



14 May 2007

Richard Curyer
Company Secretary
Bondi Mining Limited
c/- Haysman Financial Services Pty Ltd
Unit 1, 22 Carrington Street
Adelaide SA 5000

ASX Limited
ABN 98 008 624 691
Level 1
99 King William Street
Adelaide SA 5000

GPO Box 547
Adelaide SA 5001

Telephone 61 (08) 8216 5034
Facsimile 61 (08) 8216 5099
Internet <http://www.asx.com.au>

By facsimile: 8232 9744

Dear Mr Curyer

Bondi Mining Limited (the "Company")

ASX Limited ("ASX") refers to the following:

1. Request for trading halt from the Company dated 10 May 2007, released to the market at 11.52 am EST (the "Trading Halt Request").
2. The announcement ("Announcement") lodged at 9.42 a.m. EST on Monday 14 May 2007 entitled "Bondi signs Letter of Intent to acquire strategic uranium portfolio – Projects covering 15,085 km² in three major uranium provinces in the Northern Territory and Queensland".
3. The Announcement advised the following.

"Bondi Mining Ltd (ASX code: BOM) is pleased to announce that it has reached an in principle agreement to acquire strategic uranium tenement holdings in three Australian uranium districts with proven high grade mineralization and size potential. Bondi has signed a letter of intent with Buffalo Gold Ltd (BUF.U:TSX-V) to acquire 100% of its Australia uranium portfolio, which is made up of 10 granted tenements and 13 applications totalling 15,085km² in three major uranium provinces in the Northern Territory and Queensland."
4. The increase in the Company's share price from a close of \$0.45 on 9 May 2007 to a high of \$0.62 prior to the Trading Halt Request on Thursday, 10 May 2007.

As you are aware, listing rule 3.1 requires an entity, once it becomes *aware* of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information. The exceptions to this requirement are set out in listing rule 3.1A.

I would also like to draw your attention to the definition of "aware" in Chapter 19 of the listing rules. This definition states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Furthermore, paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.

3.1A.1 *A reasonable person would not expect the information to be disclosed.*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*

3.1A.3 *One or more of the following applies.*

- *It would be a breach of a law to disclose the information.*
- *The information concerns an incomplete proposal or negotiation.*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
- *The information is generated for the internal management purposes of the entity.*
- *The information is a trade secret."*

Finally, I would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"'Confidential' in this context has the sense of 'secret'..." and "Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".

Having regard to the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Whether the Company considers that the information contained in the Announcement concerning the letter of intent signed with Buffalo Gold Ltd to acquire 100% of its Australian uranium portfolio (the "Information") was material to the Company?
2. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Information to be material.

3. If the answer to question 1 is "yes", when did the Company first become aware of the Information contained in the Announcement?
4. What parties were involved in the negotiation of the in principle agreement signed with Buffalo Gold Ltd (please provide adequate detail)?
5. In relation to question 3, if the Company became aware of the Information prior to the Trading Halt Request, please advise why the Company did not release the Information to the market at an earlier time, or request a trading halt at that time, pending the release of the Announcement. Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.
6. In addressing question 5 above, please consider whether the increase in the share price before the Trading Halt Request, indicated that confidentiality in relation to the Information was lost.
7. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter. If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell each of the following,

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we may ask for.

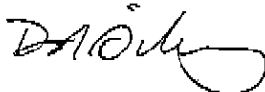
The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the expiry of the trading halt at the commencement of trading on Wednesday, 7 March 2007, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Your response should be sent to me by e-mail at Dion.Silvy@asx.com.au or by facsimile on facsimile number (08) 8216 5099. It should not be sent to the Company Announcements Office. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible, and in any event, not later than 9.30 a.m. EST, on Tuesday, 15 May 2007.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market if it considers it necessary for an informed market. Accordingly, it would be appreciated if you would prepare your response in a format suitable for release to the market and separately address each of the questions asked.

If you have any concerns about release of your response, or any queries in relation to this matter, please contact me immediately.

Yours sincerely,



Dion Silvy
Adviser, Issuers (Adelaide)

BONDI MINING

Level 2, 55 Hunter Street
Sydney NSW 2000

T 02 9232 1688

F 02 9232 1677

W www.bondimining.com.au

ACN 120 723 426

14 May 2007

Mr Dion Silvy
Adviser, Issuers (Adelaide)
ASX Limited
GPO Box 547
Adelaide SA 5001

Dear Mr Silvy

Bondi Mining Limited (the "Company")

We refer to the questions in your letter of 14 May 2007 (and to our prior announcement ("Announcement") on the same day entitled "Bondi signs Letter of Intent to acquire strategic uranium portfolio – Projects covering 15,085km² in three major uranium provinces in the Northern Territory and Queensland"), and we respond as follows:

1. Q: *Whether the Company considers that the information contained in the Announcement concerning the letter of intent signed with Buffalo Gold Ltd to acquire 100% of its Australian uranium portfolio (the "Information") was material to the Company?*

A: Yes

2. Q: *If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Information to be material.*

A: Not Applicable

3. Q: *If the answer to question 1 is "yes", when did the Company first become aware of the Information contained in the Announcement?*

A: The Company first became aware of Buffalo Gold Ltd's ("Buffalo Gold") anticipated acceptance of the proposed transaction referred to in the Information via email from Mark Dugmore, Vice-President of Corporate Development, Buffalo Gold (cc Buffalo Board and legal counsel) to Rick Valenta (Managing Director, Bondi Mining) at 2:18pm (AEST) on Wednesday 9 May 2007. The email was subsequently forwarded to the remainder of the Bondi Board and Company Secretary at 2:40pm (AEST) on that day.

Mark Dugmore is not a Director of Buffalo Gold. The board of Buffalo Gold subsequently approved such acceptance on Friday, 11 May 2007 as referred to in the answer in paragraph 5 below.

4. Q: *What parties were involved in the negotiation of the in principle agreement signed with Buffalo Gold Ltd (please provide adequate detail)?*

A: The direct negotiations took place between Richard Valenta on behalf of Bondi Mining and Mark Dugmore and Robert Skrzecynski (consultant) on behalf of Buffalo Gold. Richard Valenta kept his fellow Directors and Company Secretary apprised of developments via cc of emails and internal discussions from time to time. It is understood that Mark Dugmore did the same with the Directors of

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Buffalo Gold (Damien Reynolds, Brian McEwan and Jim Stewart) and Buffalo Gold's external lawyer (Brian Moller).

5. *Q: In relation to question 3, if the Company became aware of the Information prior to the Trading Halt Request, please advise why the Company did not release the Information to the market at an earlier time, or request a trading halt at that time, pending the release of the Announcement. Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.*

A: Since Mark Dugmore was not a Director of Buffalo Gold, he had to obtain the approval of the Buffalo Gold Directors to the content of his email referred to in the answer in paragraph 3 above. Richard Valenta had requested Mark Dugmore to forward confirmation of that approval. Mark Dugmore resided in Queensland but the Buffalo Gold Directors resided in Vancouver, Canada. When Richard Valenta received the email referred to in the answer in paragraph 3 above at 2.18pm on Wednesday 9 May 2007, it was 9.18pm on Tuesday 8 May 2007 in Vancouver and accordingly Richard Valenta anticipated some delay in receipt of that approval. Confirmation of the approval by the Directors of Buffalo Gold was not received until Friday 11 May 2007. In any event, the Directors of Bondi Mining believed they were not required to make an announcement to the ASX pursuant to ASX listing rule 3.1A for reasons, including:

- the information in the Announcement was in relation to a transaction that was still being negotiated and was incomplete;
- the Information was confidential; and
- a reasonable person would not expect the Information to be disclosed.

The closing share price of \$0.45 on Wednesday 9 May 2007 was considered by the Board of Bondi Mining to be within its recent trading range. On the morning of 10 May 2007, the share price increased to around \$0.50 in the first 15-20 minutes of trading and then hovered around that price for the next 20 minutes or so following which it started to increase further. Although there was no evidence in this regard, the increase in price suggested that confidentiality may have been lost such that listing rule 3.1A was no longer applicable. Accordingly, the decision was made for Bondi Mining to immediately request a trading halt, which was put in place by the ASX at 11.22am (AEST).

6. *Q: In addressing question 5 above, please consider whether the increase in the share price before the Trading Halt Request, indicated that confidentiality in relation to the Information was lost.*

A: Refer to the answer in paragraph 5 above.

7. *Q: Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

A: The Company believes it is in compliance with the listing rules, particularly listing rule 3.1.

Should you have any further queries in relation to the above matters, please contact me

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immediately on (08) 8232 9733 or 0410 617 784.

Yours sincerely

A handwritten signature in black ink, appearing to read "Richard Curyer".

Richard Curyer
Company Secretary