

MOUNT BURGESS MINING N.L.

Employee Share Option Plan 2010

Terms and Conditions

MOUNT BURGESS MINING N.L.

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.

MOUNT BURGESS MINING N.L.

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 arising 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

MOUNT BURGESS MINING N.L.

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

EMPLOYEE SHARE OPTION PLAN

**OPTION EXERCISE FORM
(Application for Shares)**

To the Directors

I/We Mr
 Mrs
 Miss

Please use block letters

Full Address

hereby exercise my/our option for

(in words)

(in figures)

ordinary fully paid shares at xxx cents per share \$ _____

I/We request you allot to me/us and I/we agree to accept them subject to the Company's Constitution. If this application is signed by an attorney, the attorney hereby declares that he has no notice of revocation of the power under authority of which this application is signed. Companies should sign under seal.

SIGNATURE(S)

DATE: