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Rules of the Ikwezi Mining Option Plan

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Contents

1.	INTERPRETATION	1
	1.1 Definitions	1
	1.2 Rules for interpreting this document	3
	1.3 Business Days	3
2.	PURPOSE	3
3.	OPERATION OF PLAN	4
	3.1 Outline	4
	3.2 Administration	4
	3.3 No additional rights	4
4.	ELIGIBILITY	4
5.	INVITATIONS	5
	5.1 Invitations	5
	5.2 Related parties	5
	5.3 Content of invitation	5
	5.4 Copy of rules	6
	5.5 Price Information	6
	5.6 Limit on invitations	6
6.	APPLICATIONS	7
	6.1 Application	7
	6.2 Rules	7
	6.3 Grant and Option Certificate	7
7.	TRANSFER OF OPTIONS	7
8.	SATISFACTION OF PERFORMANCE CRITERIA	8
9.	EXERCISE	8
	9.1 Exercise	8
	9.2 Other Options	8
	9.3 Notice	8
	9.4 Payment	9
	9.5 Issue of Shares	9
	9.6 Shares rank equally	9
	9.7 Lapse	9
	9.8 Cessation of employment - generally	9
	9.9 Cessation of employment – Qualifying Reason	9
	9.10 Fraudulent or dishonest actions	10
	9.11 New certificate	10
	9.12 Listing on ASX	10
10.	TAKEOVER, MERGER, COMPROMISE, SCHEME OR ARRANGEMENT	10

10.1	Takeovers	10
10.2	Compromise or arrangement	11
11.	ADJUSTMENTS	11
11.1	New issues	11
11.2	Pro rata issues	11
11.3	Pro rata bonus issues	12
11.4	Sub-division or consolidation	12
11.5	Return of capital	12
11.6	Cancellation of capital that is lost	12
11.7	Pro rata cancellation of capital	12
11.8	General reorganisation	12
11.9	Cumulative adjustments	12
11.10	Rounding	12
11.11	Notice of adjustment	13
11.12	Listing Rules	13
12.	AMENDMENT OF THE PLAN	13
12.1	Board may amend	13
12.2	No reduction of existing rights	13
12.3	Retrospective amendment possible	13
13.	MISCELLANEOUS PROVISIONS	13
13.1	Disputes	13
13.2	Duration and suspension	14
14.	NOTICES AND CORRESPONDENCE	14
14.1	To the Company	14
14.2	To a Participant	14
15.	GENERAL	14
15.1	Governing law	14
15.2	No interest in Shares	14
15.3	Connection with other plans	14

Rules of the Ikwezi Mining Option Plan

1. INTERPRETATION

1.1 Definitions

Application Form means an application form for the relevant Employee to apply for Options substantially in the form set out in Schedule 2, or such other form as approved by the Board from time to time.

Associate has the meaning given by the Listing Rules.

Associated Body Corporate means:

- (a) a body corporate that is a related body corporate of the Company;
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

Board means the board of Directors of the Company.

Business Day has the meaning given in the Listing Rules.

Bye-laws means the bye-laws of the Company, as amended from time to time.

Committee means the Board or, if the Board delegates to a committee under rule 3.2(b), that committee.

Company means Ikwezi Mining Limited, incorporated in Bermuda as an exempted company (Registration no. 45349).

Companies Act means the Companies Act 1981 (Bermuda).

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Employee means:

- (a) an employee (full time or part time) of a Group Member; or
- (b) a director of a Group Member who holds salaried employment with a Group Member on a full time or part time basis.

Exercise Price means the subscription price to be paid on exercise of an Option as determined by the Board and specified in the Invitation, subject to adjustment under rule 11.

Government Agency means:

- (a) a government or government department or other body;
- (b) a governmental, semi-governmental or judicial person including a statutory corporation; or

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- (c) a person (whether autonomous or not) who is charged with the administration of a law.

Group means the Company and its subsidiaries. For the avoidance of doubt, Ikwezi Mining (Pty) Ltd, Ikwezi Management Services (Pty) Ltd and Bokamoso Resources (Pty) Ltd are each members of the Group.

Group Member means a member of the Group.

Invitation means an invitation inviting an eligible Employee to apply for Options substantially in the form set out in Schedule 1, or in such other form as approved by the Board from time to time.

Listing Rules means the listing rules of ASX as they apply to the Company from time to time.

Market Price means, on any date, the price published by ASX as the closing price of Shares sold on ASX on the last trading day on which the Shares were traded.

Option means an option granted under the Plan to subscribe for one fully paid Share (as adjusted under rule 11).

Option Certificate means the certificate issued by the Company to a Participant in respect of that Participant's Option.

Option Period means, for an Option, the period determined by the Board and specified in the Invitation during which an Option, which has become exercisable, can be exercised.

Participant means any Employee who the Board has decided under rule 4(a) is eligible to participate in the Plan, and who applies for and is granted Options under the Plan.

Performance Criteria means, in relation to an Option, the performance criteria determined by the Board (if any) and specified in the Invitation which must be satisfied before an Option (or a specified number of Options granted) can become capable of exercise, subject to adjustment under rule 11.

Performance Period means, in relation to an Option, the period determined by the Board and specified in the Invitation (if any) over which the Board will assess whether the Performance Criteria have been satisfied.

Plan means these rules and the Ikwezi Mining Option Plan established in accordance with these rules.

Qualifying Reason means:

- (a) the death, Total and Permanent Disablement or Retirement of the Participant, as determined by the Board in its absolute discretion;
- (b) the Participant ceasing to be employed by a Group Member as a result of the relevant body corporate ceasing to be a Group Member, or as a result of a Group Member selling a business it conducts to someone other than to another Group Member; or
- (c) any other reason as determined by the Board in its absolute discretion.

Record Date has the meaning given by the Listing Rules.

Related Party has the meaning given by the Listing Rules.

Retirement means, in relation to a Participant, the retirement by the Participant from employment with a Group Member at age 65 or over.

Security Interest means a mortgage, charge, pledge, lien or other encumbrance of any nature.

Share means a fully paid ordinary share in the Company.

Share Limit means the share limit calculated in accordance with rule 5.6.

Takeover Bid means a takeover bid made for all or a specified proportion of the Shares.

Total and Permanent Disablement means, in relation to an Employee, that the Employee has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Employee unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) or to the Listing Rules is to that provision, legislation or rule as amended, re-enacted or replaced, and includes any subordinate legislation issued under it; and
 - (ii) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) A reference to \$ or dollars, is a reference to Australian dollars.
- (f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (g) The words **control, subsidiary, holding company and related body corporate** have the same meanings as in the Corporations Act.

1.3 Business Days

If the day on or by which a person must do something under this document is not a Business Day, the person must do it on or by the next Business Day.

2. PURPOSE

The Plan is established by the Company to provide eligible Employees with an opportunity to acquire a potential ownership interest in the Company for the purpose of:

- (a) providing them with an opportunity to share in the growth in value of the Company;
- (b) encouraging them to improve the longer-term performance of the Company and its returns to shareholders; and

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- (c) assisting in the recruitment, reward and retention of employees of the Group.

3. OPERATION OF PLAN

3.1 Outline

Under the Plan, the Board may grant Options to Employees they consider to be eligible, on terms fixed in accordance with the Plan.

3.2 Administration

- (a) Subject to rule 3.2(b), the Board will manage and administer the Plan for the Company in accordance with these rules.
- (b) The Board may:
 - (i) delegate management and administration of the Plan, and any of its powers or discretions under the Plan, to a committee consisting of such Directors, other officers, or employees of the Company, or any combination of such persons as the Board thinks fit; and
 - (ii) direct the Committee as to how to exercise any of its discretions under the Plan and the Committee must comply with any direction of the Board.
- (c) Where the Board has delegated a power or function to a committee, the committee shall decide matters by majority (with the chairman of that committee having a casting vote).

3.3 No additional rights

Except as expressly provided in this Plan, nothing in this Plan:

- (a) shall form part of any contract of employment between any Group Member and any Employee unless expressly incorporated in the contract of employment by reference or otherwise;
- (b) confers on any Employee the right to be invited to apply for, to be offered or to receive any Option;
- (c) confers on any person any expectation to become a Participant;
- (d) confers on any Participant the right to continue as an Employee;
- (e) affects any rights which any Group Member may have to terminate the employment or services of any Employee; or
- (f) may be used to increase rights to compensation or damages in any action brought against any Group Member in relation to the termination of employment or services of an Employee.

4. ELIGIBILITY

- (a) The Board may from time to time in its absolute discretion decide that an Employee is eligible to participate in the Plan.
- (b) In so deciding, the Board may have regard to:

- (i) the Employee's position with the Group and the services provided to the Group by the Employee;
 - (ii) the Employee's record of employment or service with the Group;
 - (iii) the Employee's potential contribution to the growth of the Group;
 - (iv) the Employee's remuneration level;
 - (v) any other matters which tend to indicate the Employee's merit; and
 - (vi) any other matters which the Board considers relevant.
- (c) The Board may exercise its powers in relation to the participation in the Plan of any Employee on any number of occasions.

5. INVITATIONS

5.1 Invitations

The Board may from time to time, in its absolute discretion, invite an Employee to apply for Options by way of Invitation.

5.2 Related parties

The Board may only invite a related party of the Company (within the meaning set out in the Listing Rules) to apply for, and will only grant, Options (and issue Shares on exercise of such Options) as permitted by the Listing Rules, the Corporations Act and the Companies Act.

5.3 Content of invitation

The Board must specify in the Invitation:

- (a) the name of the Employee;
- (b) the number of Options the Employee is invited to apply for;
- (c) for each Option to which the invitation relates:
 - (i) the issue price (if any) at which the Option is to be granted;
 - (ii) the Performance Criteria (if any);
 - (iii) the Performance Period (if any);
 - (iv) the Exercise Price;
 - (v) the Option Period;
 - (vi) the closing date for applying for the Option;
 - (vii) how the Employee is to apply for the Option; and
 - (viii) such other details (if any) concerning the terms and conditions of the invitation as the Board shall determine; and
- (d) that during the period in which the Participant may acquire the Options or the Options may be exercised (**Offer Period**), within a reasonable period of the Participant so requesting, the Company will make available to the Participant the

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Market Price of the Shares as at the date of the Participant's request, and provide an explanation in the Invitation of the way in which the Company will do so.

5.4 Copy of rules

The Invitation must be accompanied by a copy of these rules.

5.5 Price Information

A Participant who holds an Option may, at any time during the Offer Period, contact the Company's secretary (during the usual business hours of the Company's registered office) and request to be provided with the Market Price of Shares. Within one Business Day of receiving such request, the Company's secretary will endeavour to provide to that Participant, in writing (preferably by email), the Market Price of Shares as at the date of the request.

5.6 Limit on invitations

(a) Share Limit not to be exceeded

The Board must not invite an application for an Option or grant an Option if the issue of Shares on exercise of the Options would cause the Share Limit to be exceeded. An Application Form in respect of Options will be disregarded if the issue of Shares on exercise of the Options referred to in the Invitation would cause the Share Limit to be exceeded.

(b) Share limit calculation

Subject to rule (c), the Share Limit is exceeded if the aggregate of any one or more of the following exceeds 5% of the total number of issued Shares:

- (i) the number of Shares that would be issued were the Options the subject of the Invitation to be accepted and exercised;
- (ii) the number of Shares that would be issued were each outstanding offer with respect to Shares, performance rights and options to acquire unissued Shares under an employee share scheme (as defined in the Corporations Act) to be accepted, vested or exercised; and
- (iii) the number of Shares issued during the previous five years pursuant to this Plan or any other employee share scheme (as defined in the Corporations Act) extended only to eligible employees of the Company or an Associated Body Corporate.

(c) In working out whether the Share Limit is exceeded, disregard any offer made or option acquired or Share issued by way of, or as a result of:

- (i) an offer to a person situated outside Australia at the time of receipt of the offer;
- (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act;
- (iii) an offer that did not require the giving of a product disclosure statement (as defined in the Corporations Act) because of section 1012D of the Corporations Act; or
- (iv) an offer made under a disclosure document or product disclosure statement (each as defined in the Corporations Act).

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6. APPLICATIONS

6.1 Application

An Employee applying for an Option under an invitation made under rule 5 must on or before the closing date stated in the Invitation (or any later date the Board allows for that application only, or for some or all applications):

- (a) do what is specified in the Invitation to apply for the Option; and
- (b) execute the Application Form, or arrange for the execution of the Invitation and Application Form on the Employee's behalf, and deliver it to the Board.

6.2 Rules

By accepting the invitation to apply for the Option, the Employee agrees to become a Participant and be bound by the Plan, the Invitation, the Application Form, the memorandum of association of the Company and the Bye-laws.

6.3 Grant and Option Certificate

Subject to rules 5.2 and 5.6, following receipt of a duly completed Application Form, the Company must:

- (a) within a reasonable time after the last date for the return of the Application Form as specified in the Invitation, accept the Employee's application for the relevant Options by granting those Options to the Employee; and
- (b) within 10 Business Days after the grant of the relevant Options to the Participant in accordance with rule 6.3(a), issue the Participant an Option Certificate for those Options.

Upon granting Options to an Employee under this rule 6.3, the Employee becomes a Participant.

7. TRANSFER OF OPTIONS

- (a) An Option granted under the Plan is only transferable:
 - (i) with the consent of the Board; or
 - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) Subject to rule 7(a), Participants must not grant any Security Interest in or over or otherwise dispose of or deal with any Options or any interest in them, and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.
- (c) Where the Participant purports to:
 - (i) transfer an Option other than in accordance with rule 7(a); or
 - (ii) grant any Security Interest in or over or otherwise dispose of or deal with an Option or interest in it in breach of rule 7(b),

that Option immediately lapses.

8. SATISFACTION OF PERFORMANCE CRITERIA

As soon as reasonably practicable after the end of the Performance Period, the Board must:

- (a) determine the number of unexercised Options held by the relevant Participant in respect of which the Performance Criteria were satisfied over the Performance Period; and
- (b) provide written notice to the relevant Participant of that determination.

This rule only applies to Options held by the relevant Participant which are subject to Performance Criteria.

9. EXERCISE

9.1 Exercise

Notwithstanding any other provision of these rules, the Participant may only exercise an Option:

- (a) in relation to an Option to which Performance Criteria apply, if the Performance Criteria in respect of that Option were satisfied over the Performance Period and the Participant has received a written notice to that effect from the Board pursuant to rule 8;
- (b) during the Option Period;
- (c) by doing during the Option Period everything required by rule 9.3 (except that a copy of the written notice referred to in rule 9.3(b) does not need to be given by the Participant if the Option was not subject to Performance Criteria); and
- (d) by at the same time either:
 - (i) exercising all the Options that the Participant is then entitled to exercise; or
 - (ii) exercising a number of Options that the Participant is then entitled to exercise such that the Company will issue at least 1,000 Shares,

or if:

- (e) the Board has determined pursuant to rule 9.9 or 10 that the Option held by the relevant Participant is capable of being exercised and the Participant has received a written notice to that effect from the Board;
- (f) the relevant Participant does everything required by rule 9.3; and
- (g) the relevant Participant complies with any other conditions that the Board has imposed on exercise pursuant to rule 9.9 or 10 (as the case may be).

9.2 Other Options

The exercise of an Option does not prevent the exercise of any other Option.

9.3 Notice

To exercise an Option the relevant Participant must give to the Company a notice stating that it exercises the Option. The notice must be accompanied by:

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- (a) the Option Certificate;
- (b) a copy of the written notice received by the Participant from the Board pursuant to rule 8, 9.9 or 10 (as the case may be); and
- (c) payment of the full amount of the Exercise Price by cheque, bank draft or postal order made out in favour of the Company, or by electronic payment in accordance with the directions on the Invitation (if specified).

9.4 Payment

Exercise of an Option is only effective when the Company receives full value for the full amount of the Exercise Price in cleared funds.

9.5 Issue of Shares

Not more than 10 Business Days after the exercise of a Participant's Option becomes effective, the Company must issue to that Participant the Shares the subject of that Option.

9.6 Shares rank equally

Any Share issued under the Plan:

- (a) is subject to the memorandum of association of the Company and the Bye-laws; and
- (b) ranks equally in every way (including for dividends for which the Record Date is after the issue) with other Shares then on issue.

9.7 Lapse

Any unexercised Option granted to a Participant lapses upon the earliest to occur of:

- (a) the end of the Performance Period if the Performance Criteria (if any) relating to the Option have not been satisfied;
- (b) the end of the Option Period;
- (c) the Option lapsing in accordance with rule 7(c);
- (d) the Option lapsing in accordance with rule 9.8, 9.9 or 9.10;
- (e) the Option lapsing in accordance with rule 10; and
- (f) the date that is seven years after the grant of the Option.

9.8 Cessation of employment - generally

Subject to rule 9.9, if a Participant ceases to be employed by a Group Member (and is not immediately employed by another Group Member), all unexercised Options of that Participant will automatically lapse.

9.9 Cessation of employment – Qualifying Reason

- (a) If a Participant ceases to be employed by a Group Member (and is not immediately employed by another Group Member) because of a Qualifying Reason, the Board will make a determination as to how that Participant's unexercised Options will be dealt with, and, in doing so, may determine, in its absolute discretion that the relevant Participant's unexercised Options are capable of being exercised (in whole or in part) and may impose any conditions on such exercise as it thinks fit.

- (b) In making its determination under rule 9.9(a), the Board will have regard, without limitation, to the extent to which the Performance Criteria (if any) in respect of that Participant's Options have been satisfied as at the date of cessation of employment because of a Qualifying Reason.
- (c) If in making its determination under rule 9.9(a), the Board does not determine that an Option is capable of being exercised, it will automatically lapse, unless the Board has determined that it be dealt with in some other manner.
- (d) Promptly after making a determination under rule 9.9(a), the Board must notify the Participant of the determination in writing.

9.10 Fraudulent or dishonest actions

If in the opinion of the Board, a Participant acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Member, then the Board may determine that any unexercised Options of the Participant automatically lapse.

9.11 New certificate

Within a reasonable time after exercise of Options in accordance with rule 9.3, the Company must:

- (a) cancel the Option Certificate for Options which have been exercised; and
- (b) if applicable, issue a new certificate for any remaining Options covered by the cancelled Option Certificate.

9.12 Listing on ASX

Options will not be quoted on ASX. However, when Options are exercised, if the Shares are quoted on ASX the Company must apply to ASX for, and will use its best endeavours to obtain, quotation for the Shares to be issued to the Participant on exercise of those Options.

10. TAKEOVER, MERGER, COMPROMISE, SCHEME OR ARRANGEMENT

10.1 Takeovers

- (a) If a Takeover Bid is made for Shares before the end of the Performance Period (if any), the Board will make a determination as to how a Participant's unexercised Options will be dealt with, and, in doing so, may determine, in its absolute discretion that a Participant's unexercised Options are capable of being exercised (in whole or in part) and may impose any conditions on such exercise as it thinks fit.
- (b) In making its determination under rule 10.1(a), the Board will have regard, without limitation, to the extent to which the Performance Criteria (if any) in respect of a Participant's Options have been satisfied as at the date of the Takeover Bid.
- (c) If in making its determination under rule 10.1(a), the Board does not determine that an Option is capable of being exercised, it will automatically lapse, unless the Board has determined that it be dealt with in some other manner.
- (d) Promptly after making a determination under rule 10.1(a), the Board must notify the Participant of the determination in writing.

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10.2 Compromise or arrangement

- (a) If any person becomes bound or entitled to acquire Shares pursuant to a merger, compromise, scheme or arrangement under the Companies Act or the Corporations Act, the Board will make a determination as to how a Participant's unexercised Options will be dealt with, and, in doing so, may determine, in its absolute discretion, that a Participant's unexercised Options are capable of being exercised (in whole or in part) and may impose any conditions on such exercise as it thinks fit.
- (b) In making its determination under rule 10.2(a), the Board will have regard, without limitation, to the extent to which the Performance Criteria (if any) in respect of a Participant's Options have been satisfied as at the relevant date (being the date the person becomes so bound or entitled to acquire Shares).
- (c) If in making that its determination under rule 10.2(a), the Board does not determine that an Option is capable of being exercised, it will automatically lapse, unless the Board has determined that it be dealt with in some other manner.
- (d) Promptly after making its determination under rule 10.2(a), the Board must notify the relevant Participant of its determination in writing.

11. ADJUSTMENTS**11.1 New issues**

A Participant may only participate in new issues of securities to holders of Shares in respect of an Option it holds if that Option has been exercised, and Shares issued or transferred in respect of that Option, before the Record Date for determining entitlements to the new issue.

11.2 Pro rata issues

Unless rule 11.3 applies, if the Company gives holders of Shares the right (pro rata with existing shareholdings) to subscribe for additional securities, and an Option held by a Participant is not exercised in time to enable the relevant Participant to obtain the Shares issued on exercise of the Option with the right to subscribe for additional securities, the Exercise Price of that Option after the issue of those securities is adjusted in accordance with the formula:

$$O^1 = O - E \frac{[P - (S + D)]}{N + 1}$$

where:

- O^1 = The new Exercise Price of the Option.
- O = The old Exercise Price of the Option.
- E = The number of Shares into which an Option is exercisable.
- P = The average market price per Share (weighted by reference to volume) sold in the ordinary course of trading on ASX during the five trading days before the ex rights date or ex entitlements date.
- S = The subscription price for one Share under the pro rata issue.
- D = The dividend due (if any) but not yet paid on an existing Share (except those to be issued under the pro rata issue).

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N = Number of Shares with rights or entitlements required to be held to receive a right to one new Share.

Notwithstanding the application of this formula, the Exercise Price of an Option cannot be reduced below the par value of a Share. If the Exercise Price of an option as determined above is less than the par value of a Share, the Exercise Price shall be the par value.

11.3 Pro rata bonus issues

If the Company makes a pro rata bonus issue to holders of Shares (other than an issue in lieu or in satisfaction of dividends by way of dividend reinvestment), and no Shares have been issued to a Participant in respect of that Participant's Option before the Record Date to determine entitlements to that bonus issue, the number of Shares over which the Option is exercisable will be increased by the number of Shares that would have been issued to that Participant if that Participant's Option had been exercised before that Record Date.

11.4 Sub-division or consolidation

If the Company subdivides or consolidates its Shares, the Options must be subdivided or consolidated (as the case may be) in the same ratio as the Shares and the Exercise Price must be amended in inverse proportion to that ratio.

11.5 Return of capital

If the Company makes a return of capital, the number of Options remains the same, and the Exercise Price of each Option is reduced by the same amount as the amount returned in relation to each Share (or in relation to a number of Shares equal to the number of Shares to be issued on exercise of the Option if that number is not one).

11.6 Cancellation of capital that is lost

If the Company makes a cancellation of any paid up share capital that is lost or not represented by available assets, the number of Options and the Exercise Price of each Option is unaltered.

11.7 Pro rata cancellation of capital

If the Company reduces its issued share capital on a pro rata basis, the number of Options must be reduced in the same ratio as the Shares and the Exercise Price of each Option must be amended in inverse proportion to that ratio.

11.8 General reorganisation

If the Company reorganises its issued share capital in any way not contemplated by this rule 11, the number of Options or the Exercise Price, or both, must be reorganised so that the Participant who holds the Option will not receive a benefit that holders of Shares do not receive.

11.9 Cumulative adjustments

Each adjustment under rules 11.2 to 11.8 must be made for every unexercised Option, which has not lapsed, every time the relevant rule applies.

11.10 Rounding

Until an Option is to be exercised, all calculations adjusting the number of Shares or the Exercise Price must be carried out to include all fractions, but on exercise the number of Shares issued is rounded down to the next lower whole number and the Exercise Price rounded up to the next higher cent.

11.11 Notice of adjustment

The Company must give notice to a Participant who holds Options of any adjustment to the number, description or items of security which are to be issued on exercise of an Option or to the Exercise Price, and must do so in accordance with any applicable Listing Rules. This notice may be in the form of a revised Option Certificate.

11.12 Listing Rules

Notwithstanding any other provision of this rule 11, an adjustment must not be made under this rule 11 unless it is consistent with the Listing Rules. The Board may amend the terms of any Option, or the rights of any Participant under the Plan, to comply with the Listing Rules applying at the time to any reorganisation of capital of the Company.

12. AMENDMENT OF THE PLAN

12.1 Board may amend

Subject to rules 12.2 and 12.3, the Board may at any time by written instrument, amend all or any of the provisions of these rules, including this rule 12.

12.2 No reduction of existing rights

Any amendment to the provisions of these rules must not materially reduce the rights of any Participant as they existed before the date of the amendment, unless the amendment is introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory, Commonwealth or Bermudan legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) for the purpose of enabling any Group Member, or the Participants generally (but not necessarily each Participant), to receive a more favourable taxation treatment in relation to the Plan; or
- (d) to enable the Plan or any Group Member to comply with the Corporations Act, the Companies Act, the Listing Rules, the memorandum of association of the Company, the Bye-laws or relevant instruments of relief granted by the Australian Securities and Investments Commission or other Government Agency from time to time.

12.3 Retrospective amendment possible

Subject to rule 12.2, any amendment made under rule 12.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

13. MISCELLANEOUS PROVISIONS

13.1 Disputes

Any dispute or difference of any nature arising in relation to the Plan must be referred to the Board. The Board's decision on that dispute or difference is final and binding on the Company and the Participants in all respects.

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13.2 Duration and suspension

The Plan continues in operation until the Board decides to end it. The Board may suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan ends or is suspended for any reason, that does not prejudice the accrued rights of Participants.

14. NOTICES AND CORRESPONDENCE

14.1 To the Company

Any notice given by or correspondence from a Participant to the Company or the Board in connection with the Plan is only effective if it is in writing, signed and given at or sent to the principal place of business of the Company, or any other address of which the Company gives notice.

14.2 To a Participant

Any notice given by or correspondence from the Company or the Board to a Participant in connection with the Plan must be in writing and must be given or made by a person authorised by the Board on behalf of the Company or the Board to the place of employment of the Participant or to the last address of the Participant given by him or her to the Company.

15. GENERAL

15.1 Governing law

- (a) This document is governed by the laws of Western Australia.
- (b) The Company and each Participant submit to the jurisdiction of the courts of that State and of any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

15.2 No interest in Shares

A Participant has no interest in a Share the subject of the Participant's Option unless and until the Share is issued to the Participant on exercise of the Participant's Option.

15.3 Connection with other plans

Unless the Board otherwise determines, participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Company unless the terms of that other plan provide otherwise.

Schedule 1

IKWEZI MINING OPTION PLAN - INVITATION

[name]

[address]

[date]

Dear [name]

INVITATION TO PARTICIPATE IN THE IKWEZI MINING OPTION PLAN

You are invited to apply for the number of Options set out below, subject to the rules of the Ikwezi Mining Option Plan (Plan), a copy of which is enclosed with this Invitation, and the terms set out below. Capitalised terms used in this letter have the meaning given to them in the Plan.

Name of Employee

Number of Options

Issue price of Options

Exercise Price (including method of payment –see rule 9.3(c))

Performance Criteria

Performance Period

Option Period *[From the day after the end of the Performance Period until [expiry date]]*

Other terms

Please see the enclosed Plan for important information about this invitation.

To apply for these Options, you must complete the **enclosed** Application Form and return it to the Company on the address set out on the Application Form by **no later than [time and date]**. You will not be eligible to receive any Options unless you return the Application Form by this time. Please keep a signed copy of the Application Form for your own records.

Failure to sign and return this document by the time stipulated will be treated as declining this invitation unless the Board, in its absolute discretion, decides to extend the time for returning the Application Form. You may not apply for these Options in part.

If you are issued with Options, at any time during the Offer Period, you may contact the Company Secretary on [number] or by email at [insert] to request the Market Price of Shares. The Company Secretary will endeavour to provide you, in writing (preferably by email), the Market Price as at the date of your request within one Business Day of your request.

Any advice given by the Company in connection with this invitation is general advice only. You should consider obtaining your own independent advice, including financial product advice from a person who is licensed by the relevant regulatory authority to give such advice.

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If you have any questions, you should contact *[name]* on *[number]*.

Signed for and on behalf of Ikwezi Mining Limited

[signature of authorised representative]

For personal use only

Schedule 2

IKWEZI MINING OPTION PLAN – APPLICATION FORM

The Company Secretary
[insert address]

ACCEPTANCE AND APPLICATION

I, _____ (name), accept the Invitation, apply for the Options referred to in the Invitation and agree to be bound by the terms of the Plan.

I request that the full number of Options specified in the Invitation be granted to me.

Signature of Employee

Date

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