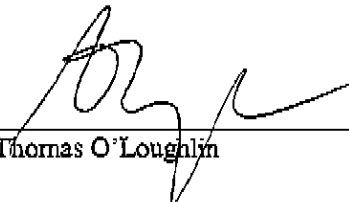


BONDI MINING LIMITED ACN 120 723 426

**CIRCULAR RESOLUTION OF DIRECTORS FOR THE PURPOSES OF SECTION 248A
OF THE CORPORATIONS ACT 2001 (CTH)**

We the undersigned being all of the directors of Bondi Mining Limited ACN 120 723 426 entitled to vote on the following resolution state that we are in favour of the following resolution:

‘That the Employee Share Option Plan evidenced by the Terms of such Plan which are attached hereto is established.’

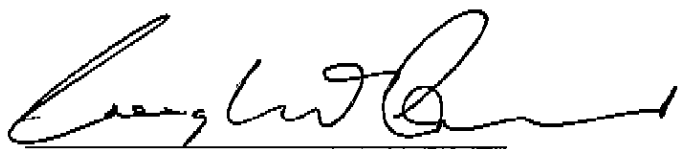


Simon Thomas O'Loughlin

Date

Simon James Robson Taylor

Date



Francis Creagh Henry O'Connor

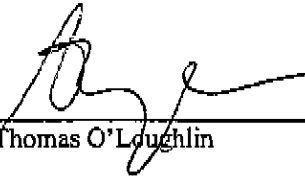
Date

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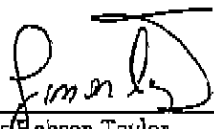
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Simon Thomas O'Loughlin

Date



Simon James Hobson Taylor

6/11/06

Date

Francis Creagh Henry O'Connor

Date

BONDI MINING LIMITED: EMPLOYEE SHARE OPTION PLAN**1. DEFINITIONS AND INTERPRETATION****1.1 Definitions**

In these Terms unless the contrary intention appears:

"Applicable Law" means any one or more or all, as the context requires of:

- (a) Corporations Act and the Corporations Regulations;
- (b) Listing Rules;
- (c) the constitution of the Company;
- (d) any practice note, policy statement, class order, declaration, guideline, policy or procedure pursuant to the provisions of which either ASIC or ASX is authorised or entitled to regulate, implement or enforce, either directly or indirectly, the provisions of any of the foregoing statutes, regulations or rules or any conduct of any duly authorised person, pursuant to any of the abovementioned statutes, regulations or rules.

"ASIC" means the Australian Securities and Investments Commission.

"Associate" has the same meaning as is ascribed to that term in Sections 12 to 16 (inclusive) of the Corporations Act.

"ASX" means the Australian Stock Exchange Limited ACN 008 624 691.

"Auditor" means the registered auditor of the Company as appointed from time to time.

"Business Day" means any day upon which major trading banks operating in the city in which the Company carries on its central administration and financial operations, carry on their normal business operations.

"Certificate" means the certificate for the Options issued by the Company to a Participant.

"Company" means Bondi Mining Limited ACN 120 723 426.

"Company Secretary" means the secretary of the Company (or his delegate) as appointed from time to time.

"Corporations Act" means the Corporations Act 2001 (Commonwealth).

"Directors" means the Directors for the time being of the Company.

"Eligible Employee", "Eligible Associate", "Eligible Person" have the meanings ascribed to those terms in clause 13.

"Exercise" means an exercise effected under clause 6.

"Exercise Date" means the date upon which an Option is Exercised in accordance with clause 6.1.

"Exercise Notice" means a notice given under clause 6.1 and in the form of Schedule 1.

"Exercise Period" means in relation to a particular grant of Options, the period beginning on the date determined in accordance with the provisions of clause 5.3 and ending on the date of the fifth anniversary of the Issue Date of those Options or as otherwise determined by the Directors at the Relevant Date.

"Exercise Price" means the price at which an Option may be Exercised in accordance with clause 3.2(b), as varied in accordance with clause 10.2 and clause 11.2.

"Issue Date" means the date upon which Options are issued to an Eligible Person pursuant to this Plan.

"Listing Rules" means the official listing rules of ASX, as varied from time to time.

"Loan Period" means in respect of each loan the period determined under clause 14.

"Loan Share" means a Plan Share acquired with a Loan which has not been repaid in full in respect of that Plan Share.

"Loans" means loans made pursuant to clause 14 and includes any interest, fees or other charges accrued on that loan or any part thereof.

"Market Price" means:

- (a) the average weighted sale price of a Share for the five (5) trading days preceding the relevant date on which this price is to be determined, upon each of which any Shares were traded on the ASX;
- (b) if there has been no trading in the Shares during the five (5) trading days immediately preceding the relevant date on which this price is to be determined, the last sale price of ordinary shares of the Company recorded on the ASX; or
- (c) if Shares of that class are not traded on the ASX, the arm's length value of the Share as specified in a written report prepared by the Auditor in relation to valuing the Share.

"Offer" means an Offer of Options by the Directors to an Eligible Person pursuant to this Plan.

"Option" means an option over Plan Shares granted pursuant to the Plan.

"Option Price" means the amount payable for an Option as determined in accordance with clause 3.2(a).

"Participant" means an Eligible Employee, Eligible Associate or Eligible Person to whom Options have been issued pursuant to the Plan.

"Performance Conditions" means one or more conditions (if any), as determined by the Directors under clause 5.2 and notified to a Participant in the Offer, which must be satisfied or waived by the Directors before an Option may be Exercised.

"Permitted Nominee" has the meaning given to it by clause 4.3.

"Plan" means the Employee Share Option Plan for the Company established in accordance with these Terms.

"Plan Share" means a Share in the capital of the Company issued upon Exercise of an Option or in respect of which an Option has been granted.

"Related Body Corporate" has the same meaning as is ascribed to that term in Section 50 of the Corporations Act.

"Relevant Date" means the date on which the Directors resolve to offer an Option or such other date as the Directors determine.

"Share" means an ordinary share in the issued capital of the Company.

"Share Registry" means the share registry of the Company from time to time.

"Terms" means these general terms and conditions, as varied from time to time.

1.2 Interpretation

In these Terms, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms "included", "including" and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a part, Clause, party, annexure, exhibit or Schedule is a reference to an item of that type in these Terms and includes a reference to the provisions or terms of that part, clause, annexure, exhibit or Schedule;
- (j) a reference to these Terms includes each annexure, exhibit and a Schedule to these Terms;
- (k) a reference to a party to this document includes the party's successors and permitted assigns and includes any person to whom these Terms are novated;
- (l) a reference to a statute or statutory provision includes but is not limited to:
 - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;

- (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
- (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (m) a reference to a document is a reference to a document of any kind including but not limited to an agreement in writing, a certificate, a notice, or an instrument;
- (n) reference to "\$", "A\$", "Australian Dollars" or "dollars" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia;
- (o) a covenant, representation, warranty or an agreement between more than one person binds them jointly and severally;
- (p) a provision of these Terms is not to be construed against a party solely on the ground that the party is responsible for the preparation of these Terms or a particular provision;
- (q) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise;
- (r) a reference to liquidation includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding up, dissolution, assignment for the benefit of creditors, scheme composition or arrangement of creditors, insolvency, bankruptcy or any similar procedure or if applicable changes in the constitution of a partnership or the death of a person;
- (s) a reference to a body which is not a party to these Terms which ceases to exist or whose power or function is transferred to another body, is a reference to the body which replaces or substantially succeeds to the power or function of the first body.

1.3 Business Day and Day

- (a) If these Terms require that the day on which a thing must be done is a day which is not a Business Day, then that thing must be done on or by the preceding Business Day.
- (b) If an event occurs on a day which is not a Business Day, or occurs later than 5.00 p.m. local time at the place that the event occurs, then the event is deemed to have occurred on the next Business Day in the place that the event occurs.
- (c) A reference to a day is a reference to a time period which begins at midnight and ends 24 hours later.
- (d) A reference to a period of time unless specifically written otherwise, excludes the first day of that period.

1.4 Incorporation of Schedules

The schedule to these Terms is incorporated by reference in these Terms but if there is any inconsistency between the schedule and any provision of these Terms, the provision of these Terms will prevail to the extent of the inconsistency.

2. DIRECTORS' AUTHORITY

- 2.1 The Directors will establish and administer the Plan in accordance with these Terms set out below and, subject to any Applicable Law, will have the absolute discretion and power to:
- (a) determine appropriate procedures for administration of the Plan;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan or these Terms;
 - (c) delegate to any one or more persons for such period and subject to such conditions as they may determine, the exercise of their powers or discretions, or of any of them, under these Terms; and
 - (d) alter, modify, add to or repeal any of these Terms, even where such alteration, modification, addition or repeal:
 - (i) will or may adversely affect, whether materially or otherwise, any existing right or entitlement of a Participant or otherwise disadvantage an existing Participant; and
 - (ii) occurs either during or after the expiry of the Exercise Period and irrespective of whether or not the Options, or the Plan Share or Plan Shares that have been issued to a Participant pursuant to the Exercise of an Option, have or would have otherwise fully vested in that Participant.
- 2.2 The Directors undertake to each Participant that the powers and rights available to them under clause 2.1(d) will not be exercised in a capricious, malicious or unreasonable manner.
- 2.3 Subject to the Terms of the Plan, the Directors may from time to time in their absolute discretion determine those Eligible Persons to whom an offer to participate in the Plan will be made and the terms of such an offer.

3. OPTIONS, OPTION PRICE AND EXERCISE PRICE

- 3.1 Subject to the terms of the Plan, the Directors may determine from time to time to grant Options upon such terms and to such Eligible Persons as they see fit.
- 3.2 Unless otherwise determined by the Directors:
- (a) the Option Price will be nil; and
 - (b) the Exercise Price will be the amount determined by the Directors on the Relevant Date and specified in an Offer; and
 - (c) the Directors will notify the Participants in writing of the Exercise Price of an Option at the time of making an Offer.

4. OFFER OF OPTIONS

- 4.1 Subject to these Terms, the Company (acting through the Directors) may make an Offer at such times and on such terms as the Directors consider appropriate. Each Offer must state:
- (a) that the Eligible Person to whom it is addressed may accept the whole or any lesser number of Options offered. The Offer may stipulate a minimum number of Options and any multiple of such minimum or any other number which may be accepted;
 - (b) the period within which the Offer may be accepted and the Exercise Period;
 - (c) the method of calculation of the Exercise Price; and
 - (d) any other matter which the Directors may determine or is required under any Applicable Law.
- 4.2 Upon receipt of an Offer of Options, an Eligible Person may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Options offered by notice in writing to the Directors; or
 - (b) nominate a nominee in whose favour the Eligible Person wishes to renounce the Offer by notice in writing to the Directors. The Directors may, in their absolute discretion, resolve not to allow such renunciation of an Offer in favour of a nominee without giving any reason for such decision.
- 4.3 Upon:
- (a) receipt of the acceptance referred to in paragraph 4.2(a); or
 - (b) the Directors resolving to allow a renunciation of an Offer in favour of a nominee ("Permitted Nominee") and the Permitted Nominee accepting the whole or any lesser number of Options offered by notice in writing to the Directors,
- the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Terms and will be issued Options subject to these Terms.
- 4.4 Certificates for Options will be dispatched within ten (10) Business Days after their Issue Date.
- 4.5 If Options are issued to a Permitted Nominee of an Eligible Person, the Eligible Person must, without limiting any provision in these Terms, ensure that the Permitted Nominee complies with these Terms.

5. VESTING AND ENTITLEMENT

- 5.1 At the time of making an Offer of Options, the Directors may impose such vesting conditions (if any) as they consider appropriate.
- 5.2 At the time of making an Offer of Options, the Directors may impose such Performance Conditions (if any) as they consider appropriate.
- 5.3 No Option can be Exercised until:

- (a) it has vested under the vesting conditions (if any) applicable to the Option in accordance with clause 5.1 or the vesting conditions have been waived by Directors; and
 - (b) the Performance Conditions (if any) applicable to the option in accordance with clause 5.2 have been satisfied or waived by the Directors.
- 5.4 Once an Option is able to be exercised in accordance with clause 5.3, it:
- (a) may be Exercised during the Exercise Period; and
 - (b) entitles the Participant to subscribe for and be allotted, credited as fully paid, one (1) Plan Share at the Exercise Price.
- 5.5 Notwithstanding the Terms, while the Shares are listed on the ASX, the Company must allot and issue Plan Shares upon Exercise of an Option in accordance with the Applicable Laws.
- 5.6 Plan Shares issued upon the Exercise of Options will rank equally with all existing Shares in the capital of the Company from their respective issue date.

6. EXERCISE OF OPTIONS

- 6.1 An Option is Exercised by:
- (a) the Participant lodging with the Company an Exercise Notice;
 - (b) the receipt by the Company of a payment by or on behalf of a Participant and in immediately available funds, of the Exercise Price for each of the Options the subject of such Exercise Notice; and
 - (c) the Participant lodging with the Company the Certificate for those Options, for cancellation by the Company.
- 6.2 Subject to clause 6.1, within fifteen (15) Business Days after the Exercise of an Option in accordance with the provisions of clause 6.1, the Directors must:
- (a) allot and issue the number of Plan Shares specified in the Exercise Notice to the Participant;
 - (b) cancel the Certificate for the Options being Exercised; and
 - (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the Exercise Notice.
- 6.3 Subject to the provisions of clause 6.4, Exercise of some only of the Options held by a Participant does not prevent Exercise of any remaining vested unExercised Options.
- 6.4 Options may not be Exercised in parcels of less than 1,000. Holders of less than 1,000 Options may not Exercise those Options in part.
- 6.5 Notwithstanding any other provision of this clause 6 or clause 5 but subject to the written consent of the Directors, all Options may be Exercised:
- (a) during a Bid Period;

- (b) at any time after a Change of Control Event has occurred; or
- (c) if, on an application under Section 411 of the Corporations Act, a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

"Bid Period", in relation to an off-market bid or a market bid in respect of shares, means the period referred to in the definition of that expression in Section 9 of the Corporations Act, provided that where a bid is publicly announced prior to the service of a bidder's statement on the Company, the bid period shall be deemed to have commenced at the time of that announcement.

"Change of Control Event" means if an entity not having Control of the Company, the event pursuant to which that entity acquires Control of the Company.

"Control" has the meaning ascribed to that term in Section 50AA of the Corporations Act.

7. LAPSE OF OPTIONS

- 7.1 Subject to clause 5.3, if the Participant is a Director, an Option may be Exercised by that Participant at any time prior to the first to occur of:
- (a) the expiry of the Exercise Period;
 - (b) the expiry of thirty (30) days after the Participant ceases to be a Director; and
 - (c) a determination by the Directors that the Participant has acted fraudulently, dishonestly or in breach of the Participant's obligations to the Company and that the Option is to be forfeited.

If such a Participant fails, for any reason, to Exercise all the Options registered in his name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

- 7.2 If a resolution of a general meeting of the Company to remove a Participant as a Director is passed, that Participant may only Exercise a proportion of the Options that are registered in that Participant's name as is equal to the proportion that the period from the Issue Date of those Options to the date of passage of the abovementioned resolution bears to the Exercise Period and the balance of those Options will be wholly and unconditionally forfeited, lapse and be of no further force or effect upon and from the date of passage of the abovementioned resolution.
- 7.3 Unless otherwise determined by the Directors and subject to clause 5.3, if a Participant is an employee, an Option may be Exercised by that Participant at any time prior to the first to occur of:
- (a) the expiry of the Exercise Period;
 - (b) the expiry of thirty (30) days after termination of the Participant's employment where such termination has either been voluntary on the Participant's part or otherwise has occurred without cause; and
 - (c) termination of the Participant's employment with cause.

If such a Participant fails, for any reason, to Exercise all the Options registered in his name prior to such occurrence, those Options that the Participant would have been entitled to Exercise and that have not been Exercised, and any right or entitlement of a Participant to have those Options vested in that Participant, will lapse and be of no further force or effect.

8. TRANSFER

Except with the consent of Directors, Options may not be transferred and will not be quoted on or by the ASX. The Directors may in their discretion allow the transfer of Options to an Associate or Related Body Corporate of a Participant.

9. QUOTATION OF PLAN SHARES

The Company will apply to the ASX for official quotation of Plan Shares issued on the Exercise of Options, if the Company is, at the time of issue of those Plan Shares, admitted to the official list of the ASX.

10. PARTICIPATION IN FUTURE ISSUES

10.1 Bonus Issue

If the Company makes a bonus issue of Shares or other securities pro rata to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Plan Shares have been allotted in respect of an Option before the record date for determining entitlements to the bonus issue, then that Option, when Exercised in accordance with these Terms, will entitle the Participant on Exercise of the Option, to receive the number of Shares that that Participant would have been entitled to secure under the bonus issue as if the Option had been Exercised and the Plan Shares allotted before that record date.

10.2 Rights Issue

- (a) If the Company makes an offer of Shares equally to all or substantially all holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Plan Shares have been allotted in respect of an Option before the record date for determining entitlements to the rights issue then the Exercise Price is to be adjusted using the formula set out in paragraph (b) in order to provide the Participant with the bonus element which may be present in a pro-rata rights issue. There is to be no change in the number of Plan Shares to which the Participant is entitled. To this effect, on a rights issue, the Exercise Price is to be reduced by the value of the theoretical rights entitlement received in relation to each Share.
- (b) The theoretical value of the rights entitlement received in relation to each Share is to be calculated using the following formula:

$$O' = O - \frac{E[P - (S + D)]}{N}$$

where:

O' = the new Exercise Price;

O = the old Exercise Price;

- E = the number of Plan Shares into which one Option is exercisable;
- P = the value of a Share at the time the pro-rata rights issue is made as determined by an accountant independent of the Company, but if the Shares are listed on the ASX, the Market Price on each of five (5) trading days ending on the day immediately before the record date relevant for that rights issue;
- S = the subscription price for a Share under the pro rata issue;
- D = any dividend due but not yet paid on existing Shares which will not be payable in respect of new Shares issued under the rights issue;
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.

10.3 Aggregation

If Options are Exercised simultaneously then the Participant may aggregate the number of Plan Shares or fractions of Plan Shares to which the Participant is entitled to subscribe under those Options. Fractions in the aggregate number only will be disregarded in determining the total entitlement to subscribe.

10.4 Advice

The Company must give notice to the Participant of any adjustment it may make to either the number of Plan Shares which the Participant is entitled to subscribe for on Exercise of an Option or the Exercise Price, so as to comply with the Applicable Laws.

11. RECONSTRUCTION

- 11.1 In the event of any reconstruction of the issued ordinary capital of the Company, the entitlement to Plan Shares attaching to each Option will be reconstructed in the same proportion as the issued ordinary capital of the Company is reconstructed, and in a manner which will not result in any additional benefits being conferred on the Participant which are not conferred on shareholders of the Company (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for the Exercise of Options will remain unchanged.
- 11.2 In particular, if at any time or from time to time during the period in which the Options may be Exercised (as set out in clauses 6 and 7 of these Terms):
- (a) the Company consolidates its Shares, the number of Options to which the Participant is entitled must be reduced in the same proportion as the number of Shares is reduced under that consolidation and the Exercise Price must be increased in the inverse proportion;
 - (b) the Company subdivides its Shares, the number of Options to which the Participant is entitled must be increased in the same proportion as the number of Shares is increased under that sub-division and the Exercise Price must be reduced in the inverse proportion;
 - (c) the Company returns any capital to the holders of Shares (other than on a cancellation of Shares), the number of Options to which the Participant is entitled is to remain the

same and the Exercise Price must be reduced by the same proportion as the amount returned in relation to each Share;

- (d) the Company reduces its capital by a cancellation of paid up capital that is lost or not represented by available assets and there is no cancellation of Shares, the number of Options to which the Participant is entitled and the Exercise Price remain the same;
- (e) the Company returns any capital to the holders of Shares upon a cancellation of Shares, the number of Options to which the Participant is entitled is to be reduced in the same proportion as the number of Shares is reduced under that cancellation and the Exercise Price is to be adjusted by:
 - (i) increasing the Exercise Price in the inverse proportion; and then
 - (ii) decreasing the Exercise Price by an amount equal to that amount which bears the same proportion to the amount returned to those holders in respect of each Share cancelled as the number of Shares cancelled bears to the total number of Shares on issue immediately before the cancellation;
- (f) the Company cancels Shares without returning any capital to the holders of those Shares, the number of Options to which the Participant is entitled must be reduced in the same proportion as the total number of cancelled Shares bears to the total number of Shares immediately before that cancellation and the Exercise Price is to be increased in the inverse proportion;
- (g) the Company issues further shares other than pursuant to a rights issue, there is no adjustment,

provided that, in any case, each Option will entitle the Participant to subscribe for Plan Shares ranking equally with the ordinary Shares on issue after the reconstruction.

- 11.3 If Options are Exercised simultaneously then the Participant may aggregate the number of Plan Shares or fractions of Plan Shares which the Participant is entitled to subscribe for under those Options. Fractions in the aggregate number only will be disregarded in determining the total entitlement to subscribe.

12. MAXIMUM NUMBER

The aggregate maximum number of Options that may be granted in any five (5) year period under this Plan and under any other employee share or option plan of the Company (but disregarding for the purpose of calculating the maximum number any options offered or issued, or share issued, by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (b) an offer that did not need disclosure to investors because of Section 708 of the Corporations Act)

must not exceed five per cent (5%) of the total number of Shares on issue in the capital of the Company at the time of the relevant grant of Options.

13. ELIGIBLE PERSONS**13.1 "Eligible Employee" means:**

- (a) a person who is engaged in the full time employment of the Company or a Related Body Corporate of the Company and includes any Director holding a salaried employment or office in the Company or a Related Body Corporate of the Company; and
- (b) any person acquiring and holding any Plan Share or Options for the benefit of any such employee (other than any employee who is a Director), provided that the Plan Share and Options are acquired and held on such terms and conditions as have been previously approved by the Directors, including, without limitation, any trustee of a trust established by the Company to hold Plan Shares or Options for the benefit of such employees.

13.2 "Eligible Associate" means:

- (a) any Director, including non-executive Director or officer, of the Company; and
- (b) (without limiting the subsequent paragraphs of this definition) any person or entity acquiring and holding any Plan Share for the benefit of any Eligible Employee who is a Director or officer of the Company at the time of such acquisition or any person referred to in clause 13.2(a), and provided that the Plan Share is acquired and held on such terms and conditions as have been previously approved by the Directors.

13.3 An Eligible Employee may also be an Eligible Associate.

13.4 "Eligible Persons" means Eligible Employees and Eligible Associates.

14. LOANS

14.1 Subject to the terms of the Plan, the Directors may from time to time determine that the Company makes loans to Eligible Employees in connection with Plan Shares to be issued pursuant to the Exercise of Options under the Plan.

14.2 No Loans shall be made to persons other than Eligible Employees.

14.3 Loans may be made for the Exercise Price payable upon Exercise of Options issued under the Plan and on such terms and conditions as the Directors see fit.

14.4 A Participant who accepts a Loan in respect of some or all of the Plan Shares pursuant to clause 14.1, will upon and by such acceptance, irrevocably authorise the Company to apply the Loan on behalf of the Participant by way of payment of the Exercise Price of the Plan Shares in respect of which the Loan was accepted and the payment of any duties payable by the Participant in respect of the Loan.

14.5 The Loan Period is the period commencing when the Loan is made and ending on the first to occur of the following dates:

- (a) the Participant ceasing to be employed by the Company or a Related Body Corporate of the Company;

- (b) the Company agreeing to sell the Loan Shares as requested by an Eligible Employee in accordance with clause 16.2; or
 - (c) the Loan being repaid in full.
- 14.6 A Participant may repay all or part of a Loan at any time before the expiration of the Loan Period.
- 14.7 Unless otherwise determined by the Directors and subject to clause 14.8, the Company will apply and each Participant will, by virtue of their acceptance of the Loan, be deemed to have irrevocably directed the Company to so apply all dividends paid in cash on the Plan Shares towards repayment of the Loan.
- 14.8 The amount of the dividend applied pursuant to clause 14.7 shall not exceed the after tax value of the dividends computed on the assumption that the Participant is assessable to tax at the highest personal marginal rate of income tax in Australia applicable to Australian residents (including for this purpose the Medicare Levy but not the Medicare Surcharge) on the whole of the dividend and after allowing for any franking rebate to which the Participant is entitled in relation to the dividend.
- 14.9 Without restricting the discretion of the Directors, Loans may be made on terms and conditions which provide that:
- (a) no interest or a less than commercial rate of interest be payable in respect of the Loan;
 - (b) the interest payable on the Loan may be variable and may vary in accordance with the length of employment of the Eligible Employee either before or during the term of the Loan;
 - (c) where the Exercise Price paid pursuant to the Exercise of Options has been financed in whole or in part by the provision of a Loan by the Company to a Participant, that Participant will encumber in favour of, and lodge with, the Company or its nominee as security for repayment of the Loans all its right title and interest in the Plan Shares that have been issued to the Participant as a result of such Exercise; or
 - (d) the total amount of principal and interest repayable under the Loan be limited to the proceeds of the sale of Plan Shares acquired with the Loan less any costs of sales.

15. RIGHTS ATTACHING TO LOAN SHARES

- 15.1 Subject to clauses 14.7 and 14.8, a Participant is entitled to all dividends declared or paid on the Loan Shares held by the Participant.
- 15.2 A Participant is entitled to any bonus Shares which accrue to Loan Shares held by the Participant in accordance with clause 10.1.
- 15.3 Upon allotment of the bonus Shares to the Participant, any bonus Shares which accrued to Loan Shares are deemed, for the purposes of the Plan, to be Loan Shares until such time as the Loans in respect of the Loan Shares to which the bonus Shares accrued had been repaid in full.

16. RESTRICTION ON TRANSFER OF LOAN SHARES

- 16.1 Other than as provided by these Terms:

- (a) a Participant must not sell, encumber or otherwise deal with a Loan Share prior to the repayment of the Loan used to acquire that Loan Share; and
 - (b) the Company must not register or permit the Share Registry to register a transfer of a Loan Share until the Loan used to acquire that Loan Share has been repaid and for that purpose the Company may do such things and enter into such arrangements with the Share Registry or otherwise as it considers necessary to enforce such restrictions on the transfer of a Loan Share and Participants will be bound by such arrangements.
- 16.2 A Participant who holds a Loan Share may request the Company in writing to sell that Loan Share on behalf of the Participant and apply the proceeds in accordance with clause 6.5.
- 16.3 For the purpose of the sale of the Loan Shares pursuant to clause 16.2, the Participant will be deemed to have irrevocably appointed, as a result of that Participant's request pursuant to clause 16.2, the Company Secretary as that Participant's agent and attorney to sign all documents and do all acts necessary to sell the Loan Shares and account for the proceeds in accordance with clause 16.5 and shall indemnify the Company Secretary and the Company in respect of all costs, damages or losses arising from the sale of the Loan Shares.
- 16.4 The Company and the Company Secretary will have complete discretion in respect of the sale of the Loan Shares under this clause 16 and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.
- 16.5 Upon the Company selling the Loan Shares in accordance with a request made by a Participant in accordance with clause 16.2:
- (a) the proceeds of the sale will be applied in the following order:
 - (i) in payment of any costs and expenses of the sale incurred by the Company;
 - (ii) in reduction of the outstanding amount of the Loan;
 - (iii) the balance (if any) in payment to the Participant; and
 - (b) subject to the terms of a Loan as determined in accordance with the provisions of clause 14.9(d) if applicable, the Participant shall be liable to the Company for any shortfall between the proceeds of such sale and the outstanding amount of the Loan.

17. LOAN NOT REPAYED

- 17.1 If the Participant has not repaid the outstanding amount of a Loan at the end of the Loan Period, the Company may, at its discretion, on behalf of the Participant, sell the Loan Shares and apply the proceeds in accordance with clause 17.4.
- 17.2 For the purpose of the sale of the Loan Shares pursuant to clause 17.1, the Participant will be deemed to have irrevocably appointed, as a result of that Participant's acceptance of the issue of the Loan Shares, the Company Secretary as that Participant's agent and attorney to sign all documents and do all acts necessary to sell the Loan Shares and account for the proceeds in accordance with clause 17.4 and shall indemnify the Company Secretary and the Company in respect of all costs, damages or losses arising from the sale of the Loan Shares.
- 17.3 The Company and the Company Secretary will have complete discretion in respect of the sale of the Loan Shares under clause 17.1 and will not be liable to the Participant in respect of the timing of or price obtained on or any other circumstances relating to such sale.

17.4 If the Company sells the Loan Shares in accordance with clause 17.1:

- (a) the proceeds of the sale will be applied in the following order:
- (i) in payment of any costs and expenses of the sale incurred by the Company; and
 - (ii) in reduction of the outstanding amount of the Loan; and
 - (iii) the balance (if any) in payment to the Participant; and
- (b) subject to the terms of a Loan as determined in accordance with the provisions of clause 14.9(d) if applicable, the Participant shall be liable to the Company for any shortfall between the proceeds of such sale and the outstanding amount of the Loan.
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18. ATTORNEY

For the avoidance of doubt the Participant, in consideration of the grant of the Loan and by virtue of that Participant's acceptance of any or all Loan Shares, will be deemed to have irrevocably appointed the person who from time to time occupies the position of Company Secretary, that Participant's attorney to complete and execute any documents including share transfers and to do all acts or things in his name on his behalf which may be convenient or necessary for the purpose of giving effect to the provisions of clauses 16 and 17 of this Plan and the Participant covenants that the Participant shall ratify and confirm any act or thing done pursuant to this power and shall indemnify the attorney (or their delegate) and the Company in respect thereof.

19. NOTICES

Notices must be given by the Company to the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modifications to notices to any Participant.

20. RIGHT TO ACCOUNTS

Participants will be sent all reports and accounts required to be laid before members of the Company in general meeting and all notices of general meetings of members but, unless otherwise entitled, will not have any right to attend or vote at those meetings.

21. OVERRIDING RESTRICTIONS ON GRANT AND EXERCISE

21.1 Notwithstanding any other provision of these Terms, all rights and entitlements attaching to an Option or of a Participant under this Plan will be changed or amended to the extent necessary to comply with the Listing Rules that apply to a reorganisation of the capital of the Company, at the time that that re-organisation becomes effective.

21.2 No Option may be Exercised if to do so would contravene the Applicable Laws.

21.3 Without limitation to the provisions of this clause 21:

- (a) the Option terms and conditions must allow the rights of a Participant to comply with the Listing Rules applying to a reorganisation of capital of the Company at the time of the reorganisation; and
- (b) subject to the provisions of clause 21.3(a), any reorganisation of capital of the Company must not be done in a manner or with the effect that will prejudice the rights or interests, or the value of the rights or interests, of Participants in the Options they hold, immediately prior to the time of any such reorganisation.
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22. RIGHT OF PARTICIPANTS

Nothing in these Terms:

- (a) confers on a Participant the right to receive any Shares;
- (b) confers on a Participant who is a Director the right to continue as a Director;
- (c) confers on a Participant the right to continue as an employee of the Company or a Related Body Corporate of the Company;
- (d) affects any rights which the Company, or a Related Body Corporate of the Company, may have to terminate the appointment of a Participant who is a Director or terminate the employment of an employee; or
- (e) may be used to increase damages in any action brought against the Company or a Related Body Corporate in respect of any such termination.
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23. TERMINATION AND SUSPENSION OF THE PLAN

The Directors may resolve at any time to terminate or suspend the operation of the Plan.

24. GOVERNING LAW

The Plan is governed by and shall be construed and take effect in accordance with the laws of South Australia.

25. SHAREHOLDER APPROVAL

Clauses 14 to 18 only come into effect on the passing of an appropriate Shareholders' resolution to authorise the granting of financial assistance to a Participant.

Schedule 1**Notice of Exercise of Options**

To: The Directors of Bondi Mining Limited

I/We *[insert]* being the registered holder/s of *[insert]* Options, each to acquire an ordinary fully paid share in the capital of Bondi Mining Limited at an Exercise Price of \$*[insert]* per Option payable in full on the Exercise Date, hereby give notice of exercise of *[insert]* Options and attach hereto my/our cheque in the sum of \$*[insert]*. I/We agree to my/our name being placed on the Register of Members in respect of the number of shares allotted and agree to be bound by the Constitution of Bondi Mining Limited.

Usual Signature(s): _____ Date: _____

NB Joint holders must all sign. Corporations must execute in manner authorised by the Corporations Act.