to invest.

## 7 Additional Information

### 7.1 Directors' interests and benefits

- (a) Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director of BCD, and no firm in which a Director or proposed Director of BCD is a partner, holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:
- (i) the formation or promotion of BCD;
  - (ii) any property acquired or proposed to be acquired by BCD in connection with its formation or promotion or in connection with the Offer, or
  - (iii) the Offer,
- (b) and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed director of BCD:
- (i) to induce them to become, or to qualify them as, a Director; or
  - (ii) for services rendered by them in connection with the formation or promotion of BCD or in connection with the Offer.
- (c) Directors are not required under BCD's constitution to hold any shares in BCD.
- (d) The table below shows the interest of each Director (whether held directly or indirectly) in securities of BCD as at the date of this Prospectus:

| Director              | Fully Paid Shares | Partly Paid Shares | Options   |
|-----------------------|-------------------|--------------------|-----------|
| D E Clarke            | 1,099,750         | 1,000,000          | -         |
| M W Trumbull          | 6,584,831         | -                  | -         |
| W Tsingos             | 1,022,256         | 400,000            | -         |
| K J Perrin            | 4,300,000         | -                  | -         |
| Dato' Mohd Ajib Anuar | -                 | -                  | -         |
| Choo Mun Keong        | -                 | -                  | -         |
| Bill Colvin           | -                 | -                  | 3,200,000 |

- (e) Directors may hold the relevant interests in Shares shown above directly, or through holdings by companies, trusts or other persons with whom they are associated.

### 7.2 Interests of other persons

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no promoter of BCD holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of BCD;
- (b) any property acquired or proposed to be acquired by BCD in connection with its formation or promotion or in connection with the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of BCD or in connection with the Offer.

Mills Oakley Lawyers have provided various legal services and have or will receive professional fees of approximately \$10,000 for legal work undertaken by them in connection with the Offer and this Prospectus.

### **7.3 Consents**

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than as specified in this section;
- (c) has not made any statement on which a statement in this Prospectus is based, other than as specified in this section; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus other than the reference to its name and the statement (if any) included in this Prospectus with the consent of that party as specified in this section.

Mills Oakley Lawyers have given and, at the time of lodgement of this Prospectus, have not withdrawn their written consent to being named in this Prospectus as legal advisers to BCD in respect of the Offer in the form and context in which they are named.

### **7.4 Litigation**

Information about litigation BCD is currently involved in has been previously disclosed to the ASX as part of BCD's compliance with the ASX's continuous disclosure obligations.

### **7.5 Estimated Expenses of Offer**

The total expenses of the issue are estimated to be approximately \$10,000 comprising legal costs, printing and other administrative expenses, including ASIC fees.

### **7.6 Market Price of 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 the ASIC and the respective dates of those sales were:

Highest: 18.0 cents per Share on 17 May 2010

Lowest: 8.5 cents per Share on 7 May 2010.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 12.5 cents on 5 August 2010.

### **7.7 Electronic Prospectus**

Pursuant to Class Order 00/44, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic Application Form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic Application Form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on (03) 9909 7401 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The New Shares will only be issued on receipt of an Application Form issued together with this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **8 Director's authorisation**

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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 this 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 statement or 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 the ASIC or, to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board.

5 August 2010



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William Tsingos  
Director



## 9 Glossary

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|                                    |   |
|------------------------------------|---|
| <b>ACH Clearing Rules</b>          | The official clearing rules of the Australian Clearing House Pty Ltd ABN 48 001 314 503.  |
| <b>AEST</b>                        | Australian Eastern Standard Time.   |
| <b>Application</b>                 | Application for New Shares.   |
| <b>Application Moneys</b>          | Money received by BCD in respect of Applications.   |
| <b>ASTC</b>                        | ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532.   |
| <b>ASTC Settlement Rules</b>       | The official settlement rules of ASTC.  |
| <b>ASX</b>                         | ASX Limited ABN 98 008 624 691.   |
| <b>ASX Listing Rules</b>           | The official listing rules of the ASX.  |
| <b>BCD or Company</b>              | BCD Resources NL ACN 057 793 834.   |
| <b>Bendigo</b>                     | Bendigo Mining Limited ACN 005 674 073.   |
| <b>Board or Board of Directors</b> | The board of directors of BCD.  |
| <b>Business Day</b>                | A day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Melbourne, Australia.                     |
| <b>CHESS</b>                       | Clearing House Electronic Subregister System operated by ASTC   |
| <b>Closing Date</b>                | 5.00pm AEST on 10 September 2010.   |
| <b>Corporations Act</b>            | <i>Corporations Act 2001</i> (Cth).   |
| <b>Directors</b>                   | The directors of BCD.   |
| <b>Disclosure Shares</b>           | has the meaning set out in clause 2.2 of this Prospectus.   |
| <b>Eligible Shareholders</b>       | Shareholders whose registered address is in Australia as at the Opening Date and who are identified by the Directors and invited to apply for New Shares. |
| <b>Electronic Prospectus</b>       | The electronic copy of this Prospectus located at BCD's website at <a href="http://www.bcdresources.com.au">www.bcdresources.com.au</a> .                 |
| <b>New Shares</b>                  | The Shares to be issued in BCD under this Prospectus.   |
| <b>Offer</b>                       | The offer of up to 1,000 New Shares on the terms detailed in section 2.1 of this Prospectus.  |
| <b>Opening Date</b>                | 9.00am AEST on 9 August 2010  |
| <b>Partly Paid Shares</b>          | Shares paid up to \$0.01 in the capital of BCD with either \$0.34 or \$0.39 unpaid, as the case may be.   |
| <b>Privacy Act</b>                 | <i>Privacy Act 1988</i> (Cth).  |
| <b>Prospectus</b>                  | This prospectus of BCD.   |

**Shareholders**

Holders of Shares in BCD.

**Share Registry**

Computershare Investor Services Pty Limited  
ABN 48 078 279 277.

**Shares**

Fully paid ordinary shares in the capital of BCD.

# BCD RESOURCES NL

ACN 057 793 834

## APPLICATION FORM

**IMPORTANT:** Relating to a share issue by BCD Resources NL. Instructions for completing this form are set out below and on the reverse. This document is important. The Prospectus should be read in full before an application for New Shares is made. The Prospectus contains important information relevant to the decision to invest in BCD Resources NL. If you do not understand the Prospectus or this form, you should consult your professional adviser. Capitalised terms in this form have the same meaning as in the Prospectus.

### A Contact details

Name of Shareholder(s):

Address(es) of Shareholder(s):

\* This form will not be valid if the name(s) printed here are crossed out and another name substituted. You cannot use this form to change your address.

### B Number of Shares

Shares held on  
the Opening Date

As at 9.00pm AEST on  
9 August 2010

Number of New  
Shares applied for

Amount payable

Calculated at 14.4 cents per  
New Share

|  |  |    |
|--|--|----|
|  |  | \$ |
|--|--|----|

### C Cheque, money order or bank draft details

Please complete the details in the box below.

| Drawer | Bank | BSB | Account Number |
|--------|------|-----|----------------|
|        |      |     |                |

Cheques, money orders or bank drafts should be made payable to "BCD Resources NL Shares Account" and crossed "Not Negotiable" and be in Australian currency drawn on an Australian branch of a financial institution for the total amount payable. Do not forward cash.

#### DECLARATION

By submitting this Application Form, I/We declare that this form is completed and lodged according to the Prospectus and the instructions on the reverse of the form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of the Company. I/We warrant and represent to BCD that our subscription for the above securities will not cause the Company or me/us to violate the securities or other laws of any jurisdiction which may be applicable to this subscription for securities in the Company. If you do not indicate the number of New Shares accepted, the Company may treat you as applying for as many New Shares as your accompanying payment will meet.

Completing and forwarding this form to BCD, together with your payment for the number of New Shares accepted, constitutes a binding application for, and acceptance of, New Shares on the terms set out in the Prospectus. This form does not need to be signed to be binding.

**It is not necessary to sign or otherwise execute the Application Form**

## **INSTRUCTIONS**

### **Part A**

1. Enter the full name(s) of all legal entities that are to be recorded as the registered holder(s).
2. Enter the postal address for all communications from the Company.

### **Part B**

3. Enter the number of Shares you currently hold.
4. Enter the number of New Shares you wish to apply for.
5. Enter the total amount of Application Moneys payable. To calculate this amount, multiply the number of New Shares you are applying for by the issue price for each New Share.

### **Part C**

6. Enter the details of the cheque for payment of the Application Moneys.
7. Receipt of payment will not be acknowledged.

Please note that if an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it shall be final. An Application Form will not be treated as having offered to subscribe for more New Shares than is indicated by the amount of the accompanying cheque. Please return the completed Application Form (accompanied by a cheque for the Application Moneys) at any time prior to the Closing Date to the Company.

If you have received an Application Form without a complete and unaltered copy of this Prospectus, please contact the Company who will send you, free of charge, either a printed or electronic version of the Prospectus (or both).