

# MOUNT BURGESS MINING N.L.

A.C.N. 009 067 476

## NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the Company will be held in the Wandoo Conference Room, Holiday Inn City Centre, 778 Hay Street, Perth, Western Australia on Friday 17 September at 3.00pm

### RESOLUTION 1

#### Ratification of Previous Issue of Securities

To consider and, if thought fit, pass the following as an **ordinary resolution**:

“that for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and ratify the allotment and issue of 22,375,000 shares to sophisticated and professional investors at \$0.008 each, as announced on 24 June 2010, for the purpose and terms set out in the Explanatory Statement which accompanies the notice convening this meeting.”

(The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any associates. However, the Company need not disregard a vote if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.)

#### GRANT OF OPTIONS PURSUANT TO COMPANY'S EMPLOYEE SHARE PLAN

For the purpose of the following resolutions, namely Resolutions 2 to 7:

- an Explanatory Statement is attached to this notice; and
- the following terms have the following meanings:

“**Employee Share Option Plan**” means the Company's Employee Share Option Plan 2010 shown as Appendix 1 of the Explanatory Statement and tabled at the meeting; and

“**Options**” means the Options described in the Employee Share Option Plan and summarised in paragraph 5 of the Explanatory Statement and in Clause 5 of Appendix 1 – the Mount Burgess Mining Employee Share Option Plan 2010, attached to the Explanatory Statement.

### RESOLUTION 2

#### Grant of Options to a Director

To consider and if thought fit pass the following as an **ordinary resolution**:

“that for the purposes of Section 208 of the Corporations Act, ASX Listing Rules 10.11 and 7.2 and for all other purposes, the directors be authorised to grant the following number of options from the Company's Employee Share Option Plan to the director named below if that director applies for the grant of the options pursuant to the said Plan”

Nigel Raymond Forrester	2,000,000 Options
-------------------------	-------------------

(Any votes cast on the resolution by the Directors of the Company, and if ASX has expressed an opinion under listing rule 10.14.3 that approval is required for participation in the Employee Share Option Plan by anyone else, that person (or an associate of that person) shall be disregarded. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who, in accordance with a direction on the proxy form to vote as the proxy decides.)

## **RESOLUTION 3**

### **Grant of Options to a Director**

To consider and if thought fit pass the following as an **ordinary resolution**:

“that for the purposes of Section 208 of the Corporations Act, ASX Listing Rules 10.11 and 7.2 and for all other purposes, the directors be authorised to grant the following number of options from the Company’s Employee Share Option Plan to the director named below if that director applies for the grant of the options pursuant to the said Plan”

Ronald William O’Regan                      2,000,000 Options

(Any votes cast on the resolution by the Directors of the Company, and if ASX has expressed an opinion under listing rule 10.14.3 that approval is required for participation in the Employee Share Option Plan by anyone else, that person (or an associate of that person) shall be disregarded. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who, in accordance with a direction on the proxy form to vote as the proxy decides.)

## **RESOLUTION 4**

### **Grant of Options to a Director**

To consider and if thought fit pass the following as an **ordinary resolution**:

“that for the purposes of Section 208 of the Corporations Act, ASX Listing Rules 10.11 and 7.2 and for all other purposes, the directors be authorised to grant the following number of options from the Company’s Employee Share Option Plan to the director named below if that director applies for the grant of the options pursuant to the said Plan”

Godfrey Edward Taylor                      2,000,000 Options

(Any votes cast on the resolution by the Directors of the Company, and if ASX has expressed an opinion under listing rule 10.14.3 that approval is required for participation in the Employee Share Option Plan by anyone else, that person (or an associate of that person) shall be disregarded. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who, in accordance with a direction on the proxy form to vote as the proxy decides.)

## **RESOLUTION 5**

### **Grant of Options to a Director**

To consider and if thought fit pass the following as an **ordinary resolution**:

“that for the purposes of Section 208 of the Corporations Act, ASX Listing Rules 10.11 and 7.2 and for all other purposes, the directors be authorised to grant the following number of options from the Company’s Employee Share Option Plan to the director named below if that director applies for the grant of the options pursuant to the said Plan.”

Alfred P Stirling                                2,000,000 Options

(Any votes cast on the resolution by the Directors of the Company, and if ASX has expressed an opinion under listing rule 10.14.3 that approval is required for participation in the Employee Share Option Plan by anyone else, that person (or an associate of that person) shall be disregarded. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who, in accordance with a direction on the proxy form to vote as the proxy decides.)

## **RESOLUTION 6**

### **Grant of Options to a Director**

To consider and if thought fit pass the following as an **ordinary resolution**:

“that for the purposes of Section 208 of the Corporations Act, ASX Listing Rules 10.11 and 7.2 and for all other purposes, the directors be authorised to grant the following number of options from the Company’s Employee Share Option Plan to the director named below if that director applies for the grant of the options pursuant to the said Plan”.

Benjamin Mosigi	2,000,000 Options
-----------------	-------------------

(Any votes cast on the resolution by the Directors of the Company, and if ASX has expressed an opinion under listing rule 10.14.3 that approval is required for participation in the Employee Share Option Plan by anyone else, that person (or an associate of that person) shall be disregarded. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who, in accordance with a direction on the proxy form to vote as the proxy decides.)

## **RESOLUTION 7**

### **Grant of Options to Jan Forrester**

To consider and if thought fit pass the following as an **ordinary resolution**:

“that for the purposes of Section 208 of the Corporations Act, ASX Listing Rules 10.11 and 7.2 and for all other purposes, the directors be authorised to grant the following number of options from the Company’s Employee Share Option Plan to the director named below if that director applies for the grant of the options pursuant to the said Plan”

Jan Forrester	2,000,000 Options
---------------	-------------------

(Any votes cast on the resolution by the Directors of the Company, and if ASX has expressed an opinion under listing rule 10.14.3 that approval is required for participation in the Employee Share Option Plan by anyone else, that person (or an associate of that person) shall be disregarded. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who, in accordance with a direction on the proxy form to vote as the proxy decides.)

## **EXPLANATORY STATEMENT**

The accompanying Explanatory Statement forms part of this Notice of General Meeting and should be read in conjunction with it.

### **Proxies**

Please note that:

- (a) a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, a certificate of appointment of corporate representative should be completed and lodged in the manner specified below.

The Proxy Form (and any Power of Attorney under which it is signed) must be sent or delivered, or sent by facsimile to:

either the Company's Registered Office at:

Level 4, 109 St Georges Terrace  
Perth, Western Australia, 6000  
(Facsimile: ++ 61 8 9322 4607)

or

the offices of Advanced Share Registry Services at:  
150 Stirling Highway  
Nedlands, Western Australia 6009.

Please note that all Proxy Forms must be received at either of the above addresses not later than 48 hours before the commencement of the meeting i.e. 3.00p.m.WST on 15 September 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

### **Entitlement to vote**

The Board has determined that for the purpose of determining entitlements to attend and vote at the meeting, shares will be taken to be held by the persons who are the registered holders at 5.00pm (WST) on 15 September 2010. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

### **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

By Order of the Board of Directors



Jan Forrester  
**Company Secretary**  
Mount Burgess Mining N.L.  
17 August 2010

# EXPLANATORY STATEMENT

This Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

This Explanatory Statement is provided to the shareholders of Mount Burgess Mining N.L. pursuant to and in satisfaction of Sections 208, 218 and 219 of the Corporations Act and Sections 7.2, 7.4, 10.11, 10.12, 10.14 and 10.15 of the Listing Rules. This Explanatory Statement is intended to be read in conjunction with the Notice of Meeting.

By Resolution 1 the Company is seeking shareholder ratification of a previous Issue of Securities under Listing Rule 7.1 and 7.4.

By Resolutions 2, 3, 4, 5, 6 and 7 the Company is proposing to offer to grant Options under the Company's 2010 Employee Share Option Plan to Messrs Forrester, O'Regan, Taylor, Stirling and Mosigi, Directors, and to Mrs Forrester the Company Secretary who is also the wife of Mr Forrester, the Company's Chairman and Managing Director. By virtue of Listing Rule 10.11 and Exception 4 of Listing Rule 10.12 the Company must not issue Options to Messrs Forrester, O'Regan, Taylor, Stirling, Mosigi or Mrs Forrester without the approval of the Company's shareholders. By virtue of Listing Rule 10.14, the Notice of Meeting seeking the approval of the Company's shareholders must include the matters set out in Listing Rule 10.15.

ASX Listing Rule 7.1 prohibits issues of equity securities by a listed company exceeding 15% of capital in any 12 month period without shareholder approval. Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply to an issue of securities made with the approval of shareholders under Listing Rule 10.11. Accordingly if shareholders approve Resolutions 2-7, approval is not required under ASX Listing Rule 7.1 and the issue of options will not be included in the restricted number of equity securities that the Company may issue in any 12 month period without shareholder approval.

## RESOLUTION 1

### Ratification of Previous Issue of Securities

Listing Rule 7.1 imposes a limit on the number of equity securities (e.g. shares or options to subscribe for shares) which a company can issue without shareholder approval. In general terms the limit is that a company may not, without shareholder approval issue in any 12 month period, equity securities which are more than 15% of:

the number of fully paid ordinary shares on issue 12 months before the issue plus

the number of fully paid ordinary shares issued in that 12 months under an exception contained in Listing Rule 7.2 or with Shareholder approval.

Equity securities which are issued under an exception contained in Listing Rule 7.2 or with Shareholder approval do not reduce the number of shares that may be issued by the Company under Listing Rule 7.1

Shareholder approval can be obtained either before or after the equity securities are issued.

Listing Rule 7.4 states that an issue by a company of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 when made and the company's members subsequently approve it.

Under Resolution 1 the Company seeks approval from Shareholders for, and ratification of, the previous issue of equity securities as set out below and confirms that the issue did not breach the Company's 15% placement capacity at that time. Pursuant to Listing Rule 7.5 the Company provides the following information:

<b>Fully Paid Ordinary Shares announced to ASX on 24 June 2010</b>		
<b>Allottee</b>	<b>Issue Price</b>	<b>No. of Shares</b>
Reginald Keene	0.8 cent	6,250,000
Strata Drilling WA Pty Ltd	0.8 cent	4,000,000
Cen Pty Ltd	0.8 cent	2,500,000
W B Nominees Limited	0.8 cent	2,500,000
Loftus Group Limited	0.8 cent	2,500,000
Damien Murphy	0.8 cent	1,875,000
Running Water Limited	0.8 cent	1,250,000
Bevis Michael Leigh Coulson	0.8 cent	1,000,000
Liana Marie D'Ascanio and Marc Joseph D'Ascanio	0.8 cent	500,000
<b>TOTAL ISSUE</b>		<b>22,375,000</b>

*\*None of the allottees named above are related parties.*

Shares issued from this placement rank parri passu with existing shares.

The Company is applying funds raised in the above placement towards working capital.

The Board believes that the ratification of this issue is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company to ratify the above issue of Shares and retain the flexibility to issue the maximum number of equity securities permitted under Listing Rule 7.1 without shareholder approval.

## **RESOLUTIONS 2, 3, 4, 5, 6 and 7**

### **Grant of Options to Directors and to Mrs Jan Forrester**

1. The object of the Employee Share Option Plan ("Plan") is to reward past services and contributions of Eligible Employees and also to assist in the recruitment, retention, incentive and motivation of Eligible Employees of the Company. A copy of the Plan is set out in Appendix 1 at the end of this statement. Any shareholder may inspect the Plan at the Company's office during normal business hours.
2. "Eligible Employees" is defined in the Plan to mean:
  - (a) a full or part time employee from time to time of the Company including Directors employed by the Company; and
  - (b) any non-executive director from time to time of the Company.
3. Mr Forrester is Chairman and Managing Director of the Company, Mr Mosigi is Technical Director, Messrs O'Regan, Taylor and Stirling are non-executive Directors of the Company and Mrs Jan Forrester is Company Secretary and the wife of Mr Nigel Forrester.
4. Each of Messrs Forrester, O'Regan, Taylor, Stirling, Mosigi and Mrs Forrester is an Eligible Employee. Mr Forrester is Chairman and Managing Director, Messrs O'Regan, Taylor and Stirling are non-executive directors of the Company and Mr Mosigi is a Technical Director of the Company.

By virtue of section 10.14 of the ASX Listing Rules approval by shareholders in meeting is required for the grant of Options to them. Mrs Forrester is a full time employee of the Company whose relationship with Mr Forrester, the Chairman and Managing Director of the Company, is such that the approval of the Company's shareholders to the grant of the Options set out in Resolution 8 should, in the opinion of the ASX, be obtained. Further under Section 208 of the Corporations Act the granting of Options to Messrs Forrester, O'Regan, Taylor, Stirling and Mosigi and Mrs Forrester may constitute the giving of a financial benefit to a related party of the Company and prior shareholder approval in the manner set out in Sections 217 to 227 of the Corporations Act is required.

The names of all persons referred to in Rule 10.14 entitled to participate in the Plan are:

Nigel Forrester  
Ronald William O'Regan  
Godfrey Edward Taylor  
Alfred Patrick Stirling  
Benjamin Mosigi  
Jan Forrester

5. To the extent that Resolutions 2, 3, 4, 5, 6 and 7 are passed, the Options to be granted will be granted:

- (a) under the Company's 2010 Employee Share Option Plan;
- (b) within one month of the passing of the Resolution;
- (c) for no consideration;
- (d) with an exercise price per Option of 5 cents
- (e) upon the terms and conditions as set out in Clause 5 of the Mount Burgess Mining Employee Share Option Plan 2010 attached as Appendix 1 to this Explanatory Statement.

6. The Options to be granted are in addition to each Director's/Officer's fees payable by the Company as follows:

Mr Forrester is paid an annual amount (including statutory superannuation) of \$188,500, as Chairman and Managing Director,

Maximum aggregate Directors' fees payable to Non Executive Directors in each financial year is \$125,000, to be apportioned between them as determined by the Board. Messrs O'Regan, and Stirling have waived their directors' fees since 1 July 2008, until which time they were being paid \$24,000 per annum. Mr Taylor last took Directors' fees in August 2008.

Mr Mosigi is paid an annual amount of BWP 80,000 (BWP= Botswana Pula) representing director's fees for the Company's local subsidiary, Mount Burgess (Botswana) (Pty) Ltd, and thereafter he is paid BWP1,515.15 per day whilst on Company business.

Mrs J Forrester's annual salary (including statutory superannuation) is \$92,000.

7. The following information is provided to shareholders in accordance with Section 219 of the Corporations Act and ASX Listing Rule 10.15 in relation to Resolutions 2, 3, 4, 5, 6 and 7.

- (a) **The related party to whom the proposed resolutions would permit the financial benefits to be given**

The Options will be granted to the following persons whose relationship with the Company is set out in paragraphs 3 and 4 of this statement:

Nigel Forrester,  
Ronald William O'Regan,  
Godfrey Edward Taylor  
Alfred P Stirling  
Benjamin Mosigi  
Jan Forrester

**(b) The nature of the financial benefit**

The proposed financial benefit to be given is the grant from the Company's Plan of the following number of Options to each of the following persons:

<u>Name of Grantee</u>	<u>Number of Options</u>
Nigel Raymond Forrester	2,000,000
Ronald William O'Regan	2,000,000
Godfrey Edward Taylor	2,000,000
Alfred P Stirling	2,000,000
Benjamin Mosigi	2,000,000
Jan Forrester	2,000,000

The reasons why the above options are intended to be given are as follows:

The purpose of the Company's Employee Share Option Plan is to reward employees for their past services and contributions, assist in the recruitment and retention of employees and provide incentive and motivation for existing employees.

Further, as an Exploration Company, reliant upon having to raise capital to finance its exploration effort and finance its day to day working capital requirements, particularly in times of market downturn, the Company is not always in a position to maintain competitive salary ranges within the industry in which it operates. In particular, as a Company with projects overseas, it has to call upon employees to spend considerable time overseas away from home and when at home to work extended hours to fit within the overseas time frames. The Company believes that for this they should be rewarded.

With the difficulty in raising capital under the current market conditions, Mr Stirling, through an associate company and Mr & Mrs Forrester have either had to provide loan funding or provide security for loan funding for day to day operations of the Company. The Company believes the reward of options is appropriate under such circumstances.

ASX Best Practices Recommendations 8.2 recommends that non-Executive Directors should not receive options or bonus payments. The Company does not comply with this recommendation as it intends to grant options to all non-Executive Directors in recognition of the significant time they contribute to the Company. The non-Executive Directors are often called upon to perform duties for the Company overseas or spend considerable time away from their earning base, to represent the Company. Their fees for these duties (currently waived) in no way cover what they could otherwise earn.

The amount of options intended to be given are standardised to adequately cover the above reasons on an equitable person to person basis. The value of the options is set at 5 cents per option, which is more than five times the current trading price of the shares so that there is a built in incentive factor for employees.

The terms and conditions of the Options are set out in the attached Plan and are summarised in paragraph 5 of this statement and in paragraph 5 of the Plan.

**(c) Directors' recommendation**

The Directors of the Company, Mr Nigel Forrester, Mr R O'Regan, Mr G Taylor, Mr A P Stirling and Mr B Mosigi, feel it is inappropriate to make any recommendation about the proposed Resolutions 2, 3, 4, 5 and 6 since Messrs Forrester, O'Regan Taylor, Stirling and Mosigi, have a material interest in the outcomes of Resolutions 2, 3, 4, 5 and 6 and Mr Forrester may be perceived to have a material interest in the outcome of Resolution 7.

**(d) Directors interest in the outcome of the proposed resolution.**

If the proposed resolutions are passed, Messrs Forrester (Chairman and Managing Director), O'Regan, Taylor and Stirling (non-Executive Directors), Mr Mosigi – Technical Director and Mrs Forrester, Company Secretary and the wife of Chairman and Managing Director, Mr Nigel Forrester, will be invited to apply for the number of Options specified in the Resolutions in accordance with the Plan, and if they make application for the relevant number of Options, these Options will be granted.

**(e) All other information that is reasonably required by members in order to decide whether or not it is in the Company's interests to pass the proposed resolution; and is known to the Company or to any of its directors.**

As at 30 July 2010, the date of preparation of the Notice of Meeting and Explanatory Statement, the Company's issued share capital stands at 342,632,000 shares.

If all of the Options proposed to be granted in accordance with Resolutions 2-7 are exercised then the following would apply:

- the Company's issued shares would increase by 12,000,000
- existing shareholders' holdings would be diluted by 3.38%
- the Company would receive \$600,000 in cash on the basis that the exercise price would be 5 cents per option.

As at 30 July 2010, the date of preparation of the Notice of Meeting and Explanatory Statement, none of the persons named above hold any unlisted options over shares in the Company.

As at the date of this Explanatory Statement, the imputed value of the Options proposed to be issued to Messrs Forrester, O'Regan, Taylor, Stirling, Mosigi and Mrs Jan Forrester is \$0.0055 per option.

The Black Scholes option pricing model has been used to validate the valuation prices calculated by the binomial option pricing model using the following assumptions:

Underlying Security spot price	\$0.009
Exercise price	\$0.050
Valuation date	17 September 2010
Expiration date	31 December 2015
Life of the Options	5.29 years
Volatility	110%
Risk free rate	4.29%
Valuation per Option	\$0.0055

The effect on the value of the options of an increase/decrease in the Company's share price by 40% and 80% between the date of this notice and the date of the actual issue, assuming shareholder approval is granted, is shown in the sensitivity analysis below:

Share price movement	80% decrease to \$0.0018	40% decrease to \$0.0054	No change	40% increase to \$0.0126	80% increase to \$0.0162
No. of Options	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Valuation per Option	\$0.0007	\$0.0029	\$0.0055	\$0.0083	\$0.0112

An Option held by an employee will immediately lapse upon its expiry date, upon determination by the directors that the employee has acted fraudulently, dishonestly or in breach of the employee's obligations to the Company, the employee ceasing to be an employee and not exercising the Option within thirty days following that event unless a longer period is otherwise determined by the directors or the expiry of any time frame within which to exercise the option reasonably agreed by the directors in the event of death, retrenchment, redundancy, retirement, permanent illness or permanent physical or mental incapacity of an employee.

The Company will not be subject to Fringe Benefits Tax in the event Resolutions 2-7 are approved and the relevant Options are granted.

The proposed grantees' current shareholdings/option holdings in the Company **including any associate** are listed below.

**Fully Paid Ordinary Shares**

Nigel Raymond Forrester (excluding Jan Forrester's shares)	10,764,191
Ronald William O'Regan	4,950,000
Godfrey Edward Taylor	2,247,339
Alfred P Stirling	19,620,000
Benjamin Mosigi	nil
Jan Forrester (excluding Nigel Forrester and other associate shares)	633,155

**Unlisted/Unquoted Employee Share Options**

nil

The closing price of ordinary fully paid shares in the Company on the five trading days prior to the preparation of this Notice is set out below.

<b><u>Date</u></b>	<b><u>Closing Price</u></b>
26 July	0.09 cents
27 July	0.09 cents
28 July	0.08 cents
29 July	0.08 cents
30 July	0.08 cents

From 1 July 2009 to 30 June 2010 the Company's shares have traded between a low of \$0.007 and a high of \$0.033.

The maximum number of Options that can be granted to the persons set out in paragraph 7(a) of the Explanatory Statement is the number set out next to their respective names in paragraph 7(b) of this Statement if the Resolution relevant to that person is passed.

There are no loan conditions attached to the grant of the Options.

# **MOUNT BURGESS MINING N.L.**

Employee Share Option Plan 2010

Terms and Conditions

## EMPLOYEE SHARE OPTION PLAN

By this Deed Mount Burgess Mining NL introduces its Employee Share Option Plan 2010 which will be governed by the terms and conditions herein set out.

### 1. NAME OF PLAN

The Plan is to be known as

- (a) the Mount Burgess Mining Employee Share Option Plan 2010 or
- (b) any such other name as may at any time be determined by the Directors.

### 2. OBJECTIVES OF THE PLAN

The objectives of the plan are to reward past services and contributions of Eligible Employees and also to assist in the recruitment, retention, incentive and motivation of Eligible Employees of the Company.

### 3. DEFINITIONS

Where used herein the following words shall, unless the context otherwise requires, have the following meanings:-

**"Application Date"** means the date of lodging an application by the Eligible Employee or his or her nominee with the Company for Options in the Company pursuant to Rule 12 hereof;

**"Company"** means Mount Burgess Mining N.L. ACN 009 067 476, ABN 31 009 067 476

**"Directors"** means the directors from time to time of the Company;

**"Eligible Employee"** means:-

- (a) a full or part time employee from time to time of the Company, including Directors employed by the Company; and
- (b) any non-executive director from time to time of the Company;

**"Exercise Price"** means the price nominated by the Directors in accordance with Clause 8 as being the price the holder of an Option must pay to exercise the Option;

**"Invitation Date"** means the date the Directors make their offers referred to in Clause 4;

**"Listing Rules"** means the Listing Rules of the Australian Securities Exchange Limited;

## EMPLOYEE SHARE OPTION PLAN

**"Market Price of a Share"** on a particular day means the market price quoted for buyers of shares at the close of trading on the day immediately preceding the offer date by directors and as published by the ASX in trading statistics.

**"Options"** means Options granted pursuant to this Employee Share Option Plan to acquire Shares in the Company;

**"Option Holder"** means the person in whose name an option certificate is issued.

**"Option Issue Date"** means the date determined by the Directors as the date on which an Option was granted;

**"Plan"** means the Mount Burgess Mining N.L. 2010 Employee Share Option Plan documented in this Deed;

**"Shares"** means ordinary fully paid shares in the capital of the Company;

**"Rules"** means the rules of the Mount Burgess Mining N.L. 2010 Employee Share Option Plan.

#### 4. OFFERS

From time to time the Directors may make offers in writing to Eligible Employees, or the nominees of Eligible Employees inviting them to apply for the grant of Options upon and subject to the terms and conditions of this Plan.

#### 5. TERMS AND CONDITIONS OF GRANT

All Options granted under this Plan shall be granted on the following terms and conditions:-

- (1) each option will be issued free of consideration.

Note: while the option is free, there may be tax payable by the eligible person in respect of the value attributed by the Tax Act of that free option.

- (2) the Options shall not be transferred or assigned by the holder provided that the holder shall be at liberty at any time to transfer all or any of his or her Options at any time to his or her wife or husband or to a proprietary limited company all the issued shares of which are beneficially owned by the holder and his or her wife or husband or to any other nominee of the Eligible Employee provided that any such transferee first undertakes to the Company in a deed not to transfer or assign such Options until such time as they are exercised;

## EMPLOYEE SHARE OPTION PLAN

- (3) each Option will entitle the holder to subscribe for one Share at the Exercise Price;
- (4) the Options expire at 5.00pm on 31 December of the year five years (5) from the year of grant;
- (5) the Options are exercisable wholly or in part by forwarding to the Company an "Option Exercise Form" of a kind attached to this plan, accompanied by payment of the Exercise Price;
- (6) the Options are exercisable at any time on or prior to the Expiry Date;
- (7) there are no participating rights or entitlements inherent in the Options and holders will not participate in any new issue of capital offered to shareholders of the Company during the currency of the Options;
- (8) Shares issued on the exercise of Options will rank parri passu with the then existing ordinary share capital;
- (9)
  - (i) in the event of any reorganisation of capital of the Company, the rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reorganisation of capital at the time of reorganisation; and
  - (ii) (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) in all other respects the terms for the exercise of Options shall remain unchanged; and
- (10) the Company shall grant the Options and deliver the certificates relating to the Options to the Eligible Employee within ten (10) business days of the Application Date.

### 6. ELIGIBILITY

All Eligible Employees who the Directors may, in their absolute discretion, determine, without having to assign reasons therefor shall be eligible to participate in the Plan.

### 7. ENTITLEMENTS

The number of Options (if any) to be offered to an Eligible Employee shall be determined by the Directors in their absolute discretion. The determination of the Directors in each case shall be absolute and the Directors shall not be obliged to give reasons to an Eligible Employee for any such determination.

**EMPLOYEE SHARE OPTION PLAN**

**8. EXERCISE PRICE**

- 8.1 At the time of grant of an Option, the Directors will specify the exercise price of the Option
- 8.2 Without limiting the ways in which the exercise price may be specified, it may include:
- (a) a fixed amount
  - (b) the Market Price of a Share on the date the invitation is made;
  - (c) the Market Price of a Share on the date the Option is granted;
  - (d) the Market Price of a Share on a specified date which is after the date the Option is granted;
  - (e) a percentage above the amount in (b) (c) or (d).

**9. LIMITATIONS ON NUMBER OF OPTIONS OFFERED**

- (1) The total number of Options that may be issued under the Plan shall not exceed 5% of the issued share capital of the Company.
- (2) Subject to Rule 9(1) the number of Options to be offered to Eligible Employees under this Plan will be at the absolute discretion of the Directors who in exercising that discretion will have regard to the restrictions on the number of Options which may be issued under this Plan under the Listing Rules and the Corporations Law.

**10. AMENDMENTS TO THIS PLAN**

Subject to Clause 10.1 below the Directors may from time to time, by resolution, amend all or any of the provisions of this Plan.

- 10.1 The Directors must comply with any restrictions or procedural requirements under the Listing Rules for amending an employee incentive scheme or for amending the terms of granted Options.

**11. STATUS OF THE OPTIONS**

- 11.1 All Options granted under this Plan will not be listed on the Australian Stock Exchange Limited for Official Quotation.
- 11.2 Upon exercise of the Options granted under the Plan the Company will make timely application for quotation of shares issued, pursuant to the exercise of the option, to the Australian Securities Exchange Limited for Official Quotation.

**EMPLOYEE SHARE OPTION PLAN**

**12. APPLICATIONS**

No Options will be granted under the Plan until an application has been received by the Company from an offeree referred to in Clause 4 in the form annexed hereto or in such other form as the Directors may from time to time prescribe, provided that such application when made shall be attached to a copy of the Plan.

**13. RESTRICTIONS ON ISSUE AND EXERCISE**

13.1 Notwithstanding anything else in this Plan or in the terms of any Option, an Option may not be offered, issued, or exercised if to do so would contravene the Corporations Law or the Listing Rules.

13.2 An option held by an Eligible Employee will immediately lapse upon

(1) Its Expiry Date; or

(2) A determination by the Directors that the Eligible Employee has acted fraudulently, dishonestly or in breach of the Eligible Employee's obligations to the Company; or

(3) the Eligible Employee ceasing to be an Eligible Employee and not exercising the Option within 30 days following that event, unless a longer period is otherwise determined by the Directors; or

(4) the expiry of any time frame within which to exercise the Option, reasonably agreed by the Directors, in the event of death, retrenchment, redundancy, retirement, permanent illness or permanent physical or mental incapacity of an Eligible Employee.

**14. ACCEPTANCE**

The Company shall be obliged to accept any application made in terms of Rule 10 provided that the application accords, in all respects, with these Rules and is for no more than the number of Options to which the Eligible Employee is offered pursuant to Clause 2.

**15. RIGHTS OF EMPLOYEES**

The Plan shall not form part of any contract of employment between the Company and any of its employees and shall not confer directly or indirectly on any employee any legal or equitable right whatsoever against the Company.

**EMPLOYEE SHARE OPTION PLAN**

**16. POWERS OF THE DIRECTORS**

16.1 The Plan shall be administered by the Directors who shall have the power to:

- (1) determine procedures from time to time for administration of the Plan consistent with these rules;
- (2) resolve conclusively all questions of fact or interpretation rising in connection with the Plan; and
- (3) delegate to any one or more persons for such period and on such conditions as or may determine the exercise of any of the Board's powers or discretions arising under the Plan.

**17. NO GUARANTEE IN RESPECT OF THE COMPANY'S SHARE PRICE**

None of the Company, its directors, officers or employees represents that the Company's Share price will attain, maintain or exceed the Exercise Price. An Eligible Employee who chooses to exercise any Option does so at his own risk in that he may suffer financial detriment if the Company's Share price falls.

**18. TAXATION**

Neither the Company nor its directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Employees.

**19. TERMINATION OF PLAN**

15.1 The Plan may at any time be terminated by resolution of the Directors.

DATED this 26th day of July 2010

The Company Seal of Mount Burgess )  
Mining NL was affixed in )  
accordance with its Constitution )

\_\_\_\_\_  
Director

\_\_\_\_\_  
Secretary

**EMPLOYEE SHARE OPTION PLAN**

**APPLICATION FOR OPTIONS**

I, \_\_\_\_\_

of \_\_\_\_\_

hereby apply for \_\_\_\_\_ Options to subscribe for fully paid ordinary shares in the Company at an exercise price of \_\_\_\_\_ cents and I agree that upon grant of those Options I shall hold those Options and deal with them only in accordance with the terms and conditions of the Mount Burgess Mining N.L. Employee Share Option Plan 2010, a copy of which is attached hereto subject to and in accordance with the Constitution of the Company.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2\_\_\_\_.

\_\_\_\_\_  
Signature



## **MOUNT BURGESS MINING N.L.**

ACN: 009 067 476

Level 4, 109 St Georges Terrace, Perth 6000, Western Australia  
Box Z5301 St Georges Terrace, Perth 6831, Western Australia

Phone: +61 (8) 9322 6311

Facsimile: +61 (8) 9322 4607

Website: [www.mountburgess.com](http://www.mountburgess.com)

# MOUNT BURGESS MINING N.L.

A.C.N. 009 067 476

## PROXY FORM FOR GENERAL MEETING

Being held in the Wandoo Conference Room, Holiday Inn City Centre, 778 Hay Street, Perth, WA  
on Friday 17 September 2010 at 3:00 pm

**PLEASE RETURN TO:**

Company Secretary,  
C/o Advanced Share Registry Services,  
P O Box 1156,  
Nedlands, Western Australia 6909  
OR  
150 Stirling Highway, Nedlands;  
Western Australia, 6009

I/We, the abovenamed, appoint (\*) .....  
or in his/her absence (\*) .....  
of (address) .....

or in his/her absence the CHAIR (\*\*) of the meeting as my/our proxy to vote on my/our behalf in respect of

ALL or ..... (\*\*\*) of my/our shares at the General Meeting of the Company to be held at 3:00 pm WST on Friday 17 September 2010 and any adjournment of that meeting.

I/we direct my/our proxy to vote in respect of each resolution to be considered as indicated with an "X" in the Resolution boxes, and to vote or abstain in respect of a procedural resolution as my/our proxy thinks fit.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place an "X" in the box to the right.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Notes:

- \* A proxy need not be a member of the Company.
- \*\* The Chair of the meeting intends to vote in favour of all resolutions in respect of undirected proxies given to him.
- \*\*\* A member entitled to attend and vote may appoint not more than two proxies. Separate forms must be used for each proxy. Each proxy must be appointed to represent a specified proportion or number of the member rights by inserting the relevant proportion or number of shares each proxy may vote. If the proxy form does not specify a proportion or number of votes then each proxy may exercise half of the member's votes.

**Voting directions to your proxy** – Please mark only one of the boxes with an "X" for each resolution to indicate your directions.

Resolution	For	Against	Abstain
1. Ratification of Previous Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Grant of Options to Nigel Raymond Forrester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Grant of Options to Ronald William O'Regan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Grant of Options to Godfrey Edward Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Grant of Options to Alfred P Stirling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Grant of Options to Benjamin Mosigi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Grant of Options to Jan Forrester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no direction is given, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each resolution to be considered by the meeting and any adjournment of the meeting

<p><b>Individual or Shareholder 1</b></p> <p>.....</p> <p><b>Sole Director and Sole Company Secretary</b></p>	<p><b>Shareholder 2</b></p> <p>.....</p> <p><b>Director</b></p>	<p><b>Shareholder 3</b></p> <p>.....</p> <p><b>Director/Company Secretary</b></p>
---	---	---

To be valid, this proxy form, together with the power of attorney or other authority under which it is signed, must be sent or delivered to the Company's Registered Office or the offices of Advanced Share Registry Services, or faxed to (+61 8) 9322 4607 by 3:00pm on Wednesday 15 September 2010.

## **Instructions**

### **1. Name and Address**

Please print your name and address as it appears on your holding statement and the Company's Share Register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated.

### **2. Appointment of Proxy**

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

### **3. Votes on Resolutions**

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### **4. Appointment of a Second Proxy**

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy please write the name of that person.

To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

### **5. Signing Instructions**

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign
Joint Holding:	where the holding is in more than one name, all the shareholders should sign
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the Company's Share Registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission

### **6. Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be sent or delivered, or sent by facsimile to either the Company's Registered Office, Level 4, 109 St Georges Terrace, Perth, Western Australia, 6000 (Facsimile: ++ 61 8 9322 4607) or the offices of Advanced Share Registry Services, 150 Stirling Highway, Nedlands, Western Australia 6009. Please note that all Proxy Forms must be received at either of the above addresses not later than 48 hours before the commencement of the meeting. i.e. 3:00pm on Wednesday 15 September 2010 WST. Any Proxy Form received after that time will not be valid for the scheduled meeting.