

A.G.D. MINING LIMITED

A.B.N. 38 005 482 815



All Correspondence to:
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6 December 2005

Australian Stock Exchange (Melbourne) Ltd.
530 Collins Street
MELBOURNE VIC 3000

AGD Share Purchase Plan

Directors of AGD Mining (ASX Code: AGZ) advise that they have today resolved to offer to shareholders up to 6 million shares with attaching options through a Share Purchase Plan.

The offer is aimed to raise a maximum of \$1.5 million initially to assist in continuing development of the Augusta gold and antimony mine and the associated Costerfield processing plant development in Central Victoria.

Under the Plan, shareholders will be offered up to a maximum of 10,000 shares each (cost \$2,500) with free attached options at a price of 25c per share. The options, to be issued on the basis of one new option for each new share, will be exercisable at 25c per share at any time up to 30 November, 2007.

The issue price and option terms correspond with those offered in the recent private placement which raised \$1.5 million and the proposed issue of shares and options to the parent company, Cambrian Mining Plc, under the recently announced Asset Purchase and Financing Agreement.

This agreement is subject to shareholders approval at an Extraordinary General Meeting on 21 December 2005, and will raise approximately \$5.3 million toward development costs and the cost of servicing an expanded investment and asset portfolio.

The offer will be made to shareholders on the Company's register on 15 December, 2005, and will close on 6 January, 2006, unless applications have been received for 6 million or more shares prior to that date. In the event that applications are made for more than 6 million shares prior to the offer closing, applications will be treated on a pro rata basis.

The terms and conditions are set out in the attached and will be mailed to shareholders shortly.

Yours faithfully
A.G.D. MINING LIMITED

JURGEN DEBRODT
Company Secretary

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AGD Mining Share Purchase Plan Terms and Conditions

AGD Mining is pleased to provide eligible AGD shareholders with the opportunity to participate in the AGD Share Purchase Plan (the SPP) by subscribing for up to A\$2,500 of additional Shares with attached Options in AGD without incurring brokerage or other transaction costs. Details of this offer and how to participate are set out below.

Eligibility to participate in the SPP

You are eligible to participate in the SPP if you were a registered holder of fully paid ordinary shares in AGD at the close of business on Monday, 15 December, 2005 (the Record Date) with a registered address in Australia or New Zealand. The AGD Board has determined that because of foreign securities laws, it is not practical for holders of AGD Shares with registered addresses in other jurisdictions to participate in the SPP.

- **Single holders:** If you are the only registered holder of a holding of AGD Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for one maximum parcel of AGD Shares and Options.
- **Joint holders:** If you are recorded with one or more other persons as the joint holder of a holding of AGD Shares, that joint holding is considered to be a single registered holder for the purpose of the SPP, and the joint holders are entitled to participate in the SPP in respect of that holding. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply for one maximum parcel of AGD Shares and Options.
- **Trustees and nominees:** If you are expressly noted on AGD's share register as a trustee or nominee for a named beneficiary, you may apply for one maximum parcel of AGD Shares and Options in respect of each such beneficiary. If the AGD share register does not record a named beneficiary in respect of your trustee or nominee holding, the rules for multiple single holdings apply.

To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws.

Participation is optional

Participation in the SPP is entirely optional (subject to the eligibility criteria set out above). The offer to acquire AGD Shares and Options is not a recommendation. If you are in any doubt about this offer, whether you should participate in the SPP or how such participation will affect you (including taxation implications), you should contact a professional adviser. AGD also recommends that you monitor the AGD share price.

Offer price

The offer price for each AGD Share under the SPP has been set at \$0.25 per Share and each Share will have an attached Option exercisable at any time at \$0.25 per share up to 30 November, 2007. This is the same price at which shares and options were issued on 24 November in a private placement to professional investors and the same price as has been agreed with the parent company, Cambrian Mining Plc, to issue shares and options under the proposed Asset Purchase and Financing Agreement. This agreement is subject to shareholders' approval at an Extraordinary General Meeting called for 21 December, 2005, for which shareholders have already received a Notice of Meeting, Explanatory Memorandum and Independent Expert's Report.

The offer price compares with an average price for AGD shares of 27.8c per share for AGD shares traded on the ASX in the five trading days preceding the date of this letter. As AGD currently has no options listed on the ASX there is no comparable price available for the Options attached to the shares.

You should note that the AGD share price may rise or fall between the date of this offer and the date when Shares and Options are allotted and issued to you under the SPP. This means that the price you pay per AGD Share pursuant to this offer may be either higher or lower than the AGD share price at the time the AGD Shares and Options are issued and allotted to you under the SPP.

How much can you invest? Compliance with ASIC Class Order 02/831

The offer under the SPP needs to comply with requirements issued by the Australian Securities and Investments Commission Class Order [CO 02/831]. Under those requirements, eligible shareholders may only acquire a maximum of A\$5,000 of AGD Shares under a share purchase plan in any 12-month period. As AGD intends to attach an Option to each Share at no cost to shareholders, and as the Options are exercisable at 25c per share at any time until 30 November, 2007, a maximum limit of \$2,500 has been set for the SPP. AGD has not conducted a share purchase plan in the preceding 12 months. Under the SPP you may apply for a parcel of Shares with attached Options valued at \$1,000, \$1,500, \$2,000 and \$2,500.

Please note that as part of your application for Shares under the SPP you must certify that the aggregate application price of all your applications under the SPP does not exceed A\$2,500. The Company reserves the right to reject any application for Shares where it believes that an eligible holder has not complied with this requirement.

The A\$2,500 limit applies irrespective of the number of AGD shares you hold on the Record Date.

AGD reserves the right to reject any application for Shares under the SPP to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

Calculation of the number of Shares and Options to be allotted to you

Table of ranges of application monies

Shares and Options	Price	Total cheque amount
4,000	\$0.25	\$1,000
6,000	\$0.25	\$1,500
8,000	\$0.25	\$2,000
10,000	\$0.25	\$2,500

Scaling back applications

If and to the extent to which the total value of applications for Shares under the SPP exceeds \$1,500,000, AGD reserves the right to scale back applications.

If this occurs, you may be allocated Shares to a value which is less than you applied for. Any determination by the Board in respect of any scaling back will be final.

If a scale-back occurs, AGD will refund any excess application money to you (without interest).

Non-renounceable offer

The offer to purchase AGD Shares under the SPP is non-renounceable. You cannot transfer your right to purchase Shares under the offer to anyone else.

No other participation costs

No brokerage, commission or other participation costs are payable by you in respect of the acquisition of AGD Shares and Options under the SPP.

Ranking of Shares

All AGD Shares issued under the SPP will rank equally with existing AGD shares from the date of issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing AGD shares. All Options issued as a result of the SPP will, upon exercise, rank equally with existing shares.

Binding terms

By accepting the offer to purchase AGD Shares and Options under the SPP, you agree to be bound by these terms and conditions and AGD's Constitution.

How to apply for Shares under the SPP

If you would like to apply for AGD Shares under the SPP, please complete the enclosed Application Form and return it, together with your cheque made payable to "AGD Mining Limited – New Issue Account" and drawn in Australian currency for the correct amount, in the enclosed reply-paid envelope.

Cash is not acceptable.

Receipts for payment will not be issued.

Applications may only be made for parcels of Shares in the amounts designated in the table above. If the amount of the cheque tendered with your Application Form is:

- less than A\$1000 - AGD will not allot any Shares to you and will refund your application money to you;
- greater than A\$2,500 - AGD will allot the maximum number of Shares to you (subject to any scale back) and will refund the excess application money to you; or
- for an amount between A\$1000 and A\$2,500 that is not one of the designated amounts - AGD will allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of the cheque, and will refund the excess application money to you.

Applications must be received by 5.00pm Perth time (WST) on Friday, 6 January, 2006, or an earlier date in the event shareholders apply for 6 million Shares with attached Options or more.

Applications received after 6 January, 2006, will not be accepted.

Applications and payments under the SPP may not be withdrawn once they have been received by AGD. Application money will not bear interest against AGD under any circumstances.

Allotment and quotation dates

Shares and Options will be allotted under the SPP as soon as reasonably practicable, and AGD will apply for those Shares and Options to be listed for quotation on the ASX.

AGD will issue a holding statement or confirmation advice in respect of the Shares and Options allotted to you under the SPP. You should confirm your holding before trading in any Shares or Options you believe have been allotted to you under the SPP.



**Share Purchase Plan Entitlement and Acceptance Form
Offer closes 5.00pm Perth time (WST) 6 January 2006**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR PROFESSIONAL ADVISER

Record Date: 5.00pm WST	12 December 2005
Offer closes: 5.00pm WST	6 January 2006
Anticipated Issue Date:	13 January 2006

HIN / SRN:

NON-RENOUNCEABLE OFFER OF AGD MINING LTD ("THE COMPANY") SHARES TO EACH HOLDER OF EXISTING FULLY PAID ORDINARY SHARES IN THE COMPANY AS AT THE RECORD DATE.

I/We _____

Insert Shareholder/s Full Name

- A. being registered at 5.00pm WST on 15 December 2005 as the holder(s) of shares in the Company hereby accept the offer made in the Share Purchase Plan dated 6 December 2005 issued by the Company ("the Plan") to subscribe for the number of Shares specified at section F below.
- B. I/We authorise you to place my/our name(s) on the register of members in respect of the number of Shares issued to me/us pursuant to this application.
- C. I/We agree to be bound by the Constitution of the Company, and the attached terms and conditions of the Share Purchase Plan.
- D. I/We enclose my/our cheque made payable to AGD Mining Limited-New Issue Account.
- E. I/We certify that the aggregate of the application price for the AGD Mining Ltd Shares the subject of this application and any Other AGD Mining Ltd shares applied for under the terms and conditions of the December 2005 Share Purchase Plan or any similar arrangement, does not exceed \$2500.

F. Application for Shares

To participate in the Share Purchase Plan shareholders must select only one of the 4 following alternatives. Please mark the selected box.

Offer 1	Offer 2	Offer 3	Offer 4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
OR	OR	OR	OR
Number of Shares: 4,000 Payment Amount: \$1,000	Number of Shares: 6,000 Payment Amount: \$1,500	Number of Shares: 8,000 Payment Amount: \$2,000	Number of Shares: 10,000 Payment Amount: \$2,500

Return of this document with the required remittance will constitute your acceptance of AGD Mining Ltd Shares being offered. Please refer to the attached letter for the number of AGD Mining Ltd Shares to be issued by AGD Mining Ltd on the issue date. The subscription price will be \$0.25. Each share will have an attached option exercisable at \$0.25 per share at any time up to 30 November 2007.

Please complete the following cheque payment details:

DRAWER	BANK	BRANCH OR BSB	AMOUNT

Cheques should be made payable to "AGD Mining Limited – New Issue Account" and crossed "Not Negotiable" and sent to:

<p>By post: AGD Mining Ltd c/- Security Transfer Registrars Pty Ltd PO Box 535 APPLECROSS WA 6953</p>	<p>In Person: AGD Mining Ltd c/- Security Transfer Registrars Pty Ltd 770 Canning Highway APPLECROSS WA 6000</p>
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Please ensure you submit the correct amount and allow sufficient time for your application to be received by Security Transfer Registrars by 6 January 2006.

Telephone number where we may contact you during business hours. _____ Contact Name: _____

Offer Closes 5.00pm Perth time (WST) Friday 6th January 2006, or an earlier date in the event shareholders apply for 6 million Shares with attached Options or more.

**Applications received after the close of the offer may be accepted at the discretion of the Company.
You should allow sufficient time for postage and processing of your application.**