



**CASCADES CAPITAL LIMITED PROSPECTUS  
18% PER ANNUM MORTGAGE SECURED INVESTMENT  
INTRODUCING THE INNOVATIVE *PROPERTY MAXIMISER*®**

Please find enclosed:

- Cascades Capital Limited prospectus for the funding of the development of Cascades On The Lake, Cairns Highlands (Atherton Tablelands)
- Press Release and article

This prospectus should be read in full prior to making an investment. Expected close of the prospectus and drawdown of the funds will be advised in February.

**LODGED WITH ASIC AND PROJECT OVERVIEW**

We are pleased to enclose the Cascades Capital Limited prospectus lodged with ASIC December 16<sup>th</sup> 2005 and now released. Cascades Capital Limited is lending Cascades Vista Pty Ltd the raised capital to develop Cascades On The Lake, located right on Lake Tinaroo in the magical Cairns Highlands.

Cascades comprises 25 retreat villas and resort apartments. All these details can be clearly seen on the web site – [www.CascadesOnTheLake.info](http://www.CascadesOnTheLake.info) . Development Approval has been granted. As soon as the 12 presales have been obtained along with other prospectus preconditions, and construction is able to commence, drawdown of the prospectus funds will occur.

**RETURN AND SECURITY**

The preference share investment offers an attractive fixed rate of return of 18% per annum as an unfranked dividend (akin to interest for taxation purposes). Of this 8% per annum is paid monthly in arrears and 10% per annum paid at project completion. The maximum term of the investment is 18 months, however, we expect that your investment and the 10% per annum deferred interest (the 8% per annum is paid monthly along the way) will all be paid and redeemed by no later than the first quarter of 2007 – an expected 12 month period from drawdown of prospectus funds.

Most importantly your investment will be secured by a second registered mortgage over the development and second registered company charge as detailed in the prospectus. Huntley Custodians have been appointed independent trustee for the mortgage and the charge – and they are in place to act on your behalf to protect your investment.

**PRECONDITIONS**

As detailed in the prospectus, until drawdown all funds are held in a trust account. A number of preconditions are required to be met prior to drawdown of investment funds with such in place to protect your investment.

The essential preconditions (please read prospectus for full details) are:

- No less than 12 presales
- Development approvals obtained (have already been obtained)
- The project to be fully funded
- A guaranteed maximum price construction contract

**Current Status**

- Sales – an active sales program is underway and we are in the process of converting these commitments to signed contracts, as well as broadening our sales program with Property Maximiser® as per the prospectus.
- Development Approval – Development Approval has been obtained.
- Project Fully Funded – We have indicative offers from a first mortgage construction financier which we will convert to a formal offer to fund as the presales requirement level approaches.
- Construction Contract – We have been working with a number of construction contractors and quantity surveyors who have provided a costing for the development with this costing to be converted to a fixed price construction contract.

#### **PROPERTY MAXIMISER®**

Initial focus and priority will be on participants in Property Maximiser® - where a prospective villa or apartment purchaser can purchase a villa or apartment in Cascades On The Lake and also make an investment in Cascades Capital Limited. The investment (a minimum 10% of the villa / apartment value) can be utilised as security for the deposit – hence no further deposit on the villa / apartment purchase contract being required. At settlement of the villa / apartment contract the purchaser can elect to have the investment (to a maximum) as part payment of the villa / apartment contract. These mechanics enable a villa / apartment purchaser to optimise use and return of their funds. **Property Maximiser® is fully detailed in the prospectus.**

#### **EXPERIENCED DIRECTORS AND CONSULTANTS**

The directors of Cascades Capital Limited are very experienced in a broad range of finance, legal, development and construction matters. A number of the Cascades Capital Limited directors have also recently completed The Pinnacles and the Laurel Bank Villas development where prospectus investors have now been repaid – and have just completed the Sanctuary Vista development with the prospectus investors to be repaid in October this year - see [www.SanctuaryEstate.info](http://www.SanctuaryEstate.info) , [www.ThePinnacles.info](http://www.ThePinnacles.info) and [www.LaurelBankVillas.info](http://www.LaurelBankVillas.info) for information regarding these developments. Also commenced in November 2005 is the Dockside Mildura project at Mildura – a landmark inland marina residential project - [www.DocksideMildura.com.au](http://www.DocksideMildura.com.au)

The developer Cascades Vista Pty Ltd has engaged highly experienced consultants including engineers and architects, as well as various other specialist consultants for this development.

#### **INVESTMENT SUPPORT**

We would genuinely appreciate your investment support for this well planned and exciting development in one of the property investment 'hot spots' in Australia today – Cairns Highlands. If you have any questions relating to the development do not hesitate to contact Russell Sparke on his direct line 3232 5305 – email [Russell.Sparke@OzzyConnect.com](mailto:Russell.Sparke@OzzyConnect.com) or my direct line 3232 5301 or email me at [Tim.Wright@OzzyConnect.com](mailto:Tim.Wright@OzzyConnect.com)

Please read the prospectus carefully and in full prior to making an investment and consult with your financial advisers.

All the very best

**CASCADES CAPITAL LIMITED**



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