

DOWN UNDER BREWERY RESORTS LIMITED

A.C.N. 122 627 310

PROSPECTUS FOR THE ISSUE OF SHARES

PROSPECTUS Dated: 13 NOVEMBER 2006

AN OFFER OF 12,000,000 FULLY PAID ORDINARY SHARES AT AN ISSUE PRICE OF \$1.25 PER SHARE PRE-LISTING
DISCOUNTED SHARES AND \$1.65 PER SHARE POST-LISTING TO RAISE \$17,880,000.

CONTENTS

1	LETTER FROM CHAIRMAN.....	3
2	ABOUT THE OFFER	5
3	ABOUT DOWN UNDER BREWERY	11
4	INVESTOR INFORMATION	22
5	FINANCIAL REPORT	23
6	THE STOCK EXCHANGE OF NEWCASTLE LIMITED (NSX)	27
7	MISCELLANEOUS INFORMATION	29
8	CORPORATE DIRECTORY.....	32
9	USEFUL TERMS IN THE PROSPECTUS	33
10	DIRECTORS' STATEMENT	34

KEYS DATES

This PROSPECTUS is dated 13TH November 2006 (hereinafter referred to as the "Prospectus"). No Shares will be issued on the basis of this Prospectus later than 12th December 2007.

LODGE MENT

This Prospectus was lodged with the ASIC on 14th November 2006. ASIC and its officers take no responsibility for the contents of this PROSPECTUS.

NOTICE TO APPLICANTS

An investment in Shares should be considered speculative in nature.

This document is important and should be read in its entirety. Prior to applying for Shares in Down Under Brewery Resorts, investors should seek appropriate professional advice and should conduct independent investigation and analysis regarding the information contained in this PROSPECTUS. No person is authorised to give any information (or to make any representation in connection with the Offer) that is not contained in this Prospectus. Any information not contained in this Prospectus may not be relied upon as having been authorised by the Company and its Directors.

This invitation to invest is only available to persons receiving this PROSPECTUS and Application Form within Australia.

Applications for Shares may only be made on the Application Form in or accompanying this PROSPECTUS. The Application Form may be generated by software accessible by the same means as the electronic PROSPECTUS.

You may request a paper copy of this electronic PROSPECTUS free of charge by contacting (612) 9688 7600.

DISCLOSURE DOCUMENT

Application has been or will be made for listing of the Company's securities Offered by this disclosure document by the Stock Exchange of Newcastle Limited within 7 days after the date of the prospectus.

The fact that the Stock Exchange of Newcastle Limited may list the securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities.

The stock exchange of Newcastle Limited takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising or in reliance upon any part of the contents of this document.

PROSPECTUS AVAILABILITY

The Company will not accept Application Forms sent in any electronic format. Valid Applications can only be made by completing a paper copy of the Application Form and forwarding it to the Company.

The Application Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Corporations Act prohibits any person from passing on to another person the Application form unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic copy of the Prospectus. The Company will not accept a completed Application Form if it has reason to believe that the Applicant has not received the complete paper copy or electronic copy of the Prospectus, or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes it is very unlikely that the file containing the Prospectus in electronic format will be tampered with or altered in any way during the Offer period, the Company cannot give any assurance that this will not occur. Any prospective investor who is in doubt concerning the validity or integrity of an electronic copy of the Prospectus should request a paper copy of the Prospectus from the Company.

1 LETTER FROM CHAIRMAN

Dear Prospective Share holder,

I welcome the opportunity to invite you to become a Share holder in Down Under Brewery Resorts Limited via initially applications attached to this Prospectus and then by direct share purchases on the Newcastle Stock Exchange (NSX).

I and my fellow Board of Directors are pleased to offer an opportunity to participate in the funding of a Concept we believe is new to Australia. This Concept was developed over 3 years and has now reached a significant milestone.

After expenditure on Concept drawing, architectural plans and many hours with engineers and other Consultants the Directors of Down Under Brewery Resorts Limited take great pride in the enormous community support for the proposed development of the Brewery Resort.

The business entities and development proposal is based at Bulahdelah, The Gateway to the North Coast and Great Lakes Region of New South Wales.

The Mayor of the Great Lakes Shire Council has appeared twice on regional television in relation to the approvals and indeed the last appearance was to confirm the unanimous vote by Councillors. There have been numerous Newspaper front page articles welcoming the Brewery Resort. The Company has set aside 100 acres for nature walks and preservation for not only the Resort guests but the local community.

The Federal Government has committed \$1.4 BILLION to the Pacific Highway upgrade. The R.T.A. has allocated \$400m of that funding for the Interchange at Bulahdelah.

The fact that the interchange is positioned at our doorstep will further enhance the prospects to potential Investors/Shareholders.

The Board and it's associated advisors offer a diverse range of skills, a desire for great product development, vast experience in property, finance, legal and marketing and perhaps most importantly an understanding of premium beer trends in international markets and so have designed a business model that will establish a Regional Development of significance.

In considering an investment in the Company, I believe it is important to high light the following:

The Australian Tourism and premium beer market have substantially grown over the past decade;

The Board has undertaken extensive research into the Down Under business plan to create a diverse income stream;

The Down Under Brewery has a significant opportunity due to Local and Regional support;

The planned Chief Brewer has been acclaimed as one of the most awarded International Brewers in the World. I also have been fortunate enough to have been awarded an International Gold for my own recipe for a Chilli Beer in 2004.

Some Australian Breweries have seen growth in the export of their product of up to 100% per year for the past 3 years;

Austrade has assisted many Australian Breweries in the export of multiple millions of dollars of their product;

The need for quality accommodation outside Sydney but within easy reach (2 hours) is increasing;

There is a significant increase in tourism wishing to encounter and enjoy in style the Australian natural bushland.

The Company is seeking to take this very advanced development of Brewery, Hotel, Convention Centre and associated bars and restaurants plus the "Mum's" Wedding Chapel to the final stage by raising funds via the Newcastle Stock Exchange.

The Prospectus contains detailed information about the Offer and the Companies operations, financial performance and prospects. I urge you to read it carefully before making your investment decision.

I am genuinely excited about the prospects of the Resort and hope that you share my enthusiasm. On behalf of the Directors, I commend this investment opportunity to you and look forward to welcoming you as a Share holder of our exciting venture.

Yours faithfully,

William George Utterson

Chairman

Down Under Brewery Resorts Limited

Vision Statement.

Within the next decade Down Under Brewery Resorts will be a nationwide chain servicing local, national and international holidaying tourists. Clients will receive the same high quality level of service, with a distinctly Australian feel, consistently at any Down Under Resort destination.

The Resorts will be service driven catering to a wide and varied client base, with an emphasis on customer care, choice of wholesome foods ranging from snack to fine dining venues, as well as unique, quality built architecture, and a scrupulously clean and tidy environment.

Value and entertainment packed holidays and business experiences in convenient locations will be the benchmark and be provided time after time. To achieve this every aspect of the Down Under Brewery Resort's strict site selection criteria will be met. Construction of facilities will be standardised to a quality above the ordinary and tightly controlled. The layout of every Resort blended with each area's unique location will contain these 6 key ingredients.

- International standard Hotel with Fine Dining Restaurant and shops.
- Export Brewery Complex with viewing platforms and tours
- Convention Centre with Fine Dining restaurant.
- Sporting activities including Resort style swimming pool catering for adults and children.
- Farmland Petting Zoo.
- Mum's wedding Chapel and gardens for the ultimate wedding experience

As the Down Under chain evolves, our philosophy is to contribute to local communities by supporting directly, wildlife organisations and hospitals within the region. It is our wish to be active and constructive members of each and every community we are located within.

Our Vision is to exceed \$50,000,000 in sales turnover per annum with the creation of 5 Brewery Resorts in key locations throughout Australia.

Down Under will leave a legacy to the Nation with every Resort committed to supporting a non profit Company that will be involved in the distribution of funds directly to regional organisations.

Maximum Capital Raising:	\$17,880,000.00			
Share details:	Ordinary Shares in the Company. No other class of Share has been issued in the Company at this time.			
	Price per Share	Minimum initial investment	Shares available	Trading restrictions
Pre-Listing discounted Shares:	\$1.25 per Share fully paid	4,000 Shares (\$5,000) then multiples of 800 (\$1,000)	4,800,000	6 months or until offer closes
Post-Listing Shares:	\$1.65 per Share fully paid	3,031 Shares (\$5,000) then multiples of 606 (\$1,000)	7,200,000	Nil
Purpose of the Issue:	<ul style="list-style-type: none"> ➤ The further development of the Brewery Resort concept and the business operations of Down Under Brewery Resorts Limited; ➤ Acquire the purchase rights and developed intellectual property of Brewery Australia Developments specific to the Bulahdelah site. ➤ Development of the first Down Under Brewery Resort – Bulahdelah, an international standard resort hotel, brewery and accompanying businesses; and ➤ Research and assessment of further Brewery Resort sites for subsequent expansion of the Company and its activities. 			

2 **ABOUT THE OFFER**

2.1 **ISSUER**

The issuer of the Shares is Down Under Brewery Resorts Limited.

2.2 **THE OFFER**

The Company is offering for subscription a total of 12,000,000 Ordinary Shares. These Shares will be issued in two groups, Pre-Listing and Post-Listing. The Board has approved a discount of the price of Shares purchased Pre-Listing, at an issue price of \$1.25 each, payable in full on Application, and all Shares sold Post-Listing shall be at the full Share subscription price of \$1.65 each, payable in full on Application. Upon the sale of all available Shares in the Company it shall have raised \$17,880,000. All ordinary Shares Offered pursuant to this Prospectus will rank equally with Existing Shares. The rights attaching to ordinary Shares are further described in Section 2.9.

2.3 **PURPOSE OF THE OFFER**

The purpose of the Offer is to raise capital for the development of the Company, Down Under Brewery Resorts, and its concept, operations and to list the Company on the NSX. The funds raised under this offering are also intended for use in the international standard hotel, brewery and accompanying businesses at the Bulahdelah site. Contracts have been secured for this purpose, however, if the Company should not be able to proceed with the Bulahdelah site project funds raised under this offering will be used by the Company to undertake alternate site developments. Funds raised under this Offer will be used to:

Brewery Resort operations and concept development

- Development of operating procedures for business activity
- Protection of developed intellectual property; trademarks, patents
- Development of training program specific to Brewery Resort business activities
- Provide working capital for administrative operations

Down Under Brewery Resort - Bulahdelah

- Settle on exchange of contracts of sale of land acquired from Bulahdelah Golf Club.
- Settle on exchange of contracts of sale of land from an adjoining private Vendor.
- Complete 1st stage of Golf Club development funding.
- Finalise specialist reports –
 - Traffic.
 - Civil design.
 - Architectural works to Construction Certificate.

Settle on Option agreement for Alum Mountain land.

Valuation and Loan fees

Construct Brewery and road works with other required infrastructure.

Complete construction of remaining Resort facilities.

Research and assessment of further Brewery Resort sites for subsequent expansion of the Company and its activities

Locating new Brewery Resort sites

Assessment of new sites

- Engage expertise, town planning, architectural, engineering, economic, project feasibility;
- Preparation of feasibility reports;
- Discussions with relevant parties - local government, state authorities, community
- Assessment of feasibility

2.3.1 ACQUIRE OPTIONS AND INTELLECTUAL PROPERTY

An allocation of Shares under this offer will be made to the current shareholders of Brewery Australia Developments, excluding the Directors of Down Under Brewery Resorts, to acquire from those parties the following:

- ☐ The option agreements to complete the purchase of land at the Bulahdelah site;
- ☐ Any and all rights conferred upon Brewery Australia Developments with regard to the site, its occupation and development; and
- ☐ All intellectual property that has been developed by or on behalf of Brewery Australia Developments with regards to the Bulahdelah site, including but not limited to, site plans, infrastructure plans, town planning details, council approvals, architectural designs.

This issue of Shares shall be ordinary shares at the same value as Pre-Listing discounted Shares under this prospectus, being \$1.25 per Share fully paid.

A total of 6,498,000 Shares shall be issued under this arrangement.

2.4 APPLICATION OF FUNDS

On completion of this issue the Directors intend to utilise the funds raised as follows:

Purpose	Amount
Brewery Resort concept and operations	
Web	\$ 20,000
Stock exchange listing	\$ 25,000
Corporate Advisory	\$ 150,000
Capital Raising costs	\$ 100,000
Prospectus	\$ 25,000
Intellectual rights from Brewery Australia Developments	\$ 1,000,000
Brewery Resort site – Bulahdelah	
Land settlement	\$ 1,525,000
Infrastructure	\$ 750,000
Construct Fast Food Outlet	\$ 350,000
Construct pool	\$ 800,000
Construct Conference Centre	\$ 2,000,000
Chapel and gardens	\$ 1,360,000
Construct Brewery	\$ 4,325,000
Construct Hotel	See 2.4.1 below.
Brewery Resort expansion	Subject to section 2.4.1 below.

2.4.1 EFFECT OF FUND RAISING LEVELS ON DOWN UNDER BREWERY RESORT - BULAHDELAH

Funds raised	0-\$1.2m	\$1.2m-\$4m	\$5m-\$10m	\$11m-\$15m
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Funds raised	0-\$1.2m	\$1.2m-\$4m	\$5m-\$10m	\$11m-\$15m
Activity at that level of fund raising	Settle on land, borrow & build brewery	Settle on land build brewery no loan	Build reduced hotel borrow to build brewery	Build all resort facilities at full scale of design with borrowings

In the event only one million two hundred thousand dollars was raised, the company could complete the purchase of Land, and with a completed development application this asset would be sufficient to borrow, an extra 4 million in funds needed to build the Brewery.

In the event two million was raised the same would apply with fewer borrowings and so on until the 5 million mark was reached.

If 5 million was raised and 5 million borrowed the hotel size could be reduced to 80 and the chapel conference centre could be built at a later date and the pool would be drastically reduced to suit a more moderate level of accommodation.

Any level of funds above 5 million would reduce borrowings until 10 million was reached and the entire program could be built with varying levels of borrowings.

2.5 CAPITAL STRUCTURE

A listing of the Share distribution before and after the Offer is set out in Section 2.18.

2.5.1 PRE-LISTING DISCOUNT

The Company has elected to provide a discount to the purchase cost of those Shares qualifying as Pre-Listing Shares. This discount of 40 cents per Share is permitted in accordance with the rights of the ordinary share class of the Company prescribed in its Constitution.

For the purpose of the listing value of the Shares all Shares are to be sought as being listed for the Post-Listing full share value of \$1.65 per Share fully paid.

2.6 WORKING CAPITAL ADEQUACY

The Directors are satisfied that upon completion of the Offer, based upon the Minimum Subscription being subscribed, the Company will have sufficient funds to carry out its stated objectives. Further funding, if required, may be sourced from further equity raisings or borrowings, but there is no guarantee that the Company will be successful in attracting any further funds on favourable terms, or at all.

2.7 APPLICATION OF PRE LISTING FOR SHARES

Applicants must apply for at least 4,000 Shares (\$5,000), and thereafter in multiples of 800 Shares (\$1,000) Pre-Listing, or 3,031 Shares (\$5,000), and thereafter in multiples of 606 Shares (\$1,000) Post-Listing..

Applicants must be made on the Application Form attached to this Prospectus. The Application Form must be accompanied by payment of the issue price. Payment must be made by cheque or draft in Australian dollars, drawn on an Australian deposit-taking institution, made payable to "Down Under Brewery Resorts Limited Share Offer" and crossed 'Not Negotiable'.

No brokerage fees or stamp duty are payable by Applicants on the successful allotment of Shares.

Applications by trusts must be in the name of the trustee and signed by the trustee/s. The Company will only recognise the trustee/s as the owner of the investment. Trustees of Self Managed Super Funds are able to invest if the Fund's investment strategy so allows.

If there is more than one investor, they will be deemed to hold the investment as joint tenants and all joint tenants must sign all relevant documents including the Application Form.

Your Application Form and accompanying payment should be mailed after the Offer opens to:

- ❑ Down Under Brewery Resorts Limited – 9/35 Old Northern Road, BAULKHAM HILLS NSW 2153

Applications must be received on or before the Listing Date. Attention is drawn to the fact that the Company has reserved the right to close the Offer at any time before the Listing Date, or to extend the Listing Date, provided that the extended date is not later than the date that is 13 months after the date of this Prospectus.

Applicants are advised to submit their Applications as early as possible.

An original, completed and lodged Application Form for ordinary Shares together with a cheque for the subscription amount, constitutes a binding and irrevocable Offer to subscribe for the number of ordinary Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly, if the wrong Application Form is completed, or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Director's decision as to whether to treat that Application as valid and how to construe, amend or complete the Application Form is final, however, an Applicant will not be treated as having applied for more ordinary Shares than is indicated by the amount of the cheque for the subscription amount.

2.8 ALLOTMENT OF SHARES

The allotment of Shares will proceed on the following basis:

1. For those Shares subscribed for during the period between the lodgement date of this prospectus and the Listing Date Shares shall be allotted on the day immediately following the Listing Date, except where the NSX's Listing Rule requirements have not been met, in which case the Company shall not issue the Shares and shall instead return the Application monies to the Applicant at that time.
2. For those Shares applied for on a date following the Listing Date the Company has sought confirmation from the ASIC that it may, in accordance with the Corporations Act 2001 section 724(2)(b) issue a supplementary prospectus at that time advising if the subsequent Shares in the Company will be listed for quotation by the NSX. If further listing of those Shares is expected (as the Company does expect would be the case at that time as it assumes the Company has met the Listing Rule requirements for the listing of its first parcel of Shares in 1. above) all Applicants will be given one month to withdraw their Application and be repaid and at the end of this month the Shares would be issued. Application has been made to the NSX for confirmation as to the manner in which the exchange would require the quotation of such subsequent parcels of Shares in the Company.

The Company reserves the right to allot the Shares in full, to decline any Application or to allot a lesser number of Shares than those for which an Application has been made. In the event that an Application is unsuccessful, or only partially successful, the monies submitted with the Application, or relevant part thereof, will be refunded to the Applicant without interest.

It is the responsibility of Applicants to determine their allocation of Shares prior to trading in Shares. Applicants trading in Shares before they receive notification of the success or otherwise of their Application, do so at their own risk.

The Company will deal with all monies received from Applicants in accordance with the provisions of section 722 of the Corporations Act.

In the case of over-subscription the Company will give preference on the basis of date of Application.

Where an oversubscription still exists within the same date of Application then preference will be given on the basis as follows:

- ☐ Existing Shareholders;
- ☐ Management Selection Type Share Applicants; then
- ☐ Lottery.

2.9 RIGHTS ATTACHING TO SHARES

All Shares to be issued under this Prospectus are fully paid ordinary Shares. The rights and obligations attaching to the Shares are set out in detail in the Constitution. A summary of the selected provision of the Constitution is set out in Section 7.5. The Constitution is available for inspection, prospective Applicants should refer to section 7.6 for further information.

2.9.1 DISCOUNTED SHARE PRICE & ESCROW PERIOD

The Company may issue Shares at a discounted price where such offer is open to all current and potential investors in those shares. Because the Company may exercise such discretion as to a discounted price this does not create a separate class of Shares.

In the case of discounting the Share price those discounted Shares shall have imposed upon them an escrow period of not more than six months from the date of issue or the closing date of this offer, whichever shall occur first.

2.10 COST OF PROMOTING THIS INVESTMENT

Where an Application is stamped with the stamp of an Australian Financial Services Licensee, and the Company accepts that Application in whole or in part, the Company may pay commissions to the relevant Australian Financial Services Licensee up to 5% of that portion of the funds submitted with the Application that are retained by the Company in payment for Shares. The Company does not prohibit its Directors from independently actively promoting the Shares of the Company at their own expense and in successfully doing so receiving commission as described above.

2.11 SUBSCRIPTION AMOUNTS TO BE HELD IN TRUST

The subscription amounts for ordinary Shares to be issued pursuant to the Offer will be held in a separate bank account on behalf of the Applicants until the ordinary Shares are allotted. If the minimum subscription is not achieved within a period of four months from the date of this Prospectus, the subscription amounts will be refunded in full without interest and no ordinary Shares will be allotted pursuant to this Prospectus.

2.12 OVERSEAS SHAREHOLDERS

This Prospectus does not constitute an Offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an Offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public Offering of ordinary Shares in any jurisdiction outside Australia. Residents of other jurisdictions wishing to subscribe for ordinary Shares could consider doing so using Australian domiciled entities, including nominee companies affiliated with Australian broking firms. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of ordinary Shares Offered pursuant to this Prospectus.

2.13 DIVIDEND POLICY

The payment of dividends cannot be guaranteed and no assurance can be given that any dividend will ever be paid. However, the Directors desire to pay dividends to the Company's Shareholders and will do so if and when business conditions allow.

2.14 MINIMUM APPLICATION

Applications must be for a minimum of 4,000 ordinary Shares costing \$5,000.

2.15 MINIMUM SUBSCRIPTION

The minimum subscription to the issue is \$500,000. No allotment of ordinary Shares will be made until the minimum subscription has been reached. It is expected that allotment of ordinary Shares will take place on the Listing Date for Pre-Listing discounted Shares and those Post-Listing Shares subscribed for during the period before the Listing Date, then on a bi-monthly basis until such time as the full subscription of Shares has occurred or the final date of this prospectus, whichever shall occur first. If the minimum subscription is not reached within four months from the date of this Prospectus the Directors will not allot any ordinary Shares and the Company will, within 14 days thereafter, repay all Application monies received without interest.

2.16 MAXIMUM SUBSCRIPTION

The maximum subscription to the issue is 12,000,000 Shares.

2.17 OVERSUBSCRIPTIONS

The Company may accept oversubscriptions to the issue of up to an additional \$5,000,000. In the event that oversubscriptions are accepted the additional funds raised will be used to increase working capital.

2.18 SHARE STRUCTURE AFTER SUBSCRIPTIONS

Minimum Subscription	
Total number of Shares previously issued	29,502,000
Shares issued under this Prospectus*	6,898,000
Total number of Shares on issue following the Offer	36,400,000
Value of issue under the Offer^	500,00
Market capitalization at the Offer price	60,060,000
Maximum Subscription	
Total number of Shares previously issued	29,502,000
Shares issued under this Prospectus*	18,498,000
Total number of Shares on issue following the Offer	48,000,000
Value of issue under the Offer^	17,880,000
Market capitalization at the Offer price	79,200,000

* This number is inclusive of 6,498,000, at the Pre-List discounted price of \$1.25 each, Shares to be issued to Brewery Australia Developments shareholders (see section 2.3.1).

^Values assume only that amount in currency received as a result of the offer.

2.19 IMPORTANT DATES

Prospectus Date	13 th November 2006
Listing Date	5 th February 2007
Commencement of quotation of Shares	9 th February 2007

Some of the above dates are indicative only. The Company reserves the right to close the Offer at any time before the Listing Date.

2.20 SHARE DISTRIBUTION

Prior to the Offer, Shares in the Company are held as follows:

Shareholder Name	Number of Shares
Beveven Pty Ltd atf the Judd Family Trust	3,276,000
M & L Curran (Sales) Pty Ltd atf the M & L Curran Trust	3,276,000

William George Utterson	9,360,000
Ralanne Investments Pty Ltd atf the Kellar Investment Trust	9,360,000
Ralph Mervyn Kellar	1,530,000
Tasman International Securities Pty Ltd A.C.N 109 551 500	2,700,000
Total	29,502,000

3 **ABOUT DOWN UNDER BREWERY RESORTS**

3.1 **COMPANY**

Down Under Brewery's business involves the manufacture of beer from pristine water, malt, hops and other primary ingredients and the packaging and distribution of those beverages in glass bottles.

It has innovatively combined this with a Resort complex involving a Hotel with a fine dining restaurant, shops, offices, Convention Centre with fine dining restaurant, Resort style swimming pool and sporting complex. The "Mum's" Wedding Chapel (named in honour of the founding Directors recently departed mothers) and lake side gardens for the perfect wedding occasion and other associated businesses add further dimension to a much diversified income stream of related enterprises.

This first "flagship" Resort of Down Under Brewery Resorts is to be located at Bulahdelah the Gateway to the Great Lakes Region of New South Wales. This will make it central to a diverse range of activities which will insure that our Guests at the Hotel will book a ***"holiday not just a room"***.

The diversity of income producing enterprises (including a major Fast Food outlet chain) will enhance the continuity of return.

The product range of the Down Under Brewery Resort is primed for the export market.

The Concept of a Brewery Resort world wide isn't new, but in Australia it is ground breaking, particularly one that contains so many diverse activities as Down Under Brewery Resorts – Bulahdelah.

The Board will maintain a day to day view of the operations of all the business entities involved within the Resort but much of this work will be supervisory as many of the operations will be outsourced to specialised management Groups under our strict contract conditions.

The Directors have set stringent site selection criteria including but not limited to the following;

- Pristine and abundant water supply for the Brewery operation.
- High Traffic flow.
- Tourism area.
- Community support for the Concept.
- Adequate infrastructure.
- Acknowledged experts in Management.

3.2 **EXPANSION OF BUSINESS**

As outlined above a component of the funds raised under this offering are to be utilised for the expansion of the Company. This is inclusive of finding further resort sites. The Company has already commenced preliminary assessment of two possible sites suitable the Brewery Resort concept in Queensland. Due to commercial sensitivities around these sites at this time and the preliminary nature of those investigations the Board will not disclose further details at this time.

3.3 **DOWN UNDER BREWERY RESORT – BULAHDELAH**

The Concept which started over three years ago was to have Down Under Brewery Resorts cater to international and domestic tourists seeking long term or overnight accommodation. The first of the Down Under Brewery Resort will be a 330-acre site to be developed at Bulahdelah on the Mid North Coast/Great Lakes Region of N.S.W.

The land comprising the site is a combination of land to be acquired under contract with the Bulahdelah community golf club, and is located within the golf course grounds, and land to be purchased by private sale.

The region is less than a two and a half hour drive from the Sydney Central Business District and only a forty five-minute drive from Newcastle Airport.

The Down Under Brewery Resort concept is a highly flexible and integrated development. It consists of up to six different developments on the site:

- ☐ A boutique brewery, which produces beer primarily for the export market.
- ☐ A 206-room International Standard Hotel, which includes high quality amenities such as Resort style swimming pool, day spa and gymnasium, bars and a variety of budget and a la carte restaurants.
- ☐ A Conference/function Centre and fine dining restaurant
- ☐ A Chapel and wedding gardens.
- ☐ A Farmland Petting Zoo
- ☐ A Leasehold area for a Fast Food outlet adjacent to the highway.

3.3.1 **SITE PROGRESS**

The proposed site of the Down Under Brewery Resort – Bulahdelah has been secured by the company Brewery Australia Developments under option agreements at pre-agreed purchase prices. The Company has entered into an arrangement

with Brewery Australia Developments to acquire these rights and all development of intellectual property surrounding this site in exchange for the issue of Shares in Down Under Brewery Resorts.

The zoning of the Bulahdelah site has been confirmed as a commercial zoning suitable for all proposed activities and developments of the Company.

The Great Lakes Council, being the council in which Bulahdelah and the site reside, have been extremely supportive of the Brewery Resort proposal to date, as evidenced in several media articles in which the council Mayor has been quoted and for television interviews in which he has appeared.

Application for development approval with the Great Lakes Council is expected to be submitted within six weeks of the date of this prospectus.

3.3.2 REVENUE OPERATIONS

In developing the Brewery Resort concept the Company has been able to identify and develop a number of revenue generating businesses for each Brewery Resort site. The expected first resort site, Down Under Brewery Resorts – Bulahdelah, is designed to operate up to 15 such income generating businesses, either operated directly by the Company, its subsidiaries or by other operators on a contract basis. How many businesses will be operational and the scale of each facility and operation will be dependent upon the level of funding received under this offering and the decisions of the Board as to debt levels in the Company.

The Down Under Brewery Resort – Bulahdelah site and site design allows for the following operations:

- ☐ Export Brewery at 10,000 litres a day per shift.
- ☐ 206 room International Standard Hotel
- ☐ Roof top "The Planetarium" fine dining restaurant.
- ☐ Hotel Bars
- ☐ Hotel Resort Cafe
- ☐ Convention Centre
- ☐ "Links View" fine dining restaurant attached to the Convention Centre
- ☐ Wedding Chapel and gardens
- ☐ Brewery Café
- ☐ Brewery Cellar door sales
- ☐ Brewery Tours and Bar
- ☐ Farmland Petting Zoo
- ☐ Day Spa
- ☐ Fast food outlet
- ☐ Hire/tour operations

3.3.3 THE BREWERY

The brewery will be known as "Down Under Brewery". It will be designed as a boutique brewery and will be targeted to the export market. All visitors to the resort will be able to go to the bar at the resort and enjoy the locally made brew. They will also be able to undertake informative educational tours of the operations of the Brewery and purchase from the bar a drink and a snack. Cellar door sales are also allowed. The Brewery complex will have an 800 seat auditorium for live music and other local events.

Bulahdelah has excellent conditions for quality water, THE main ingredient for beer making. It is well known that Australian products are loved worldwide. Australian wines have made their mark on the international marketplace. Currently Australian made beer is having a similar success overseas. The target market for Down Under Brewery will be the United States, Canada and South- East Asia including China.

The emerging markets for beer are all looking for "premium" brews and packaging as has happened in the wine industry.

There are advantages in exporting our beer product rather than making it for the local marketplace.

These include:

- ☐ Excellent Federal Government grants in relation to marketing of export products; , (up to 50% rebates over \$60,000 budget)
- ☐ No excise duties;
- ☐ Export assistance from Austrade; and
- ☐ No G.S.T.

The Board has already had discussions with influential people in the Australian beer market in relation to the development of the brewery and the creation of a highly competitive brew. These persons are anxious for this development to proceed so they can be involved with this exciting project. Although based overseas they are able and most willing to participate in this venture. They have already assisted in the design and production flows of the brewery for our Architectural Consultant.

3.3.4 THE RESORT

The resort development is designed to have essentially three major and two minor buildings (although the final resort constructed may vary from the designs for a number of reasons including the level of funds raised as a result of this offer).

- ☐ A four-storey hotel, containing the 206 hotel units, bars and restaurants.
- ☐ A Brewery
- ☐ Conference/function centre with fine dining restaurant.
- ☐ Chapel
- ☐ Farmland petting zoo administrative building

The resort location is ideal, being less than a two and a half hour drive from Sydney and close to the coastal towns of Newcastle, Lake Macquarie, Port Stephens and the many attractions of the Great Lakes District. Most importantly it is the second most visited tourist region in New South Wales - only behind Sydney itself.

Visitors could use the resort as a base and explore many of the surrounding regions on numerous day trips on offer. Alternatively they could relax and enjoy the Community owned 18-hole golf course and full childcare facilities provided at the resort.

It is estimated that the complete development of the site would take three years. This would mean that:

- ☐ The Brewery construction would commence by mid 2007.
- ☐ The Hotel construction would commence by June 2008.
- ☐ The Conference Centre and Chapel construction would commence by June 2008.

The work undertaken in relation to the Down Under Brewery Resort to date is as follows:

- ☐ Research into the tourism market in Australia pertinent to the Mid North Coast Region.
- ☐ Research into why Australians and International tourism would enjoy our Resort experience.
- ☐ Research into the current perceptions of Australia and the requirements of overseas tourists.
- ☐ Preliminary architectural drawings for the resort.
- ☐ Winning the Public tender process for the Golf Club land with approval from the Gaming Commission.
- ☐ Development approval discussions with relevant consultants, planners and architects.
- ☐ Graphic artist impressions of the resort complex.
- ☐ Average square metre costs for construction of the resort from builders.
- ☐ Discussions with R.T.A. officials regarding Interchange.
- ☐ Securing the 330 acre site adjoining Bulahdelah Golf course.
- ☐ Commencing the application process to List on the NSX.
- ☐ Commissioned and obtaining the following (but not limited to) Reports
 - ☐ Full site survey
 - ☐ Preliminary Civil designs
 - ☐ Preliminary Master Plan design
 - ☐ First stage Ecological assessment studies

3.3.5 COST OF DEVELOPMENT

The preliminary estimations, using the architectural design elements for the full development and based only at this time on director estimations, on the total cost of development of Down Under Brewery Resort – Bulahdelah are as follows:

		Year 1			Year 2			Year 3		Year 4		Total
Construction Cost Estimates												
Units	0	-	100	14,000,000	100	14,000,000	0	0	28,000,000			
Land Development	40	1,480,000	120	4,440,000	20	740,000	20	740,000	7,400,000			
Executive Units	0	-	10	3,000,000	10	3,000,000			6,000,000			
Shops	0	-	10	860,000	10	860,000			1,720,000			
Brewery	0	-	0.3	1,200,000	0.3	1,200,000	0.3	1,200,000	3,600,000			
Land deposit	0.2	400,000	0.2	400,000	0.6	1,200,000			2,000,000			
Golf Course Acres	0	500,000	0.5	750,000	0.5	1,000,000		1,000,000	3,250,000			
Chapel		-	0	-	1	850,000			850,000			
Restaurants		-	1	500,000	1	500,000			1,000,000			
Pools	0	-	0	-	2	350,000			350,000			
Dam/pumps	0	-	0.4	360,000	0.4	360,000	0.2	180,000	900,000			

Car Parks	2	50,000	2	50,000	2	50,000		150,000
Sewer	1	300,000	1	300,000	1	300,000		900,000
Marketing	0.2	144,000	0.4	288,000	0.4	240,000	0.2	120,000
Landscaping	0.1	50,000	0.1	50,000	0.2	100,000	0.6	300,000
Kids Area	0	-	0	-	0.5	60,000	0.5	60,000
Earthworks	0.5	225,000	0.5	225,000				450,000
Electrical	0.5	435,000	0.5	435,000				870,000
Roads	3	380,000	2	253,333				633,333
D.A.	0.8	645,000	0.3	215,000				860,000
Agents Fees	0	-	0.2	400,000	0.5	1,000,000	0	600,000
Conference Centre		-	0	-	1	1,000,000		1,000,000
Open Floor	0	-	0.5	1,150,000	0.5	1,150,000		2,300,000
		<u>4,609,000</u>		<u>28,876,333</u>		<u>27,960,000</u>		<u>4,200,000</u>
								<u>65,645,333</u>

The Company is not able to, at this time, engage the full quantity surveyor work to conclude a full quantity surveyor's report on construction cost as the full and final design, including full room layout details, fire alarm systems, sprinkler irrigation systems etc, have not been issued. The Company will be engaging a quantity surveyor for such purposes following a construction certificate being issued for the relevant developments.

3.3.6 BULAHDELAH

Located 242 km north of Sydney and 98 km north of Newcastle on the Pacific Highway, Bulahdelah is a pleasant town with a population of 1100 and an elevation of only 10m. In recent times it has become a popular departure point for an exploration of the area's many state forests (still a major source of timber for the local mills) and the Myall Lakes which lie to the south.

'Bulahdelah' derives from the language of the Worimi Aborigines who occupied the area before white settlement. It is thought to mean 'meeting place of two rivers'. John Oxley gave the name to the mountain which looms to the east in 1818 and it was later transferred to the township.

The dominant mountain feature is known locally as Alum Mountain as it was once an important source of the mineral alunite used as a fertiliser and in the textile industry. The mining, which took place between 1878 and 1950, has left its legacy in the form of the mountain's present profile, the regrowth forest on the western face and the abandoned quarry sites which can still be seen. The area around the mountain has been declared a state forest reserve called Bulahdelah Mountain Forest Park. The Down Under Brewery Resort – Bulahdelah site backs directly onto the beautiful Alum Mountain and the resort design will compliment the natural beauty of this area.

Bulahdelah falls within the Great Lakes Council with one third of the total Council area made up of national parks (62,874 hectares) and state forests (57,000 hectares). The combination of 5 national parks, 10 state forests, mountain ranges, rolling hills and valleys, a triple lake system, numerous rivers and 27 beaches has turned the Great Lakes into a major recreational area. [Source: Hunter Council's website]

The Great Lakes council is also a component of the Hunter district. The tables below provide some details of current hotel details and climatic conditions in the region.

Hotels, Motels and Serviced Apartments in the Hunter Region

		Dec-04	Mar-05	Jun-05	Sep-05	Oct 04 - Sep 05	
Establishments	No.	123	134	135	134	134	*
Bed spaces	No.	14,984	15,805	15,892	15,926	15,926	*
Guest rooms	No.	4,896	5,158	5,153	5,183	5,183	*
Employment	No.	2,763	2,842	2,715	2,806	2,782	#
Takings per room	\$	122	126	114	114	119	#
Gross takings	\$m	30.8	33.6	29.6	29.7	123.8	^

Annual figures calculated on the following basis: * end of period; # period average; ^ period total

Source: Hunter Valley Research Foundation: The Hunter Region At a Glance 2006

Climate Data (2004)

		Maryville*	Sydney
Average Annual Rainfall	mm	945	1094
Average Daily Hours of Sunshine	hrs	6.3	7.2
Temperature - January av. Max.	C	28.5	26.3
Temperature - January av. Min.	C	19.7	18.7
Temperature - July av. Max.	C	117.1	16.9
Temperature - July av. Min.	C	7.7	6.9
Average Wind Speed 3 p.m	km/hr	10.5	21.2

* Maryville Weather Station, Located in the Newcastle Local Government Area, is operated by the Hunter Valley Research Foundation

Source: Hunter Valley Research Foundation: The Hunter Region At a Glance 2006



Major roadwork has been taking place along the Pacific Highway connecting Sydney and Brisbane. Already these roadworks have made a major impact on the traveling time from Sydney to Bulahdelah and beyond. In 2005 the Karuah bypass became operational having the impact of saving between ten and fifteen minutes travel time.

A major bypass has now been negotiated with the local community and is going through the approval process for Bulahdelah. This bypass, coupled with further roadworks between Sydney and Bulahdelah, have the capability of making the travel time from Sydney to Bulahdelah comfortably less than the magic two hour radius limit.

This magic two hours radius is the distance most Sydney weekend traffic will travel for a short break weekend or long-weekend holiday.

Other towns roughly on this travel limit, such as Berry in the South and Mudgee in the West have long enjoyed the economic prosperity resulting from this frequent domestic tourism travel market.

There is not, currently, a stop-off point on the Northern side of Sydney that compares with the likes of Berry in its ease of access for travelers, quality of facilities and aesthetic beauty. The Company believes that they have been fortunate to find the ideal location in Bulahdelah and the resort site to capture what they believe will be the new Berry North of Sydney.

This map (from the Road and Traffic Authority (NSW)) shows the Bulahdelah bypass route that is proposed to be constructed. As a component of the negotiation with the local community a Northern interchange has been agreed upon. As shown on the map this Northern interchange will give a high profile to the Down Under Brewery Resort – Bulahdelah site and complex, ease of access, while at the same time not causing any loss of privacy, peace and tranquility either at the resort,

brewery or while playing gold on the soon to be expanded golf course.

3.4 MARKET SIZE AND OPPORTUNITIES

Whilst the Board believes there is a strong possibility of increased traffic flow to the Great Lakes area, and therefore the tourist catchment for the Bulahdelah site, due to vastly improved roads and reduced travel times, there is already significant traffic flow to and through the area to justify the resort at this site.

Traffic data reveals that the volume of traffic passing the Bulahdelah site is currently approximately XXXX average annual daily traffic¹. This represents an increase since 1984 of 233%.

	1984	1986	1988	1990	1992	1995	1998	2001
	AADT	AADT	AADT	AADT	AADT	AADT	AADT	AADT
Bulahdelah	4000	5060	5740	7190	9866	11634	13150	13354
Percentage increase		26.50	13.44	25.26	37.22	17.92	13.03	1.55

With regards to the broader tourism industry and the scope for substantial domestic and international tourism demand for Down Under Resorts across Australia the Company believes strongly in the growth of this sector, as demonstrated from historic growth in the sector. The following data on tourism, the accommodation sector and conventions is all Australian Bureau of Statistics data.

The Australian Bureau of Statistics, Accommodation Services, Australia 2003-2004 found that:

- At the end of June 2004 there were 5,682 accommodation businesses operating in Australia. These businesses had employment of 91,399 persons.
- In 2003-04, income generated by accommodation businesses was \$8,095.9m, which represented an average of \$1,424,800 per business. Total expenses incurred for this same period were \$7,322.3m.
- In 2003-04 the operating profit before tax for these businesses was \$776.7m, resulting in an operating profit margin of 9.7%.
- The main source of income was taken from accommodation, comprising just under two thirds (66% or \$5,346.4m) of total income. Other major income items were takings from meals which accounted for 15.1% (\$1,223.8m) of all income and sale of liquor and other beverages which accounted for 6.5% (\$524m).

Business Event Venues – Australian Bureau of Statistics

	Convention/ Exhibition Businesses	Other Business Events	Total
Business at end of June (no')	13	108	121
Event Floor Space at end of June (sq.m)	226 950	430 061	657 011
Events (no)	4 906	11 153	82 059
Total Delegate/attendee days for events (days)	7 625 157	13 262 705	20 887 862
Total Employment at end of June (persons)	3 120	7 227	10 347
INCOME			
Venue Hire (\$m)	55.4	56.0	111.4
Food and Beverage (\$m)	67.1	234.6	301.7
Other (\$m)	46.5	195.0	241.5
Total (\$m)	169.0	485.6	654.5

During 2000-01 the total income of the industry was \$655m with the 13 convention /exhibition businesses contributing \$169m and the other business events venues generating the remaining \$486m.

Tourism Consumption

Total tourism consumption increased by 2.3% in 2004-05. This was driven by a relatively strong growth in consumption by international visitors of 5.4% (\$18.3b) and a 1.3% increase in domestic travel consumption. Tourism consumption by domestic households rose from \$47.4 billion to \$47.7 billion in 2004-05, an increase of 0.7%. Consumption by business/government grew from \$8.3 billion in 2004-05, an increase of 4.8%.

SHARE OF TOURISM CONSUMPTION – 2004-05

	Households %	Buss/Gov %	International %	All Visitors %
Long Distance Passenger Transport	8.6	39.5	26.3	16.5

¹ Road and Traffic Authority (NSW) – "Traffic Volume Data for Hunter Region 1998" and "Traffic Volume Data for Hunter Region 2001"

Shopping (including gifts & Souvenirs)	19.9	.3	12.3	15.7
Takeaway & Restaurant Meals	19.1	6.2	7.3	14.7
Accommodation Services	6.8	23.2	13.3	10.3
Food Products	9.5	.6	7.4	7.9
Fuel	7.0	15.0	1.3	6.5
Taxi Products	0.4	2.9	0.7	0.7
All other Tourism Products	28.7	12.4	31.5	27.5
TOTAL	100.0	100.0	100.0	100.0

Tourism consumption during 2004-05 increased by 2.3%. This was driven by a 5.4% increase in international visitor consumption and a 4.7% increase in business and government consumption over this period. Tourism consumption recorded its strongest growth during 2000-01 of 10.7% which reflect the impact of GST on the price of services and expenditure on Olympic Tickets.

EMPLOYMENT

The tourism Industry employed 550, 100 persons in 2004-05. The number of tourism employed persons grew 8.1% between 1997-98 and 2004-05.

VISITOR NUMBERS

There were over 5.4 million short term international visitor arrivals to Australia during 2004-05. The 6.9% increase in 2004-05 follows the significant growth of 8.6% experienced in 2003-04, which was a rebound from two years of decline in 2001-02 and 2002-03.

TOURISM OVERVIEW – AS AT OCTOBER 2005.

- 2004 Growth was stronger than the average growth during the 1990's
- Australia's Tourism Consumption is up by 26% in six years 1997 to 2004.
- Tourisms contribution to exports increased to 12.1% as a result of a growth in tourism exports while total exports fell.
- Over the seven year period since 1997-98, tourisms share of total exports has been relatively stable.

3.5 DIRECTORS

Each Director has committed to devote sufficient time to the Company to enable it to properly and effectively undertake its proposed activities. Each has considerable and diverse business and management expertise, gained through past experience either as a result of professional activities or through operating their own businesses as principals. It is the view of the Directors that they have adequate knowledge and experience to ensure that the Company can carry out its stated objectives.

The Directors of the Company in office as at the date of this Prospectus are:

3.5.1 WILLIAM GEORGE UTTERSON – EXECUTIVE CHAIRMAN

A Director of five corporations over the past 20 years,

Koala Corporation of Texas

Director/ Owner Designer, Builder and Manager for this company specialising in home extension luxury pools and spas.

Top Flight Marketing

Director/ Owner, dealing with developers and builders specialising in project marketing to home owners and investors. Involved in the construction and design of residential and high- rise buildings. Developed marketing programmes for the successful sale of real estate, building the company to a turnover of over \$5,000,000 per annum.

Elders Project Marketing

Director/ Owner, assisting developers and builders in the acquisition of development sites, obtaining D.A consents for high-rise and residential developments.

Outback Brewery

Director/ Owner, Created a Craft Micro Brewery, winning a gold medal at the Melbourne International beer festival in 2004. It is expected the Company will have the assistance of Mr M. Stratton an international master brewer and Mr J. Foley a beer systems designer, (consultants to Lion Nathan) who will help in the design and development of the Down Under Brewery at Bulahdelah.

Rose Hill Real estate.

Director/ Owner of a general real estate company

Previous Experience

Installation Contracts Manager for Mill Australia; controlled over 200 projects including completing work on Darling harbour and Sydney airport. Estimator and general manager for E.P control (air-conditioning and electrical company) which was managed on behalf of court ordered receivers. Over a two-year period at E.P control, the company went from an \$80,000 per month loss, to a regular profit in excess of \$100,000 per month. Started as the estimator and

became the general manager; controlled over fifty on site projects. The company was able to trade out of receivership, before it was sold to its major competitor. Started my working career as a Electrical tradesman and became a businessman with skills in, business management, project management, estimating, marketing, real estate sales and designer

3.5.2 RALPH MERVYN KELLAR – DIRECTOR & SECRETARY

Over 25 years experience in the property market, with knowledge in finance, sales and law.

Leading conveyancer and a business development consultant.

Experience with golf course developers, on aspects, including finance, construction and sales contracts.

Involved in the legal aspects of developers and builders in site acquisitions, obtaining development consents and the arranging of suitable finance for said developments.

Ralph has been working with Great Lakes council and has already obtained conditional consents for the Resort, conference centre and Brewery.

3.5.3 ANTHONY RHYS JUDD - DIRECTOR

Tony has had an extensive career in the real estate and finance industries since 1972. He has worked in real estate through various agencies in the early 1970s, and later joined Custom Credit Corporation (a wholly owned subsidiary of the National Australia Bank Limited). At Custom Credit, Tony handled all manner of loan applications ranging from the initial application through to final approval.

He progressed through this organisation at Departmental level then into Branch Manager status throughout the Sydney regional area and while serving in State Office was in charge of loan approval limits in excess of \$1m in the '70's. He resigned his career with Custom Credit as second in charge of their largest Branch network at Parramatta in 1985.

It was then that Tony set up his own finance broker business and acted as an originator of mortgage loans for most of Australia's traditional banks. In this role he worked with numerous developers organising finance for end purchasers of real estate developments. During this time Tony was involved in the Financial Planning industry being an authorised representative of Investor Security Group. In 1996 Tony became General Manager of Allam Home Loans Pty Ltd a division of one of Sydney's largest Project Home Builders where he worked for 2 years.

Since 1998 Tony has been involved as a Consultant to a Real Estate Marketing Company selling over 300 house and land packages a year. He handled much of their initial Administration set up and was responsible directly to the Directors of the Company for all Management reports and assisted strategy decision meetings.

He has set up a successful Internet Service Provider Company with business associates and has been head of a Choice Home Loans Franchise for over 5 years with in excess of \$100,000,000 in loans written.

The opportunity in 2005 to join the Down Under team was eagerly accepted as he felt he could bring all of his skills and many of his resources to the Company to ensure the success of the venture. It was his belief that his contacts would enable the Company to achieve it's goals more rapidly.

3.5.4 MERLIN EDWARD CURRAN - DIRECTOR

Merlin was borne in Victoria and commenced work there in 1966 in a sales capacity with Myer. In 1968 he moved into the cut throat competitive world of Advertising sales and enjoyed much success with the Diamond Valley News.

In 1970 though his great love for the Greyhound fraternity borne from his father's long time experience was fortunate enough to gain a position with the National Coursing Association where his outgoing personality and dedication ensured he made a great input into that Organisations development and today he has many friends and contacts stemming from this involvement.

The family moved to Sydney and Merlin was able to gain a sales position in the then infant pool industry where he was shortly to become in charge of Sales and Marketing and overall construction finishes. He won awards for many of the pools constructed in the '70's. He also used his building supervisory skills to construct a number of small housing developments for himself.

In 1981 he was invited to join Hooker Home sales and was within a year head hunted to become a Consultant to the New South Wales Landcom division where he worked for over 14 years.

In 1996 Landcom was winding down it's activities and Merlin could see better prospect developing his own house and land packages and moved on to form his own venture with associates he had known for years and built a team of Investment based sales people selling packages from Melbourne to Far North Queensland.

Like his partner Tony Judd the opportunity to be involved in the Down Under concept with past business associates Bill Utterson and Ralph Keller was to good to pass up. He brings a great deal of networking and marketing ability to the team.

3.5.5 DARREN CHARLES LELLIOTT, MBA BCOM MFP FAICD – NON EXECUTIVE DIRECTOR

Operating in the financial services sector for over fifteen years Darren Lelliott is a principal advisor in CPT Corporate Advisory and has been appointed to the Board as the representative of the Nominated Adviser, CPT Corporate Advisory Pty Ltd.

Board of Directors

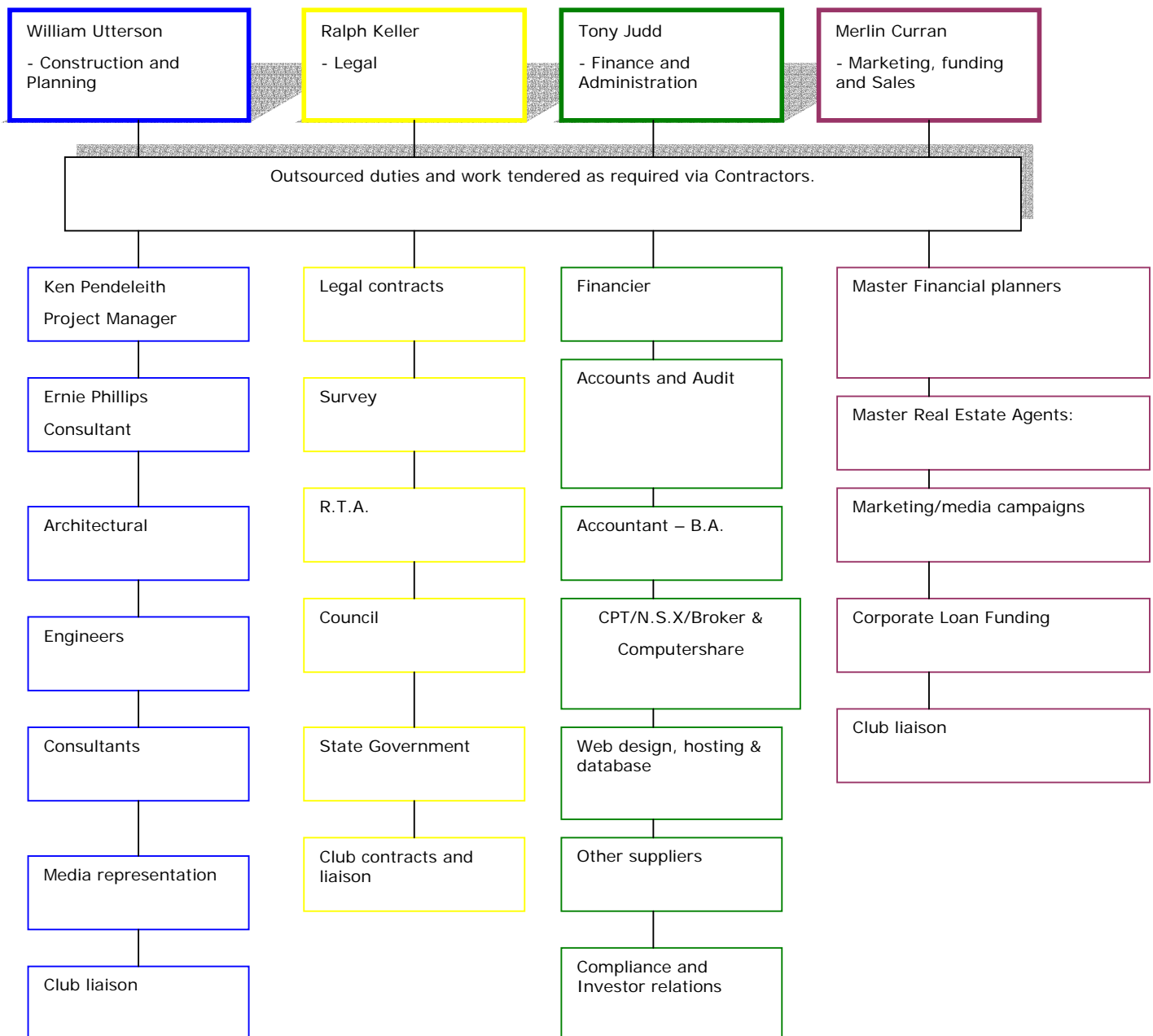
William George Utterson – Chairman/Director

Ralph Mervyn Keller – Director/Secretary

Merlin Edward Curran – Director

Anthony Rhys Judd – Director

006



3.6 MANAGEMENT

In view of the present level of operations of the Company, it has been determined that the activities of the Company at this time will be managed day-to-day by the Executive Directors, namely Mr William Utterson, Mr Ralph Keller, Mr Anthony Judd and Mr Merlin Curran.

Management and staff will be expanded on a needs base as has been anticipated in the management planning of the Company. A number of activities are already outsourced and will be assessed from time to time as to the viability of bringing these functions "in house". The Directors at this time envisage that there will be little need for direct employment of staff.

3.6.1 PROJECT MANAGER - MR KENNETH PLENDERLEITH

25 year's experience, working for Barclay Mowlem, Balfour Beatty, Henry Boot, Boulderstone Hornibrook and Morrison Construction Fellow of the Q.S Institute, and an Associate of the Fellow of the Permanent Way Institute. Kenny has been in charge of international projects including hotel construction in excess of 400 million pounds;

3.6.2 PROJECT CONSULTANT - ERNIE PHILIP

General manager of Australand for over 20 years Completed 100s of projects including Over 55s housing on Castle Hill Golf Course, 2,800 mixed density dwellings and apartments at Shellharbour, with Golf Course now completed), proposed marina and retail centre.

Numerous retail outlets and thousands of house and land projects through out the country.

Ernie is a current member of the Urban Development Institute of Australia and a former Fellow Australian Institute of Company Directors

3.7 CORPORATE GOVERNANCE

The primary responsibility of the Directors is to represent and advance the interests of Shareholders and to protect the interests of all stakeholders in the Company. To fulfil this role the Directors are responsible for determining the corporate governance policies and strategic direction of the Company, establishing corporate goals and monitoring the achievement of those goals. The responsibilities of the Directors include:

- ☐ Protection and enhancement of Shareholder value.
- ☐ Formulation, review and approval of the objectives and strategic direction of the Company.
- ☐ Approving all significant performance of the Company.
- ☐ Ensuring that internal controls and procedures exist, and monitoring compliance with same.
- ☐ Identifying significant risks to the Company and managing those risks.
- ☐ Establishing and maintaining appropriate ethical standards.

The Directors recognize the need for the Company to operate with the highest standards of behaviour and accountability and to comply with any relevant laws.

3.8 CONTINUOUS DISCLOSURE REQUIREMENTS

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the NSX Listing Rules and the Corporations Act. At each Board meeting specific consideration is to be given as to whether any matters should be disclosed under the Company's continuous disclosure policy.

3.9 COMMITTEES

In view of the present level of operations of the Company and its state of affairs, no audit or other committees of Directors have been established, however, the Board is mindful of the need to establish an audit committee and development overview committee post listing of the Company with the NSX.

3.10 REMUNERATION OF DIRECTORS

Directors are entitled to fees for acting as Directors. These fees are reviewed, from time to time, by the Board with any decisions concerning a change of Director fees needing to be passed at a general meeting of the members of the Company.

At this early stage the current Directors have decided to set their fees at \$35,000 p.a. each with additional salaries to be based upon job descriptions but these salaries will not to be above \$200,000 p.a. in total.

The Company shall reimburse Directors for out-of-pocket expenses incurred by them in connection with the performance of their duties as Directors of the Company.

3.11 NUMBER OF DIRECTORS AND TENURE

The number of Directors must not be less than three and, unless otherwise determined by the Company in general meeting, no more than ten. At every Annual General Meeting of the Company, one-third of the Directors (excluding the Managing Director) must retire from office. Directors may be appointed or removed by resolution of the Company in general meeting. In addition, the Directors themselves may appoint additional Directors provided that any such Directors must retire at the next Annual General Meeting. Directors who retire at an Annual General Meeting may Offer themselves for re-election.

3.12 QUALIFICATION SHARES

Under the provisions of the Constitution, a Director is not required to hold any securities in the Company in order to qualify to hold office as a Director.

3.13 DIRECTORS' INTERESTS IN SECURITIES OF THE COMPANY

The direct or indirect interests of the Directors in the securities of the Company, before the issue of Shares under this prospectus, are as follows:

William Utterson	36.2%
Ralph Kellar	41.5%
Anthony Judd	11.10%
Merlin Curran	11.10%
Darren Lelliott	Nil at the time of lodgement

3.14 RELATED PARTY CONTRACTS AND INTERESTS

Companies owned or controlled by the Directors may contract on an arms length basis with the Company.

Directors may be engaged as consultants to the Company and will be remunerated on an arms-length basis at a rate to be determined by the Board.

Directors and senior management will be required to advise the chairman of any related party contract or potential contract. The chairman will inform the Board and the reporting party/ies will be required to remove themselves from all discussions involving the matter, unless otherwise requested to provide details for consideration by the Board.

3.14.1 CURRENT THIRD PARTY CONTRACTS

Parties: William Utterson, Executive Chairman & Ralph Kellar, Director & Secretary, Mr Anthony Judd, Director & Mr Merlin Curran, Director

Summary: Messrs Utterson, Judd, Curran & Kellar are also Directors of Brewery Australia Developments from which the rights to purchase the Bulahdelah site is being acquired along with the developed intellectual property (including site designs) are being acquired and which has been contracted to undertake the development of the site at Bulahdelah.

Parties: Anthony Judd, Director and Merlin Curran, Director

Summary: Mr Judd is a board member of the company BBIT Internet Solutions Pty Ltd, provider of internet services and website hosting to the company. Messrs Judd and Curran are both shareholders of this company.

Parties: Darren Lelliott Non-Executive Director

Summary: Mr Lelliott is a principal of CPT Corporate Advisory which acts as the Nominated Adviser to the Company and has been appointed to the Board to better fulfil this function.

3.15 THIRD PARTY INTERESTS

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 with which any of those persons is, or was, associated, has now, or has had in the two-year period ending on the date of this Prospectus, any interest in:

- ☐ The formation or promotion of the Company; or
- ☐ Property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer under this Prospectus; or
- ☐ The Offer under this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or given, or agreed to be paid or given, to any 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, 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 the Offer under this Prospectus.

3.15.1 NOMINATED ADVISER

CPT Corporate Advisory has agreed to act as the nominated adviser to the Company in relation to the Offer and has provided advice to the Company in connection with the Offer. The Company, or other entities associated with the Directors, has previously paid approximately \$150,000 (plus applicable GST) for other corporate advisory services.

3.16 SHARE TRADING

Directors, management and other employees as nominated will normally only be permitted to trade in securities during a four-week period commencing immediately after the announcement to the NSX of the half-yearly and annual results and after the conclusion of the Company's Annual General Meeting, provided that the person is not in possession of price sensitive information and the trading is not for short term or speculative gain. Any trading outside these periods can only be conducted with the prior written approval of the Chairman.

3.17 SHAREHOLDER RELATIONS

The Directors aim to ensure that the Shareholders are informed of all information necessary to assess the performance of the Company. Information on all major developments affecting the Company is to be communicated to the Shareholders through the Annual Report, the Annual General Meeting and other meetings called to obtain approval for Board action as appropriate. All Shareholders who are unable to attend these meetings will be encouraged to communicate issues or ask questions by writing to the Company.

4 INVESTOR INFORMATION

4.1 RISK FACTORS

The performance of the Company may vary significantly from the Directors' expectations. An investment in the Shares of the Company can be associated with several specific risks, some of which are set out in this section.

4.2 PERSONNEL RISK

The Company is dependent on Messers Utterson, Kellar, Judd and Curran. The loss of the services of either of these persons could have an adverse effect on the operations of the Company. It should be noted that each of these persons has a substantial indirect financial interest in the Company and has confirmed their strong intention to support the Company.

4.3 START-UP RISK

As the Company only commenced operations in 2006, an investment in the Shares may be more speculative than an investment in a Company with an established business.

4.4 MARKET RISK

The Company's prime activity is to be the establishment and operation of Brewery Resorts which are dependent upon tourism. This segment may vary in its demand dependent on available alternatives and general economic conditions.

4.5 DEVELOPMENT RISK

As the Company will be developing its own Brewery Resorts, so as to achieve the Brewery Resort concept, it may during the development of those Brewery Resorts be exposed to those risks associated with property development.

4.6 GENERAL RISKS

- ☐ Variation in legislation and government policy (including taxation and monetary policies and corporation laws) could materially affect the operating results of the Company.
- ☐ Any variation in short and long-term interest rates, commodity prices, the strength of the equity markets or the general economic climate (both in Australia and internationally) could materially affect the operating results of the Company.
- ☐ The value of investments acquired by the Company can fall, as well as rise, due to any number of circumstances that may be beyond the control of the Company (including market conditions) and such investments may not generate the returns or capital growth expected.
- ☐ As with any equity investment, substantial fluctuations in the value of the Shares may occur dependent on a range of factors, many of which are beyond the control of the Company.
- ☐ It may be difficult for an investment in the Company to be realized at short notice.
- ☐ The success of the Company may be affected by the ability of the Company to raise adequate debt or equity capital to meet its commitments in respect of its investment activities.
- ☐ There is no guarantee that an active market will develop in the Shares.
- ☐ The ability of the Company to pay dividends to its Shareholders will, in part, depend upon the ability of the Directors to make profits through the acquisition and realisation of investments. It is not possible to predict at what point in time profits will be generated or at what point in time the Company will generate sufficient earnings to cover its operating expenses.
- ☐ Once the existing investments held by the Company are developed and/or realized, its success and profitability will depend on the ability of the Directors to identify other opportunities to acquire investments and then realize such investments to generate profits for the Company. Any such investments may not generate the expected returns or capital growth.

The above list is not exhaustive and any person who is considering applying for Shares should read this Prospectus in full, and if they require any further information on potential risks, should seek further advice from a qualified professional adviser.

The Directors intend to use prudent management techniques to minimize the risks to Shareholders, but no assurance can be given by the Directors to the likely success or otherwise of the activities of the Company.

5 FINANCIAL REPORT

5.1 GENERAL INFORMATION

Section 710 of the Corporations Act requires a prospectus to contain all information that would enable investors and their professional advisers to make an informed assessment of the issuer's prospects. At the same time ASIC Policy Statement 170, "Prospective Financial Information", considers that the use of hypothetical and best estimate assumptions may be misleading and will not be sufficient to demonstrate that reasonable grounds exist for stating prospective financial information as required by section 728 of the Corporations Act. It is for this reason that no financial projections have been included in this Prospectus.

Investors should note that Down Under Brewery Resorts Limited is a recently incorporated company for the purpose of owning the intellectual property already developed and being developed into the Brewery Resorts concept and methodology of five star resort development and operations. It is to be the operational company for the Down Under Brewery Resorts concept of a chain of Brewery Resorts across Australia. The land and all assets to be developed as a result of the funds raised under this prospectus are to be assets of Down Under Brewery Resorts Limited or its wholly owned subsidiaries.

As the Company is newly incorporated the Board has determined that there is insufficient financial data to supply in the form of Accountant investigated reports.

Being a newly incorporated entity has both advantages and disadvantages when considering an investment into this Company.

Disadvantages:

1. There is no trading history to indicate the success or failings of the directors of the Company or the Company's operations in its industry; and
2. It is not possible at this time to apply many of the normal equations over the securities of this Company to determine its suitability for investment.

Advantages:

1. No liabilities exist in the Company;
2. The Company does not have a trading history and therefore the Board can assure investors that there are no matters of liability or claim outstanding against the Company or which the Company could foresee at this time.

In making their assessment of the future prospects of Down Under Brewery Resorts, the Directors have taken account of reliable industry and site specific data (in the case of the current Down Under Brewery Resort – Bulahdelah site) taken from reliable government and private research suppliers.

Prospective investors should take into consideration that the actual results may vary significantly from the assumptions used in preparing this assessment. They should base their decision to invest on a consideration of all of the information (including 'Investment Risk') contained in this Prospectus.

Potential investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed by the Directors when preparing this Prospectus and that this may have a positive or negative effect on actual financial performance.

5.2 GENERAL ASSUMPTIONS

5.2.1 OFFER

The issue price is \$1.25 per Share for Pre-Listing and \$1.65 per Share for Post-Listing payable upon Application.

5.2.2 CONTINUITY OF OPERATIONS

There will be no significant disruption to the continuity of Down Under Brewery Resorts' operation or loss of key personnel during the forecast period.

5.2.3 TAXATION LEGISLATION

There will be no change in the taxation legislation that will have material impact on the financial results and reported cash flows.

5.2.4 REGULATORY ENVIRONMENT

There will be no change in the regulatory environment that will have a material impact on financial results and cash flows.

5.3 REVENUE ASSUMPTIONS

Cashflow and Expense Assumptions

5.3.1 WORKING CAPITAL

The Board is satisfied that at this stage of the Company's life working capital can be met from a combination of sources, dependent upon the level of funds raised under this offering.

It is assumed that the non-development working capital requirements of the Company will remain low until such time as the Down Under Brewery Resort – Bulahdelah site has been completed

5.3.2 OFFER PROCEEDS

It is intended to use the Offer proceeds to Offer acquisition of capital assets, working capital and pay issue costs required in the normal course of business.

5.3.3 DIVIDEND POLICY

The distribution policy of Down Under Brewery Resorts is as follows:

As all Shares to be issued under this prospectus are ordinary shares and therefore of the same class of shares they rank equally and any dividend entitlements are distributed evenly between the total number of these Shares on issue.

The Company, subject to its capability to declare and pay dividends, may select a common date to declare dividends. Thereafter, the Company may declare further dividends on a common date in successive periods.

Where possible, the Company may have the dividend payments made by electronic means.

The Directors will consider prevailing circumstances when determining the payment of dividends. There can be no assurance that their view will not change at some time in the future.

The Directors can give no assurance for the financial years 2006/07 or for any future period regarding the payment of dividends or the extent of payout ratios, as actual events may differ from the assumption used in assessing the anticipated ability to pay these dividends.

PRO FORMA STATEMENT OF FINANCIAL POSITION – DOWN UNDER BREWERY RESORTS LIMITED

		Current 13 th November 2006	\$17.88m Subscription
	Notes		
CURRENT ASSETS			
Cash	2	500,000	18,380,000
NON-CURRENT ASSETS	3	0	0
TOTAL ASSETS		500,000	18,380,000
CURRENT LIABILITIES			
Commission & Establishment costs	4	200,000	1,094,000
NON-CURRENT LIABILITIES			
Taxation	5	0	0
NON-CURRENT LIABILITIES		0	0
TOTAL LIABILITIES		200,000	1,094,000
NET ASSETS/LIABILITIES		300,000	17,286,000
Issued Capital	6	48,678,300	74,680,800
Retained Profit/Loss	7	-48,378,300	-57,394,800
TOTAL EQUITY		300,000	17,286,000
Net Assets per Passive Investment Share type share	8	.01	.36

Note 1 – Assumptions by the Directors of the Company in compiling the Pro forma **Statements of Financial Position**

The Pro forma Statements of Financial Position have been compiled on the basis of the following assumptions:

- I. 18,498,000 Shares being maximum subscription, issued at 11,298,000 Pre-Listing discounted price of \$1.25 fully paid each and 7,200,000 Post-Listing price of \$1.65 fully paid each are issued within the first 12 months;
- II. Commissions are paid at 5% of funds raised (exclusive of GST); and
- III. No development costs or operating expenses have been extracted.

Note 2 – Cash

	Full Subscription
Receipts	
Cash at bank	500,000
Proceeds from the issue of shares at \$1.25 and \$1.65 fully paid	<u>17,880,000</u>
Payments	

Debt reduction	Nil
Balance of cash available	18,380,000

Note 3 – Non-Current Assets

Asset	Director Valuation
Rights to settlement of land purchases at the Bulahdelah site at the original purchase price given the director assessed improved site valuation based on site related planning, design and approval work.	Not provided
Intellectual property that has been developed in Brewery Australia Developments and specific to the Bulahdelah site.	Not provided
TOTAL NON-CURRENT ASSETS	Not provided

Non-current assets would include the increase in the value of the land, over which the Company will have the right to settle at a pre-agreed settlement price and the intellectual property rights specific to the Brewery Resorts concept and the Bulahdelah site development.

While the Board applies, for its own purposes, significant value on these assets these values are based on directors assessment only.

The Board is of the opinion that it is not able at this time to obtain a revaluation of the site and will not be able to receive such revaluation until such time as the complete set of site designs are completed and the construction certificate has been received by the Company.

Therefore, the Board has elected, so as to avoid acting in a deceptive or misleading manner or acting in contravention of ASIC Policy Statement 170 or the Corporations Act, not to provide a director's valuation for these non-current assets.

Note 4 – Current Liabilities

The following liabilities will fall due and payable by the Company upon fund raising and is applied as a percentage of funds raised.

Investment offering and exchange listing establishment costs	200,000
Commissions for raising capital (5.00% ex GST of funds raised)	894,000
Total Current Liabilities	1,094,000

Establishment costs are inclusive of corporate advisory fees, documentation preparation and printing and the cost of actual NSX exchange listing.

Note 5 –Taxation Liability

No taxation liability has been taken into account as the Company does not project that it will generate any income for a period of not less than two years.

Note 6 – Share Capital

	Full Subscription
Issued and fully paid up	
Issued on incorporation 29,502,000 Ordinary Shares at \$1.65 per share to the principals of the Company Messrs Utterson, Kellar, Curran and Judd in exchange for services and their entitlements regarding the transfer of options contracts, rights and intellectual property of Brewery Australia Developments of which they are the major shareholders.	48,678,300
Issued 6,498,000 pursuant to this Prospectus for Options contracts, rights and intellectual property of Brewery Australia Developments at \$1.25 per share being a Pre-Listing discount of 40 cents on the listing price of \$1.65 per Share	8,122,500

Issued 4,800,000 pursuant to this Prospectus for cash at \$1.25 per share being a Pre-Listing discount of 40 cents on the listing price of \$1.65 per Share	6,000,000
Issued 7,200,000 pursuant to this Prospectus for cash at \$1.65 per Share	11,880,000
Total Shareholders Equity	74,680,800

Note 7 – Retained Losses

Losses are assumed to initially accrue in the Company due to the expenditure associated in establishing the project. Preliminary development costs are noted at section 3.3.5. At the time of the post-investment statement a revaluation of the assets of the Company has not been completed.

Note 8 – Net Assets of Shares

The net assets of the Company are expected to be low at this stage of the development of the Company, its processes and its first resort site.

While the Company is restricted from making projections with regards to its performance beyond two years it is assumed that significant, although unquantified for the purposes of this prospectus, gains in the valuation of the assets of the Company will occur following settlement of the Bulahdelah site land, design concepts and the full construction of the site.

6 THE STOCK EXCHANGE OF NEWCASTLE LIMITED (NSX)

6.1 INFORMATION ABOUT THE NSX

The NSX is a stock exchange established specifically for the listings of small to medium size companies. It operates a well regulated, transparent orderly and highly efficient market. Because its Listing Rules are designed to accommodate the unique requirements of emerging companies, the securities listed on our market cover a diverse range in size, activities and geographic location.

With electronic trading and clearing and access to an experienced broker and adviser network, the NSX have created an environment capable of achieving the outcomes required for fast growing companies.

It is one of only three operating stock exchanges in Australia, having acquired the Bendigo Stock Exchange (BSX), and has a national network of broker members, including:

- ☐ Reynolds & Company Pty. Limited
- ☐ Tonkin Scorer Menzies
- ☐ AAA Financial Group
- ☐ ABN Amro Morgans Limited
- ☐ Bell Potter Securities Limited
- ☐ Cameron Stockbrokers Limited
- ☐ Findlay & Co. Stockbrokers
- ☐ Freeman Fox Securities Limited
- ☐ Macquarie Equities Limited
- ☐ Martin Place Securities Pty Limited
- ☐ Pritchard & Partners Pty. Limited

The NSX is approved as a stock exchange under the Corporations Act and is a fully operational main Board stock exchange regulated by ASIC. It uses a trading system known as NETS (Newcastle Electronic Trading System) which is licensed from the Australian Stock Exchange (ASX) and is operationally identical to the SEATS (Stock Exchange Automated Trading System) system used by the ASX. The NSX also uses the CHESS clearing and settlement system to ensure seamless and straightforward processing of transactions.

Further information about the NSX can be obtained from its website, www.newsx.com.au.

6.2 NSX LISTING

Within seven days of the date on which this Prospectus is lodged with ASIC, the Company will make Application to be admitted to the official list of the NSX and for a quotation of the Shares for trading on the NSX market. If the Application is approved, quotation will commence as soon as practicable after the allotment of the Shares to successful Applicants.

If the Company is not admitted to the official list of the NSX and the Shares are not granted quotation on the NSX market within four months after the date of this Prospectus, none of the Shares Offered under this Prospectus will be allotted and all monies paid by Applicants hereunder will be refunded without interest within the time prescribed by the Corporations Act.

6.3 RESTRICTED SECURITIES

The NSX may, as a condition of admitting the Company to its official list and granting quotation of the Shares, classify certain of the securities of the Company as Restricted Securities. If so, prior to quotation of the Shares being granted, the holders of any such Restricted Securities will be required to enter into restriction agreements. The terms of such agreements will be determined by the NSX in accordance with the Listing Rules of the NSX. Any such restriction agreements will prohibit the transfer of effective ownership or control of the securities subject to those restrictions for such period as NSX may determine, unless the written consent of NSX is obtained prior to any such transfer of effective ownership or control.

6.4 CHESS AND ISSUER SPONSORED HOLDINGS

The Company will apply to be admitted to participate in CHESS. On admission to CHESS, the Company will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers combined will comprise the Register of Members that the Company is required to maintain pursuant to the provisions of the Corporations Act.

Transaction confirmation statements will be issued to all Shareholders setting out the number of Shares in respect of which the Shareholder has been allotted under this Prospectus. Those Shareholders who elect to hold Shares on the CHESS sub-register will receive an initial holding statement issued by the CHESS operator, ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532), acting on behalf of the Company.

Following the distribution of transaction confirmation statements to Shareholders a holding statement will also be provided to a Shareholder at the end of any month during which the balance of Shares held by that Shareholder has increased or decreased.

6.5 NOMINATED ADVISER

The Listing Rules of the NSX require that an entity admitted to the official list of the NSX appoint an adviser to assist the Company to comply with the Listing Rules. CPT Corporate Advisory Pty Ltd has agreed to act as the nominated adviser to the Company and in performing this role has required that one of its officers, Mr Darren Lelliott, is appointed as a non-executive director of the Company during the period it is engaged as the nominated adviser.

7 MISCELLANEOUS INFORMATION

7.1 TAX ISSUES

There may be tax implications arising from the acquisition of Shares, the receipt of dividends (both franked and unfranked) and the disposal of Shares. All prospective investors should carefully consider these tax implications, and if uncertain as to the relevant taxation issues should obtain further advice from a qualified professional adviser. Tax liabilities are the responsibility of each individual investor and the Company will not be responsible for any tax or related penalties incurred by investors.

The Company will be taxed in Australia as a public Company.

7.2 LITIGATION/ADMINISTRATIVE ACTION

As at the date of this Prospectus, the Company is not party to any litigation or administrative action that could have a materially adverse effect on the Company nor, to the knowledge of the Directors, has any such action been threatened.

7.3 CONSENTS

The consents referred to in this section extend to both the printed and the electronic versions of this Prospectus.

The following parties:

7.3.1 NOMINATED ADVISER – CPT CORPORATE ADVISORY PTY LTD

As at the date of this Prospectus have given, written consent to include in this Prospectus any statement in the form and context in which it appears including all references to that statement in this Prospectus. These parties have not authorised or caused the issue of this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus, other than a reference to its name and a statement included in this Prospectus with its consent.

Copies of the consents to the issue of this Prospectus are available for inspection, without charge, at the registered office of the Company.

7.4 PRIVACY

We use personal information about you to administer your investment.

The Company will not pass to any external party any information that is held about you unless:

- ☐ you allow us;
- ☐ the law requires; or
- ☐ we consider your financial adviser needs the information.

If you think our records are wrong or out of date – particularly your address, email address or the details of your financial adviser – it's important you contact us and we'll correct them.

You can always access the personal information held about you by contacting the Company.

7.5 RIGHTS AND LIABILITIES ATTACHING TO SHARES AND OPTIONS

The following is a broad summary (not exhaustive or definitive statement) of the provisions of the Constitution governing the rights and liabilities that attach to Shares.

7.5.1 DISCOUNTED SHARE PRICE

Where the ordinary shares are issued at a discounted price it must be on an equal basis and available equally to all existing or potential shareholders but may be on the basis of:

- ☐ A limited number of Shares receiving this discount; or
- ☐ A limited timeframe within which such discounted Shares will be available.

7.5.2 ESCROW PERIODS

To avoid any Shares issued on a discounted basis having a negative valuation impact on the Company or the value of other ordinary shares the Company may, at its discretion, apply an escrow period on those shares having received the discount. Such escrow period shall be only for a reasonable timeframe and not for a period greater than six months from the date of issue of the discounted share.

7.5.3 GENERAL MEETING AND NOTICES

Shareholders are entitled to receive notice of, and attend, general meetings of the Company and to receive all notices, accounts and other documents that the Company is required to send to members under the Constitution, the Corporations Act or the Listing Rules. Shareholders may requisition or convene a general meeting as permitted by the Corporations Act.

7.5.4 VOTING RIGHTS

Subject to restrictions on voting from time to time affecting any class of Shares in the capital of the Company, and any restrictions imposed the Corporations Act, or the Listing Rules, on a show of hands each Shareholder has one vote, and

on a poll, each Shareholder has one vote for each Share held by the Shareholder. Voting rights attaching to Shares may be exercised in person or by proxy, attorney or corporate representative.

7.5.5 DIVIDENDS

Subject to the rights of or restrictions on holders of Shares created or raised under any special arrangements as to dividends, the Directors may from time to time determine to pay, and declare, a dividend, which shall be apportioned and paid among the Shareholders in proportion to the amounts paid up on the Shares held by them. No dividends are payable except out of profits.

7.5.6 TRANSFER OF SHARES

Subject to the Corporations Act, the Constitution and the Listing rules, Shares are freely transferable.

7.5.7 FUTURE ISSUES

Subject to the Corporations Act and the Listing Rules, the Directors may allot, issue, grant options over, or otherwise deal with the unissued Shares in the Company at the times and on the terms and conditions that the Directors think proper and Shares may be issued with preferential, deferred or special rights, privileges or conditions or restrictions including, but not limited to, restrictions in regards to dividends, voting or return of capital as the Directors may determine.

7.5.8 VARIATION OF RIGHTS

The rights and restrictions attaching to a class of Shares in the capital of the Company can only be altered with the consent in writing of Shareholders with at least 75% of the votes in the class, or by special resolution passed at a separate meeting of the holders of the Shares of that class.

7.5.9 LIABILITY OF HOLDERS OF SHARES

Under the Constitution, holders of Shares are only liability to the Company to the extent of any unpaid amounts owing on their Shares. As the Shares in this Offer are fully paid, holders of Shares will have no further liability to the Company after payment of the issue price of each Share.

7.5.10 WINDING UP

Subject to the rights and restrictions attached to any Share in the Company, in a winding up of the Company, assets remaining after the repayment of liabilities shall be apportioned and paid among the Shareholders in proportion to the amounts paid up on the Shares held by them. A liquidator appointed to wind up the Company may, with the sanction of a special resolution of the members of the Company and subject to the Corporations Act, Listing Rules and any rights or restrictions attached to any Shares in the Company, distribute any assets of the Company in specie among the members and determine how the distribution is carried out.

To obtain a definitive understanding of all relevant provisions of the Constitution it is necessary to read the Constitution in full. The Constitution is available for inspection at the offices of the Company.

7.6 MATERIAL DOCUMENTS

It is considered that the document described below is a contract that is material to the operations and affairs of the Company, which prospective investors and their advisers would reasonably expect to be disclosed in this Prospectus to enable an informed decision to be made regarding the Offer. The information supplied is only a summary of the terms of the contract and to gain a complete understanding of a particular contract it is necessary to read it.

7.6.1 DOCUMENT

Document:	Sale of land - contract
Summary:	A contract for the sale of land consisting of 40.47 hectares
Parties:	Sale of land - contract
Summary:	A contract for the sale of land consisting of 40.47 hectares
Parties:	Option agreement
Summary:	An option for the sale of 58.68 hectares
Parties:	Tender agreement
Summary:	An agreement for the expansion of golf course

7.7 INSPECTION OF DOCUMENTS

Copies of the following documents will be available for inspection without charge during normal business hours at the registered office of the Company for a period of 13 months after the date of this Prospectus.

- ☐ Constitution
- ☐ Consents
- ☐ Material contracts as described above.

8 CORPORATE DIRECTORY

COMPANY	DOWN UNDER BREWERY RESORTS LIMITED ACN 122 627 310 Telephone: 02 9688 7600 Facsimile: 02 9699 7644 Email: info@breweryaustralia.com.au Website: www.downunderbrewery.com.au
REGISTERED OFFICE	9/35 Old Northern Road BAULKHAM HILLS NSW 2153
PRINCIPAL PLACE OF BUSINESS	9/35 Old Northern Road BAULKHAM HILLS NSW 2153
MAILING ADDRESS	P.O. Box 2624 North Parramatta NSW 1750
NOMINATED ADVISER	CPT Corporate Advisory Pty Ltd Unit 2/111 Victoria Street PO Box 1550 Coffs Harbour NSW 2450 Ph: 02 6652 1752 Fx: 02 6651 3911 www.cptgroup.com.au

9 **USEFUL TERMS IN THE PROSPECTUS**

Annual Report	The annual financial reports of a Company as prescribed in the Corporations Act.
Applicant	A person who submits an Application to the Company.
Application	An Application for Shares pursuant to this Prospectus.
Application Form	The Application Form attached to this Prospectus.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Stock Exchange Limited (ACN 008 624 691)
Board	Is the Board of Directors of the Company.
Brewery Australia Developments	Shall mean Brewery Australia Developments Pty Ltd ACN: 109 551 457
Brewery Resort	A Brewery Resort is the unique concept of the Company thereby combining resort accommodation with a boutique brewery facility.
Chairman	The Chairman of the Board of the Company.
CHESS	Clearing House Electronic Sub-register System
Company	Shall mean Down Under Brewery Resorts Limited ACN: 122 627 310
Constitution	The Constitution of the Company (as amended).
Corporations Act	Corporations Act 2001
Directors	Are the Directors of the Board of the Company.
Down Under Brewery Resorts	The investment Offered under Shares by Down Under Brewery Resorts Limited ACN: 122 627 310
Electronic Prospectus	An electronic version of the Prospectus
Listing Date	The date set out in section 2.19 as the Listing Date of the Offer, or such other date as is determined by the Directors subject to the Corporations Act.
NSX	The Stock Exchange of Newcastle Limited (ACN 000 902 063)
NSX Listing Rules	Those prescribed by the NSX for the requirement in listing with that exchange.
Offer	The Offer of 12,000,000 Shares at an issue price of \$1.25 per Share payable in cash together with the right to accept oversubscriptions for up to 4,000,000 Shares at an issue price of \$1.25 per Share payable in cash that is made pursuant to this Prospectus.
Pre-Listing	Shall mean the first 11,298,000 Shares issued under this prospectus and including 6,498,000 Shares to be issued to current shareholders in Brewery Australia Developments (see section 2.3.1).
Post-Listing	Shall mean all Shares issued under this prospectus which do not qualify as Pre-Listing discounted Shares.
Prospectus	This Prospectus.
Share	A Share Offered or issued by the Company under this Prospectus.
Share Registry	Computershare Pty Ltd

In this Prospectus: -

A reference to any legislation includes any statutory modification or re-enactment or any substituted provision and ordinances, by-laws, regulations and other statutory instruments issued thereunder. Words importing the singular include the plural (and vice versa) and words denoting a given gender include all other genders. Where the context permits a reference to the redemption of Shares by the Company may also include an undertaking by the Company to engage in a selective Share buy-back of Shares in accordance with the Corporations Act 2001.

9.1 **INTERPRETATION**

In this Prospectus, unless the context otherwise requires:

- ☐ All monetary amounts are expressed in Australian dollars and references to cash are references to Australian dollars.

- ❑ A reference to a Section is a reference to a section of this Prospectus, unless expressed otherwise.
- ❑ The singular includes the plural and vice versa and one gender includes all genders.
- ❑ A reference to a person includes a corporation, trust, partnership, joint venture, association, authority, state or government and vice versa.
- ❑ Where expression is defined in this Prospectus, it has the defined meaning throughout.

9.2 ROUNDING ERRORS

Values expressed as dollars in this Prospectus have been rounded up or down to the nearest whole dollar as appropriate. Values expressed as percentages in this Prospectus have been rounded to two decimal places. Minor calculation errors may have arisen from the rounding of values.

10 DIRECTORS' STATEMENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statement by the Directors in this Prospectus are not misleading or deceptive and that with 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 those other statements were competent to make such statements and each of those persons have given their consent to the issue of this Prospectus and have not withdrawn that consent, before lodgement of this Prospectus with ASIC, or to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus. The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented in writing to the lodgement of the Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of Down Under Brewery Resorts Limited on 14 November 2006.

William George Utterson
Executive Chairman

Ralph Mervyn Kellar
Director/Secretary

Anthony Rhys Judd
Director

Merlin Edward Curran
Director

Darren Charles Lelliott
Non Executive Director