

POWER RESOURCES LIMITED
ABN 69 125 345 502

**SHORT FORM
PROSPECTUS**

For a non renounceable entitlements issue of up to 14,875,001 Loyalty Options on the basis of 1 Loyalty Option for every 2 Shares held by Shareholders as at 5.00pm (WST) on 25 July 2008 at an issue price of 1 cent per Loyalty Option to raise up to \$148,750.

Important Notice

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act 2001. This Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type but refers to other documents the information of which is deemed to be incorporated in this Prospectus.

This document (and those documents incorporated by reference) should be read in its entirety. If you are in doubt as to the contents of this document (and those documents incorporated by reference) you should consult your stockbroker or other professional advisor without delay.

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

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POWER RESOURCES LIMITED

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Important Notice

This Prospectus is dated 16 July 2008.

A copy of this Prospectus was lodged with the ASIC on 16 July 2008. The ASIC and ASX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Loyalty Options will be issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus. Application will be made within seven (7) days after the date of this Prospectus for permission for the Loyalty Options offered by this Prospectus to be listed for Quotation.

No person is authorised to give information or make any representations in connection with this Prospectus which is not contained in this Prospectus. Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for Loyalty Options. There are risks associated with an investment in Power Resources and the Loyalty Options offered under this Prospectus must be regarded as a speculative investment. The Loyalty Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Loyalty Options.

Certain abbreviations and other defined terms are used throughout this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 14 of this Prospectus.

Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act 2001. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type. Rather, the Prospectus incorporates by reference information contained in a document that has been lodged with the ASIC. This Prospectus refers to the disclosure document lodged by the Company with ASIC on 21 November 2007 for the offer of 11,000,000 Shares at an issue price of 20 cents each to raise a total of \$2,200,000 ("November 2007 Prospectus") and the ASX announcements referred to in Section 5 of this Prospectus ("ASX Announcements"). In referring to the November 2007 Prospectus and the ASX Announcements, the Company:

- (a) identifies the November 2007 Prospectus and the ASX Announcements as being relevant to the offer of Loyalty Options under this Prospectus and containing information that will provide investors and their professional advisers information to assist them in making an informed assessment of:
 - (i) the rights and liabilities attaching to:
 - (a) the Loyalty Options; and
 - (b) the underlying securities;
 - (ii) the capacity of the Company to issue the Loyalty Options and the underlying securities; and
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of Power Resources;
- (b) refers investors and their professional advisers to Section 5 of this Prospectus which summarises the information in the November 2007 Prospectus and the ASX Announcements deemed to be incorporated in this Prospectus;
- (c) informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the November 2007 Prospectus and the ASX Announcements by either emailing or writing to the Company at its registered office during normal business hours during the Offer Period, or by visiting the Company's website at www.powerresources.com.au; and

- (d) advises that the information in the November 2007 Prospectus and the ASX Announcements will be primarily of interest to investors and their professional advisers or analysts.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the Company's website at www.powerresources.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. There is no facility for Applications to be accepted electronically or by applying online.

The Corporations Act prohibits any person from passing on to another person the Acceptance Form unless it is attached to or accompanied by a complete and unaltered version of the Prospectus. The Company will not accept a completed Acceptance Form if it has reason to believe that the Applicant has not received a complete and unaltered copy of the Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company.

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POWER RESOURCES LIMITED
SECTION 1 – CORPORATE DIRECTORY

DIRECTORS

Vincent Hyde	Executive Chairman
Cecil Lee	Independent Director
Warren Dunne	Independent Director

COMPANY SECRETARY

Vincent Hyde

REGISTERED OFFICE

800 Canning Highway
APPLECROSS WA 6153

CONTACT DETAILS

Telephone: (08) 9315 9200
Facsimile: (08) 9315 3299
Website: www.powerresources.com.au
Email: admin@powerresources.com.au

STOCK EXCHANGE LISTING

Australian Securities Exchange*
(Home Exchange: Perth, Western Australia)
Code: PWW

AUDITORS

HLB Mann Judd
15 Rheola Street
WEST PERTH WA 6005

SHARE REGISTRY

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

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POWER RESOURCES LIMITED
SECTION 2 – LETTER FROM EXECUTIVE CHAIRMAN

16 July 2008

Dear Shareholder

The Board is pleased to offer Shareholders the opportunity to participate in a 1 for 2 non-renounceable entitlement issue of Loyalty Options.

All Shareholders registered as at 5.00pm WST on 25 July 2008 will be entitled to participate in a non-renounceable entitlement issue of Loyalty Options on the basis of one (1) Loyalty Option for every two (2) Shares then held.

The Closing Date for acceptances is 5.00pm WST on 15 August 2008.

The Board recommends all Shareholders take up their entitlement and advises that the Directors will take up their entitlement. Funds raised from the issue will be used for working capital purposes and to pay the expenses of the Offer.

The Board takes this opportunity to thank all Shareholders for their support since listing and looks forward to your continued support in the future.

Yours faithfully



Vincent Hyde
Executive Chairman

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POWER RESOURCES LIMITED
SECTION 3 – TIMETABLE AND IMPORTANT DATES

EVENT	DATE
Prospectus lodged with ASIC and ASX	16 July 2008
'Ex' Date	21 July 2008
Record Date for determining entitlements	25 July 2008
Opening Date	31 July 2008
Dispatch Prospectus	31 July 2008
Closing Date *	15 August 2008
Deferred settlement trading commences	18 August 2008
Issue of options and dispatch of holding statements	22 August 2008

Shareholders should consult their brokers or professional advisors in regards to the definition of 'Ex' Date and Record Date to ensure that their entitlement to participate in the offer is assured.

These dates are indicative only and may, subject to the requirements of the ASX Listing Rules and the Corporations Act, be changed without notice.

* The Directors may extend the Closing Date by giving at least 6 business days notice to ASX prior to the Closing Date. As such, the date the Loyalty Options are expected to commence trading on ASX may vary.

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POWER RESOURCES LIMITED
SECTION 4 – DETAILS AND OFFER

4.1 Purpose of the Offer

The principal purpose of the Offer is to provide a benefit to Shareholders who have retained their Shares through to the Record Date by enabling them to acquire Options to subscribe for additional Shares in the Company.

The funds raised by the Offer of up to \$148,750 will be applied to working capital and also to meet issue expenses of approximately \$12,500.

If no funds are raised as a result of this Offer, the Company has sufficient working capital to meet its obligations as set out in the November 2007 Prospectus.

4.2 The Offer

The Company is making a pro-rata non-renounceable entitlement issue to Shareholders who are registered at 5.00pm WST on 25 July 2008 of up to 14,875,001 Loyalty Options at an issue price of 1 cent each to raise approximately \$148,750 (before costs of the Offer).

The Loyalty Options will be offered on the basis of one (1) Loyalty Option for every two (2) Shares then held. The terms and conditions of the Options are set out in Section 9.1 of this Prospectus.

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

The Company has on issue 29,750,001 Shares, 12,875,001 of which are quoted. All holders of ordinary shares in the Company (whether fully or partly paid) are entitled to participate in the Offer.

4.3 Entitlement

The number of Loyalty Options to which each Shareholder is entitled is shown on the enclosed Acceptance Form. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be the maximum Entitlement.

Shareholders may accept their Entitlement in full or part by returning a completed Acceptance Form to the Company's share registry by 5.00 pm WST, on 15 August 2008.

4.4 Minimum Subscription

There is no minimum subscription.

4.5 Oversubscriptions

Oversubscriptions will not be accepted.

4.6 Issue Price

The issue price is 1 cent for each Loyalty Option payable in full in Australian currency on the acceptance of the Offer as follows:

- o Cheque drawn on and payable at any Australian bank;
- o Money Order; or
- o Bank draft drawn on and payable at any Australian bank.

4.7 Acceptance

This Offer may be accepted in whole or in part. Acceptance and payment in full of 1 cent per Loyalty Option must be received before 5.00pm WST on 15 August 2008. Instructions for completion and lodgement of acceptances are set out on the back of the enclosed Acceptance Form.

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POWER RESOURCES LIMITED
SECTION 4 – DETAILS AND OFFER

4.8 Action Required

If you wish to take up all of your Entitlement, complete the enclosed Acceptance Form in accordance with the instructions set out and lodge the form together with your cheque for the amount shown on the form so that it reaches the Company's share registry by no later than 5.00pm WST on 15 August 2008:

Security Transfer Registrars
770 Canning Highway
APPLECROSS WA 6153

Cheques and drafts should be made payable to "Power Resources Limited – Option Issue" and crossed "Not Negotiable".

If you wish to take up part of your Entitlement, complete the enclosed Acceptance Form in respect of the Loyalty Options you wish to take up in accordance with the instructions set out in the form and lodge the form together with your cheque for the relevant amount (being the number of Loyalty Options you wish to take up multiplied by 1 cent per Loyalty Option) so that it reaches the Company's share registry by no later than 5.00pm WST on 15 August 2008.

If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement to the Loyalty Options will lapse.

The Offer is non-renounceable so that a holder of Shares may not sell or transfer all or part of their Entitlement.

4.9 Underwriting

This Offer is not underwritten.

4.10 Shortfall

If any Shortfall remains after Shareholders have taken up their Entitlements, the Directors reserve the right pursuant to Listing Rule 7.2 (exception 3) to place any Shortfall with parties selected by them. All Shortfall will be placed within 3 months of the Closing Date and will be issued on the same terms as are being offered to Shareholders pursuant to this Prospectus. Loyalty Options not taken up by Shareholders will not be placed to the Directors or any associates of the Directors.

4.11 Closing Date

The Closing Date for the Offer is 5.00 pm WST on 15 August 2008.

4.12 Offer Period

The Prospectus will be dispatched to Shareholders on 31 July 2008. The Offer closes at 5.00pm WST on 15 August 2008.

4.13 Allotment

The Loyalty Options will be allotted and issued as soon as practicable after 15 August 2008. Where the number of Loyalty Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after 15 August 2008.

Statements of holding for the Loyalty Options will be mailed as soon as possible after the Closing Date. Pending the allotment and issue of the Loyalty Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

No Loyalty Options will be allotted and issued on the basis of this Prospectus later than thirteen (13) months after the date of this Prospectus.

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POWER RESOURCES LIMITED
SECTION 4 – DETAILS AND OFFER

4.14 Stock Exchange Quotation

Application for Official Quotation of the Loyalty Options will be made by the Company within seven (7) days of the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Loyalty Options and will repay all application monies for the Loyalty Options within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Loyalty Options is not to be taken in any way as an indication of the merits of the Company or the Loyalty Options now offered for subscription.

4.15 Overseas Shareholders

Shareholders resident outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their entitlements.

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

4.16 Clearing House Electronic Sub-Register System (“CHESS”) and Issuer Sponsorship

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

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Loyalty Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

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

4.17 Privacy

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

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

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

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

4.18 Enquiries

If you have any questions concerning your entitlement, please contact the Company on (08) 9315 9200, or fax (08) 9315 3299 or contact your professional adviser.

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SECTION 5 – INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

5.1 Short Form Prospectus

This Prospectus is a short form prospectus issued in accordance with Section 712 of the Corporations Act 2001. This means that this Prospectus does not of itself contain all the information that is generally required to be set out in a document of this type, however it incorporates by reference information contained in a document that has been lodged with the ASIC.

The information to be incorporated by reference into this Prospectus is summarised below in sub-section 5.2 and will primarily be of interest to investors and their professional advisers or analysts.

The Company informs investors and their professional advisers that they are able to obtain, free of charge, a copy of the November 2007 Prospectus and the ASX Announcements by contacting the Company at its registered office during normal business hours during the Offer Period. The November 2007 Prospectus will also be available by searching ASIC's records in relation to Power Resources, or by visiting the Company's website at www.powerresources.com.au.

5.2 November 2007 Prospectus

Set out below is a summary of the information contained in the November 2007 Prospectus that is deemed to be incorporated in this Prospectus to assist investors and their professional advisers to determine whether, for the purposes of making an informed investment decision in relation to the Loyalty Options, they should obtain a copy of the November 2007 Prospectus.

The Sections referred to below are a reference to sections in the November 2007 Prospectus.

Section 1 – Project Overview

This section contains a summary of the Uaroo and Oobagooma Projects acquired by Power Resources since its incorporation on 18 May 2007. It details the objectives and strategies of the Company and provides information relating to its tenements.

Section 2 – Details of the Offer

This section contains an overview of the investment opportunity, details the number of Shares offered, use of funds, pro forma capital structure of the Company and other matters of an administrative nature. Section 2 also summarises the intended exploration expenditure in regard to the Projects noted above.

Section 3 – Profiles of Directors

Section 3 contains information relating to each of the three Directors of the Company and also refers to the corporate governance policies adopted by the Board.

Section 4 – Independent Geological Report

Section 4 consists of the report prepared by the Independent Geologist, Voermans Geological Services. The report describes in detail the geological setting and historical mining and exploration on the mining tenements comprising the Uaroo and Oobagooma Projects of Power Resources. The Independent Geologist's Report also sets out details of proposed exploration programs on the mining exploration tenements of the Projects.

Section 5 – Independent Solicitor's Report

Section 5 consists of a report prepared by Pullinger Readhead Lucas, on the mining tenements acquired, or which may be acquired or in which an interest may be earned by Power Resources. The report details the titleholders of the mining tenements and the agreements entered into by the Company with various parties. The report also details contracts entered into by the Company which have been identified as material and relevant to potential investors.

SECTION 5 – INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

Section 6 – Investigating Accountant’s Report

This comprises the Investigating Accountant’s Report prepared by HLB Mann Judd, dated 13 November 2007. The report was included in the November 2007 Prospectus to assist investors and their financial advisers in making an assessment of the financial position of the Company.

The Investigating Accountant’s Report contains the unaudited Balance Sheet of the Company as at 15 October 2007 and pro-forma Balance Sheet as at that date reflecting the position of the Company on the basis that various transactions, including the issue of all the Shares offered under the November 2007 Prospectus, and the estimated expenses associated with the preparation, sponsorship and issue of the November 2007 Prospectus, has been completed.

Based on its review, the Investigating Accountant has stated that nothing had come to its attention that caused it to believe that:

(a) the historical financial information does not present fairly the historical statement of financial position of the Company as described in Appendices 1 and 2, in accordance with the recognition and measurement principles prescribed in Accounting Standards and other mandatory professional reporting requirements, and accounting policies adopted by the Company disclosed in Appendices 1 and 2;

(b) the pro-forma financial information has not been properly prepared on the basis of the pro-forma transactions.

Section 7 – Corporate Governance

Section 7 sets out that the Company has adopted formal corporate governance practices and policies and sets out the Company’s “if not, why not” report in relation to those matters of corporate governance where the Company’s practices depart from the Ten Essential Corporate Governance Principles and Best Practice Recommendations as published by the ASX Corporate Governance Council.

Section 8 – Risk Factors

Section 8 notes that an investment in Power Resources has risks reasonably expected of an investment in a business of its type. It details a number of factors that may impact on the success and future profitability of Power Resources. The factors referred to are risks specific to the Company, economic risks, mineral and exploration risk, environmental impact constraints, operating risks, resource estimates, title risks and Native Title, additional requirements for capital, reliance on key management personnel, material contracts risk and investment speculative.

Section 9 – Additional Information

Section 9 sets out additional information required to be disclosed in the Prospectus including:

- Rights Attaching to Shares;
- Rights Attaching to Options;
- Employee Share Option Plan;
- Interests of Directors;
- Material Contracts;
- Consents;
- Interests of Persons Named in the November 2007 Prospectus;
- Litigation;
- Expenses of the Offer;
- Tax Consideration;
- Distribution of Prospectus;
- Non-Resident Investors; and
- Privacy.

Section 10 – Directors’ Statement

Section 10 contains the Directors’ responsibility statement and consent.

SECTION 5 – INFORMATION DEEMED TO BE INCORPORATED IN THIS PROSPECTUS

5.3 ASX Announcements

The Company is listed on ASX and its Shares are quoted on ASX.

The Company is a “disclosing entity” for the purposes of the Corporations Act 2001. As such, it is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the Listing Rules that require it to immediately notify ASX of any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

The Company will provide a copy of all documents used to notify the ASX of information relating to the Company under the provisions of the Listing Rules. As at the time of lodging this Prospectus the only such documents were:

Date	Number	Details
7 July 2008	13	Release from Escrow
28 April 2008	12	Appendix 5B
15 February 2008	11	Appendix 1A: ASX Listing application and agreement
15 February 2008	10	Statement confirming agreement with Fineloo Holdings P/L
15 February 2008	9	Statement addressing reporting of non-JORC mineralisation
15 February 2008	8	Confirmation of the completion of the Share Sale Agreement
15 February 2008	7	Number and Escrow period of restricted securities
15 February 2008	6	Constitution
15 February 2008	5	Top 20 holders
15 February 2008	4	Distribution Schedule
15 February 2008	3	Market Release: Pre-quotations Disclosure
15 February 2008	2	Admission to Official List
26 November 2007	1	Disclosure Document

ASX maintains files containing publicly available information for all listed companies. The Company’s file is available for inspection at ASX during normal hours.

POWER RESOURCES LIMITED
SECTION 6 – COMPANY OVERVIEW

6.1 Overview and Reference to November 2007 Prospectus

A comprehensive overview of the Company is set out in the November 2007 Prospectus that was lodged with ASIC on 21 November 2007 for the initial public offering of 11,000,000 Shares. Persons considering subscribing for Loyalty Options under this Prospectus should refer to Section 5 of this Prospectus for a summary of the information contained in the November 2007 Prospectus deemed to be incorporated in this Prospectus.

As detailed in Section 2.4 of the November 2007 Prospectus, Power Resources had proposed an exploration budget of \$950,000 over 24 months on the Uaroo Project and an exploration budget of \$190,000 over 24 months on the Oobagooma Project.

The actual manner in which the exploration expenditure is incurred may vary having regard to numerous factors, including the results of ongoing exploration activities and other matters as outlined in Section 8 of the November 2007 Prospectus.

On 7 December 2007, the Directors resolved to allot and issue 11,000,000 Shares at an issue price of 20 cents each pursuant to applications received under the November 2007 Prospectus.

The Company now has 29,750,001 Shares on issue.

Power Resources was admitted to the Official List on 15 February 2008 with Official Quotation of its Shares commencing on 19 February 2008.

Under the ASX Listing Rules, 16,875,000 Shares were subject to escrow restrictions. Accordingly, the Company's share registry has implemented holding locks on the relevant holdings and will not release them without ASX approval. The numbers and periods of escrow are as follows:

- 5,000,000 Shares for 12 months from 16 July 2007;
- 1,500,000 Shares for 12 months from 16 August 2007;
- 10,000,000 Shares for 12 months from 13 November 2007;
- 375,000 Shares for 24 months from 9 November 2007.

The balance of the issued capital of the Company, being 12,875,001 Shares, is quoted on ASX.

6.2 Other Circumstances or Matters subsequent to November 2007 Prospectus

The Company is not aware of any material matter or circumstance that would materially impact on the contents of the November 2007 Prospectus or the activities and prospects of the Company or would otherwise be relevant to assist investors or their professional advisers making an informed assessment of relevant matters.

SECTION 7 – EFFECT OF THE ENTITLEMENTS ISSUE ON THE COMPANY

7.1 Purpose of the Offer and Use of the Funds Raised

Under the Offer, up to 14,875,001 Loyalty Options are available for issue and will be issued if the Offer is fully subscribed (either by Shareholders accepting the offer under this Prospectus or pursuant to the Directors' discretion to place any Shortfall referred to in Section 4.10 of this Prospectus).

After expenses of the Offer, the proceeds from the issue of Loyalty Options will be approximately \$136,250 (assuming that the Offer is fully subscribed). These funds will be applied to the general working capital requirements of the Company.

The proceeds of the Offer will be used as follows (assuming full subscription):

	Use of Funds	Full Subscription (\$)
1.	Additional working capital	136,250
2.	Costs of the Offer	12,500
	Total Proceeds	148,750

If less than the full subscription is received, the funds will be applied firstly to the costs of the Offer and then to the Company's working capital.

7.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase cash reserves by \$136,250 after deducting estimated expenses of the Offer and assuming all Loyalty Options offered under this Prospectus are issued; and
- (b) increase the number of Options on issue from 3,000,000 at the date of this Prospectus to up to 17,875,001 Options.

Upon completion of the Offer, the issued capital of the Company will comprise 29,750,001 Shares and 17,875,001 Options (assuming the Offer is fully subscribed).

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POWER RESOURCES LIMITED
SECTION 8 – OVERSEAS PARTICIPANTS

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

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

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SECTION 9 – TERMS AND CONDITIONS OF LOYALTY OPTIONS AND RIGHTS ATTACHING TO SHARES

9.1 Terms and Conditions of Loyalty Options

One option entitles the holder to subscribe for one Share on the following terms:

1. the exercise price of each Option is \$0.20;
2. the Options expire at 5:00pm WST on 31 October 2011;
3. Shares issued as a result of the exercise of any Options will rank equally in all respects with Shares;
4. the Options are exercisable by completing the application for exercise of Options and delivering the same together with payment for the number of shares in respect of which the Options are exercised to the registered office of the Company;
5. the Options are non transferable in whole or part at any time prior to expiry;
6. within 14 days of the receipt of a properly executed notice of exercise and application monies the Company will issue to the Option holder the number of Shares specified in that notice;
7. the Company will not apply for official quotation of the Options, but will apply for official quotation of all Shares issued and allotted pursuant to the exercise of the Options;
8. Option holders are permitted to participate in new issues of securities offered to Shareholders on the prior exercise of the Option in which case the Option holder shall be afforded the period of at least 10 business days prior to the record date (to determine the entitlements to the issue) to exercise the Option; and
9. in the event of any reorganisation (including consolidation, subdivision, reduction or cancellation) of capital of the Company, the rights of Option holders are to be changed to the extent necessary to comply with ASX Listing Rules on a reorganisation of capital at the time of the reorganisation.

9.2 Rights attaching to Shares upon Conversion of Loyalty Options

Full details of the rights attaching to Shares are set out in the Company's Constitution a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

All Shares issued pursuant to this Prospectus will from the time they are issued, rank pari passu with all the Company's existing Shares.

SECTION 9 – TERMS AND CONDITIONS OF LOYALTY OPTIONS AND RIGHTS ATTACHING TO SHARES

Voting Rights

Subject to the constitution of the Company and any rights or restrictions for the time being attached to any class of Shares, at a general meeting of the Company every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and upon a poll, one vote for each Share held by the Shareholder. In the case of an equality of votes, the chairperson does not have casting vote.

Dividend Rights

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares, the Company may pay dividends as the Directors resolve but only out of profits of the Company. The Directors may determine the method and time for payment of the dividend.

Winding Up

Subject to the Corporations Act, the ASX Listing Rules and any rights or restrictions attached to a class of shares on a winding up of the Company any surplus must be divided among the shareholders of the Company.

Transfer of Shares

Generally shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASTC Rules, the ACH Clearing Rules and the Corporations Act. The Directors may decline to register any transfer of Shares but only where permitted to do so by the Corporations Act, the ASX Listing Rules, the ASTC Rules, the ACH Clearing Rules or under the Company's Constitution.

Directors

The Constitution and the ASX Listing Rules contain provisions relating to the rotation and election of Directors.

Further Increases in Capital

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Rules and the ACH Clearing Rules and any rights attached to a class of shares, the Company (under control of the Directors) may allot and issue shares and grant options over shares, on any terms, at any time and for any consideration, as the Directors resolve.

Variation of Rights Attaching to Shares

Subject to the Corporations Act, the ASX Listing Rules, the ASTC Rules and the ACH Clearing Rules and the terms of issue of shares in a particular class, the Company may vary or cancel rights attached to shares in that class by either special resolution passed at a general meeting of the holders of the shares in that class, or with the written consent of the holders of at least 75% of the votes in that class.

General Meeting

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

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POWER RESOURCES LIMITED
SECTION 10 – ADDITIONAL INFORMATION

10.1 Market Prices of Ordinary Shares

Official Quotation of the Company's Shares commenced on 15 February 2008 and consequently, the trading history on ASX as at the date of this Prospectus is limited to that period.

The highest and lowest recorded market sale prices of the Company's Shares quoted on ASX during the period from commencement of Official Quotation to the date of this Prospectus were \$0.30 on 26 February 2008 and \$0.18 on 2 July 2008 respectively. The last market sale price of the Company's Shares on ASX on the last day that trading took place in these shares prior to the date of this Prospectus was \$0.20 on 15 July 2008.

The Company has no Options that are currently quoted on ASX.

10.2 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers before investing in the Loyalty Options. Taxation consequences will depend on particular circumstances. Neither Power Resources nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the Loyalty Options in Power Resources or dealing with an Entitlement under this Offer.

10.3 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

10.4 Interests of Directors and Experts

A full disclosure of the interests of Directors, Experts and Promoters of and to the Company for the period commencing on incorporation of the Company and to the date of issue of the November 2007 Prospectus is set out in Sections 9.5 and 9.8 of the November 2007 Prospectus and other than as set out below or elsewhere in this Prospectus, that information and disclosure remains current.

The interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

<u>Directors</u>	<u>Shares</u>
Vincent Hyde	400,000
Cecil Lee	150,000
Warren Dunne	200,000

All Directors have stated that they intend to take up their full Entitlement under the Offer.

10.5 Expenses of the Offer

The total expenses of the Offer are estimated to be approximately \$12,500 comprising ASIC Lodgement fees, legal and due diligence costs and printing and other administrative expenses, including ASX quotation fees.

10.6 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

POWER RESOURCES LIMITED
SECTION 10 – ADDITIONAL INFORMATION

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Acceptance Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic version of the form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

10.7 Activities Since Issue of November 2007 Prospectus

Since the issue of the November 2007 Prospectus, the Company has focused on various overseas opportunities and continued negotiations with current activities.

Other than as stated in this Prospectus, the Company is not aware of any material matter or circumstance that would impact on the contents of the November 2007 Prospectus or the activities and prospects of the Company and be relevant to assist investors or their professional advisors in making an informed assessment of relevant matters.

10.8 Pro Forma Balance Sheet

	Unaudited Consolidated 31 May 2008	Unaudited Pro Forma Consolidated 31 May 2008
	\$	\$
Current Assets		
Cash and cash equivalents	2,007,174	2,155,924
Receivables	10,851	10,851
Prepayments	30,820	30,820
TOTAL CURRENT ASSETS	2,048,845	2,197,595
Non-Current Assets		
Mineral exploration and evaluation expenditure	2,280,743	2,280,743
TOTAL NON-CURRENT ASSETS	2,280,743	2,280,743
TOTAL ASSETS	4,329,588	4,478,338
Current Liabilities		
Trade and other creditors	52,589	52,589
TOTAL CURRENT LIABILITIES	52,589	52,589
TOTAL LIABILITIES	52,589	52,589
NET ASSETS	4,276,999	4,425,749
Equity		
Issued capital	4,344,220	4,344,220
Reserves	237,300	386,050
Accumulated losses	(304,521)	(304,521)
TOTAL EQUITY	4,276,999	4,425,749

The effect of the non-renounceable entitlement offer would be to increase cash and increase reserves by \$148,750.

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10.8.1 Subsequent Events

Subsequent to 31 May 2008, the Company incurred further mineral exploration and evaluation expenditure and administrative expenditure in the ordinary course of business.

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POWER RESOURCES LIMITED
SECTION 11 – MATERIAL CONTRACTS

Section 5 and Section 9.6 of the November 2007 Prospectus which are referred to in Section 5.2 of this Prospectus, set out contracts to which the Company is a party which were considered by the Directors as being material to enable investors to make an informed assessment of the shares being offered under that Prospectus. Investors and their professional advisers are referred to those sections of the November 2007 Prospectus in relation to material contracts.

The Company has not entered into any material contracts in addition to those summarised in the November 2007 Prospectus.

A true copy of each of the material contracts referred to in the November 2007 Prospectus will be available for inspection at the Company's registered office during office hours.

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SECTION 12 – CONSENTS

Persons who make statements in this Prospectus or who made statements in the November 2007 Prospectus which are being incorporated by reference into this Prospectus need to provide their written consent for such use.

Each of the parties referred to in this section 12:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by that party, other than those referred to in this section; and
- (b) 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 the consent of that party as specified in this section.

HLB Mann Judd has given its written consent in relation to the Investigating Accountant's Report in Section 6 of the November 2007 Prospectus and the reference to that report in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC. HLB Mann Judd has not authorised or caused the issue of any other part of this Prospectus.

Pullinger Readhead Lucas has given its written consent to the incorporation of its Independent Solicitor's Report set out in Section 5 of the November 2007 Prospectus into this Prospectus in the form and context in which it is incorporated and to all references to that report in this Prospectus in the form and context in which it is referred and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC. Pullinger Readhead Lucas has not authorised or caused the issue of any other part of this Prospectus.

Voermans Geological Services has given its written consent in relation to the Independent Geologist's Report set out in Section 4 of the November 2007 Prospectus and the reference to that report in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC. Voermans Geological Services has not authorised or caused the issue of any other part of this Prospectus.

None of the entities referred to in this Section 12 have authorised or caused the issue of this Prospectus and do not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

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

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of Power Resources Limited has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act 2001 and has not withdrawn that consent.

Dated the 16th day of July 2008.



**Signed for and on behalf of
POWER RESOURCES LIMITED**
By Vincent Hyde (Executive Chairman)

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SECTION 14 – DEFINITIONS

Acceptance Form means the entitlement and acceptance form enclosed with this Prospectus.

Applicant means a person who submits an Application.

Application means a valid application to subscribe for Loyalty Options.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd (ACN 008 504 532).

ASX means ASX Limited (ACN 008 624 691).

ASX Announcements means the ASX Announcements referred to in Section 5 of this Prospectus.

Auditors means HLB Mann Judd.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day other than a Saturday or Sunday on which banks are open for business in Perth, Western Australia.

CHES means ASX Clearing House Electronic Subregistry System.

Closing Date means the date on which the Offer closes.

Company means Power Resources Limited (ABN 69 125 345 502).

Corporations Act 2001 and Law means the Corporations Act 2001 of Australia.

Directors mean the directors of the Company from time to time.

Dollars or \$ means Australian dollars unless otherwise stated.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Glossary means this glossary.

Investigating Accountant means HLB Mann Judd (ABN 22 193 232 714).

Investigating Accountant's Report means the report contained in Section 6 of the November 2007 Prospectus.

Independent Geologist means Voermans Geological Services.

Independent Geologist's Report means the report contained in Section 4 of the November 2007 Prospectus.

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

November 2007 Prospectus means the prospectus lodged by the Company with the ASIC and dated 21 November 2007.

Loyalty Option means an option to subscribe for one Share in Power Resources exercisable at 20 cents on or before 5:00pm WST on 31 October 2011 and issued on the terms and conditions set out in this Prospectus.

Offer means a pro-rata non-renounceable entitlement issue of up to 14,875,001 Loyalty Options on the basis of 1 Loyalty Option for every 2 Shares held by Shareholders who are registered at 5.00pm WST on 15 August 2008 at an issue price of 1 cent each to raise up to \$148,750 pursuant to this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the Official List of ASX.

Opening Date means the date on which the Offer opens.

Options means an option to acquire Shares.

Option Holders means those parties holding Options.

Projects means the tenements set out in the schedule to the Solicitor's Report on Tenements in section 5 of the November 2007 Prospectus.

Prospectus means this prospectus dated 15 July 2008 for the issue of up to 14,875,001 Loyalty Options, including any electronic or online version.

Quotation and Official Quotation means official quotation on ASX.

Share means 1 ordinary share in Power Resources Limited.

Shareholder means a holder of Shares.

Shortfall means the number of Loyalty Options comprising the difference between the Loyalty Options the subject of the Offer, and the number of Loyalty Options for which valid applications have been received and accepted by the Company by the Closing Date.

Power Resources means Power Resources Limited (ABN 69 125 345 502).

WST means Western Standard Time, Perth, Western Australia.

ENTITLEMENT AND ACCEPTANCE FORM

ENTITLEMENT and ACCEPTANCE APPLICATION FORM

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

REGISTERED OFFICE:
800 CANNING HIGHWAY
APPLECROSS WA 6153

POWER RESOURCES LIMITED

ABN: 69 125 345 502

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
770 Canning Highway,
APPLECROSS WA 6153
T: (08) 9315 2333 F: (08) 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«HOLDER_NAME_____»
«ADDRESS_LINE_1_____»
«ADDRESS_LINE_2_____»
«ADDRESS_LINE_3_____»
«ADDRESS_LINE_4_____»
«ADDRESS_LINE_5_____»

ASX Code: PWW
HOLDER NO: «Holder_No»

Shareholding at 5.00PM WST on 25 July 2008
Entitlement to Loyalty Options 1:2
Amount payable on acceptance @ \$0.01 per Loyalty Option

«SECURITIES»
«ENTITLEMENT»
«AMOUNT»

NON-RENOUNCEABLE OFFER CLOSING AT 5.00PM WST ON 15 AUGUST 2008

To the Directors,
POWER RESOURCES LIMITED

- (1) I/We the above named being registered on 25 July 2008 (at 5.00PM WST) as the holder(s) of ordinary shares in your Company hereby accept and apply for the undermentioned New Loyalty Options issued in accordance with the terms of the Prospectus accompanying this form.

TO COMPLETE BY SHAREHOLDER	NUMBER OF NEW LOYALTY OPTIONS ACCEPTED/APPLIED FOR	@ \$0.01 PER LOYALTY OPTION	AMOUNT ENCLOSED
Entitlement or part thereof	,	\$0.01 AUD \$,

- (2) I/We enclose my/our cheque made payable to **POWER RESOURCES LIMITED – OPTION ISSUE**, for the amount shown being payment at the rate of \$0.01 per Loyalty Option applied for.
- (3) I/We hereby authorise you to place my/our name(s) on the register of members in respect of the number of New Loyalty Options allotted to me/us.
- (4) I/We agree to be bound by the Constitution of the Company.
- (5) If any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the directors as to whether to accept this form, and how to construe, amend or complete it shall be final.
- (6) I/We authorise the Company to send the applicant a substituted application form (if this application form ceases to be current) to the applicant's email address set out in this application.
- (7) I/We declare that the applicant has received a full and unaltered version of the Prospectus either in an electronic or paper format.
- (8) Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.
- (9) My/Our contact details in case of enquiries are:

Telephone
Area Code

Contact Name

Email

B L O C K _____
@ L E T T E R S . C O M _____

NOTE: Only cheques and/or bank drafts in **Australian currency** and drawn on and payable on a bank within Australia should be forwarded to Security Transfer Registrars Pty Ltd, PO Box 535, APPLECROSS WA 6953 together with this Entitlement and Acceptance Form.

RETURN OF THIS DOCUMENT WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE SECURITIES BEING OFFERED

ENTITLEMENT AND ACCEPTANCE FORM

Share Registry Use Only	Registry Date Stamp
PWW 5	

RI: 300

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EXPLANATION OF ENTITLEMENT

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Loyalty Options which you are entitled to accept.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. You may not apply for Loyalty Options in excess of your maximum entitlement using this form.
4. The price payable on acceptance of each Loyalty Option is \$0.01.
5. You may accept your entitlement in full by completing the Entitlement and Acceptance Form overleaf.

APPLICATION INSTRUCTIONS

1. The issue price of \$0.01 per Loyalty Option is payable in full upon application.
2. Payments must be made in Australian currency by cheque or bank draft drawn on and payable at a bank within Australia. Cheques and bank drafts drawn on banks outside Australia in either Australian currency or in foreign currency will not be accepted.
3. The cheque or bank draft must be made payable to POWER RESOURCES LIMITED – OPTION ISSUE and crossed "Not Negotiable".
4. When completed, this form together with the appropriate payment in Australian currency should be forwarded to our Registry: Security Transfer Registrars Pty Ltd, PO Box 535, APPLECROSS WA 6953.
5. Acceptances must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm W.S.T on 15 August 2008.

ENQUIRIES

Any enquiries should be directed to:

The Company's share registry:

**Security Transfer Registrars Pty Ltd
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153**

**Postal Address:
PO Box 535
Applecross, Western Australia 6953**

**Telephone (08) 9315 2333
Facsimile (08) 9315 2233**

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