Employee Shares and Awards Plan

Tolu Minerals Limited ARBN 657 300 359

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Employee Shares and Awards Plan

1. Name of Plan

This document sets out the rules of the **Tolu Minerals Limited Employee Awards Plan.**

2. Objectives

The Employee Shares and Awards Plan is a long term incentive plan aimed at creating a stronger link between an Eligible Person's performance and reward, while increasing shareholder value in the Company.

3. Definitions and interpretation

3.1 Definitions

In this Plan:

Acceptance Date has the meaning ascribed to that term in clauses 5.2(e) and 6.2(f) respectively.

Acceptance Form means a form for the acceptance of offers made to an Eligible Person or Eligible Associate in such form as the Board may approve from time to time.

Acknowledgement means the form of acknowledgement from time to time approved by the Board for the purposes of clause 20.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate in relation to the Company means:

(a) 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 ASX Limited ACN 008 624 691.

Award means;

(a) a Right;

(b) an Option; or

(c) any combination of them.

Award Commencement Date means the date to be determined by the Board prior to the issuance of the relevant Awards.

Award Period means in respect of an Award, the period commencing on the Award Commencement Date and (unless the Board determines otherwise) expiring on the date nominated by the Board at its sole discretion at the time of the grant of the Award, subject to clauses 11, 12 and 13.

Board means the board of directors of the Company.

Business Day means a day on which ASX is open for business.

Casual Employee in relation to the Company or an Associated Body Corporate, means an individual who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro rata equivalent of 40% or more of a comparable full-time position with the Company or an Associated Body Corporate.

Company means Tolu Minerals Limited ARBN 657 300 359.

Companies Act means the *Companies Act 1997* of Papua New Guinea.

Contractor in relation to the Company or an Associated Body Corporate means:

(a) an individual with whom the body has entered into a contract for the provision of services under which the individual performs work for the body; or

(b) a company with whom the body has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs work for the body,

where the individual who performs the work under or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full-time position with the body.

Contribution Plan has the meaning given to the term “ESS contribution plan” in the Corporations Act.

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Current Market Price means the closing market price as that term is defined in the ASX Listing Rules.

Director means a director of the Company from time to time.

Eligible Associate means:

(a) an immediate family member of an Eligible Person;

(b) a company whose members comprise no persons other than the Eligible Person or immediate family members of the Eligible Person;

(c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993)* where the Eligible Person is a director of the trustee; or

(d) a person who is otherwise a “related person” of an Eligible Person as set out in section 1100L of the Corporations Act.

Eligible Person means a Director, Employee, Contractor, Prospective Participant or any other person who is a “primary participant” as set out in section 1100L of the Corporations Act..

Employee means a full-time or part-time employee of the Company or an Associated Body Corporate of the Company or a Casual Employee.

Exercise Price means the price to be determined by the Board at its sole discretion.

Financial Year means the financial year adopted by the Company for the purpose of making up the profit and loss account and balance sheet of the Company pursuant to the Corporations Act or the Companies Act, as applicable.

Government Body means:

(a) any person, body or other thing exercising an executive, legislative, judicial or other governmental function of any country or political subdivision of any country;

(b) any public authority constituted by or under a law of any country or political subdivision of any country; and

(c) any person deriving a power directly or indirectly from any other Government Body.

Issue Notice mean a notice given by the Company to a Participant which states the number of Awards which have vested, in such form as is approved by the Board from time to time.

Issue Price means the price payable by a Participant which shall at the time of issue be determined by the Board at its sole discretion.

Listing Rules means the Listing Rules of the ASX as amended from time to time.

Offer means an offer to take up Securities pursuant to clauses 5 and 6, in the form set out in Schedule 2.

Offer Document is given the meaning attributed to that term “ESS offer document” in the Corporations Act or any corresponding provisions of the Companies Act

Official List means the official list of ASX.

Option means an option granted under the Plan to subscribe for and be allotted the number of Shares set out in an Offer.

Participant means an Eligible Person or an Eligible Associate who accepts an offer from the Board to participate in this Plan.

Participation Award means an Award that is issued to a Participant under this Plan.

Participant Option means an Option that is issued to a Participant under this Plan.

Participant Share means a Share that is issued to a Participant under this Plan.

Performance Hurdle means criterion, condition or other requirement that must be satisfied.

Plan means this employee shares and awards plan.

Prospective Participant means in relation to this Plan, a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Person.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Restricted Shares has the meaning given to that term in clause 27.1.

Restricted Award means a Participant Award issued pursuant to this Plan that is subject to the restrictions contemplated in clause 25.

Restricted Share means a Participant Share issued pursuant to this Plan that is subject to the restrictions contemplated in clause 23.

Right means a performance right of a Participant to be issued, transferred, or allocated one Share subject to the satisfaction of the Plan, Offer, Performance Hurdles, and any disposal restrictions.

Securities has the meaning ascribed to that term in s. 9 Corporations Act and **Security** has a corresponding meaning.

Share means fully paid ordinary share in the capital of the Company.

Tax Law means the *Income Tax Assessment Act 1997* and the *Income Tax Assessment Act 1936*, as the case may be.

Terms of Allotment means, in relation to a Security:

(a) the terms and conditions of this Plan;

(b) the Acknowledgement required under clause 20;

(c) each restriction and other condition prescribed by the Board in relation to the Security; and

(d) each statement setting out particulars in relation to the Security under clause 21.

Uncontrollable Event means:

(a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;

(b) forced early retirement, retrenchment or redundancy; or

(c) such other circumstances which results in an Eligible Person leaving the employment of, or ceasing their engagement with, the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

Unrestricted Award mean a Participant Award that is no longer subject to the restrictions imposed by the Board pursuant to clause 25.

Unrestricted Share means a Participant Share that is no longer subject to the restriction imposed by the Board pursuant to clause 23.

3.2 **Interpretation**

(a) Unless the contrary intention appears, a reference in these Rules to:

(1) these Rules or another document includes any variation or replacement of it despite any change in the identity of the parties;

(2) one gender includes the others;

(3) the singular includes the plural and the plural includes the singular;

(4) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;

(5) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, these Rules and a reference to these Rules includes any schedule or attachment;

(6) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;

(7) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;

(8) money is to Australian dollars, unless otherwise stated; and

(9) a time is a reference to Sydney time unless otherwise specified.

(b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.

(c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

4. Operation of Plan

4.1 Operation of Plan

Subject to clauses 4.2 and 4.3, the Board may at any time decide that this Plan should be operated in respect of any Financial Year and the Board may determine at its discretion the total number of Securities to be offered to each Eligible Person (or Eligible Associate, as the case may be) and the Issue Price, Exercise Price, terms, conditions, Performance Hurdles, and/or restrictions on which the Securities are offered.

4.2 Plan limit

The total number of Securities which may be offered by the Company under this Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three year period under:

(a) an employee incentive scheme covered the Corporations Act or the Companies Act; or

(b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

4.3 Compliance with the Corporations Act and Companies Act

The Board may only offer to issue Securities pursuant to this Plan:

(a) if the Company has issued an Offer Document pursuant to which the Company offers to issue Securities pursuant to this Plan;

(b) the Company has complied with clause 4.2; and

(c) the Company has complied with any other requirements imposed upon the Company under the Corporations Act and the Companies Act.

5. Offer of Shares

5.1 Offer of Shares

The Board shall offer such number of Shares to such Eligible Persons or Eligible Associates (where applicable) as determined in accordance with clause 4 subject to the terms and conditions of this Plan for the time being.

5.2 Requirements for Offer of Shares

Such Offer will be in writing and will specify:

(a) the name and address of the Eligible Person or Eligible Associate (where applicable) to whom the Offer is made;

(b) the number of Shares being offered;

(c) the Issue Price of the Shares on offer;

(d) the date of the Offer;

(e) the date, being not more than 30 days after the date of the Offer by which the Offer must be accepted (**Acceptance Date**);

(f) any Performance Hurdle applying to the Offer;

(g) any other terms and conditions attaching to the Offer including, without limitation, whether any restrictions contemplated in clause 23 of this Plan will be imposed on the Shares being offered;

(h) whether deferral of any taxation in accordance with Division 83A-C of the Tax Law is to apply to the Offer; and

(i) any other information required under the Corporations Act or the Companies Act.

5.3 Acceptance Form with Offer

The Offer will be accompanied by an Acceptance Form, the terms and conditions of this Plan and a summary of this Plan.

5.4 Ability to renounce Offer

An Eligible Person who receives an Offer of Shares pursuant to this Plan may renounce the Offer in favour of the Offer being made to an Eligible Associate.

6. Offer of Awards

6.1 Offer of Awards

The Board shall offer such number of Awards to such Eligible Persons or Eligible Associates (where applicable) as determined in accordance with clause 4, subject to the terms and conditions of this Plan for the time being.

6.2 **Requirements for Offer of Awards**

Such Offer will be in writing and specify:

(a) the name and address of the Eligible Person or Eligible Associate (where applicable) to whom the Offer is made;

(b) the number and type of Awards being offered;

(c) the Award Period;

(d) the Exercise Price for any Options on offer;

(e) the date of the Offer;

(f) the date, being not more than 30 days after the date of the Offer by which the Offer must be accepted (**Acceptance Date**);

(g) any applicable vesting requirements;

(h) any Performance Hurdle applying to the Offer or the Awards;

(i) any other terms and conditions attaching to the Offer or the Awards including, without limitation, whether any restrictions contemplated in clause 25 of this Plan will be imposed on the Awards being offered;

(j) whether deferral of any taxation in accordance with Division 83A-C of the Tax Law is to apply to the Offer; and

(k) any other information required by the Corporations Act or the Companies Act.

6.3 **Acceptance Form with Offer**

The Offer will be accompanied by an Acceptance Form, the terms and conditions of this Plan and a summary of this Plan.

6.4 **Ability to renounce Offer**

An Eligible Person who receives an Offer of Awards pursuant to this Plan may renounce the Offer in favour of the Offer being made to an Eligible Associate.

7. Current Market Price

7.1 **Undertake to provide Current Market Price**

If required by the Corporations Act or the Companies Act, or any other regulation such as the, at any time from the date of an Offer until the Acceptance Date of that Offer, the Company undertakes, within three Business Days of a written request to the Company from a Participant to do so, to provide information as to:

(a) the Current Market Price of Shares; or

(b) where the Issue Price is to be worked out in the future under a formula, the price were that formula applied at the date of the Offer,

to the Participant in writing.

7.2 **Current Market Price on ASX**

Notwithstanding clause 7.1, a Participant may, at any time, independently access the Current Market Price of the Shares from the ASX website at www.asx.com.au.

8. Trusts, Contribution Plans and loans

8.1 **Trusts**

A Company or an Associated Body Corporate that makes an offer of Securities under this Plan in relation to which a trustee holds or will hold the Securities, must ensure that the Company, the relevant trust and relevant trustee comply with the Corporations Act or the Companies Act with respect to the obligations imposed for issues of such Securities to trustees.

8.2 **Contribution Plan**

If the Company or an Associated Body Corporate has a Contribution Plan for use by an Eligible Person in conjunction with this Plan, the Company or Associated Body Corporate must ensure that any use of the Contribution Plan by the Company, Associated Body Corporate or Eligible Person complies with the obligations imposed by the Corporations Act or the Companies Act.

8.3 **Loans**

A Company or an Associated Body Corporate that makes an offer of Securities under this Plan that involves a loan from the Company or Associated Body Corporate to the Participant must ensure that the Company or Associated Body Corporate making the loan complies with the obligations imposed by the Corporations Act or the Companies Act.

9. Acceptance of Offer

9.1 **Acceptance of Offer**

An Eligible Person or Eligible Associate may accept the Offer by:

(a) delivering to the Company the completed Acceptance Form by the Acceptance Date; and

(b) paying the Issue Price applicable to the Offer in cleared funds.

9.2 **Unaccepted Offer will lapse**

An Offer which is not accepted by the Participant by the Acceptance Date will lapse.

9.3 **No brokerage, commission or stamp duty**

No brokerage, commission, stamp duty or other transaction costs will be payable by Eligible Persons or Eligible Associates in respect of any allotment of Securities under this Plan.

9.4 **Terms of Securities**

All Securities allotted under this Plan will rank pari passu in all respects with the Securities of the same class for the time being on issue with the exception of:

(a) any rights attaching to other Securities by virtue of entitlements arising from a record date prior to the date of the allotment in respect of those Securities; and

(b) the restrictions applying by virtue of clauses 23 and 25.

10. Lapse of Awards

A Participant Award lapses, to the extent it has not been exercised, on the earlier of:

(a) the expiry of the Award Period;

(b) if an Eligible Person's employment or engagement with the Company ceases because of an Uncontrollable Event, the last day of any period specified in clause 11(b); and

(c) if an Eligible Person's employment or engagement with the Company ceases because of a Controllable Event, the last day of any period specified in clause 12(b), subject to clause 12(a).

11. Cessation of employment or engagement - Uncontrollable Event

If an Eligible Person's employment or engagement with the Company ceases because of an Uncontrollable Event:

(a) the Board in its absolute discretion may determine to reduce, vary or waive any Performance Hurdle that has not been satisfied as at the date of the Uncontrollable Event so that the Participant Awards subject to the Performance Hurdle may be exercised or vested;

(b) the Participant may at any time prior to the earlier of:

(1) the expiry of the Award Period; or

(2) six months (or such other period as the Board will in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement,

exercise any Participant Options capable of being exercised; and

(c) all of the Participant Options held by the Participant that have not been exercised in accordance with clause 11(b) or are not capable of being exercised will automatically lapse.

12. Cessation of employment or engagement - Controllable Event

If an Eligible Person's employment or engagement with the Company ceases because of a Controllable Event:

(a) unless otherwise determined by the Board, all Participant Awards subject to Performance Hurdles that have not been satisfied as at the date of the Controllable Event will lapse;

(b) the Participant may, at any time prior to the earlier of:

(1) the expiry of the Award Period; and

(2) three months (or such other period as the Board will in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement,

exercise all Participant Options not subject to Performance Hurdles (including any Participant Awards that have vested under clause 12(a)); and

(c) all of the Participant Options held by the Participant that have not been exercised in accordance with clause 12(b) will automatically lapse.

13. Breach, fraud or dishonesty

If in the opinion of the Board a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company or an Associated Body Corporate, then the Board may in its absolute discretion determine that all of the Participant Awards issued to the Participant will lapse and the Board's decision will be final and binding.

14. Exercise of Options

14.1 Exercise of Options

A Participant may at any time during the Award Period (but not after a Participant Options have lapsed and subject to clause 14.2) exercise all or any of the Participant Options held by him or her by lodging with the Company:

(a) a written notice of exercise of award in such form prescribed by the Board from time to time specifying the number of Shares in respect of which Participant Options are being exercised (**Award Exercise Notice**); and

(b) make payment to the Company by way of a cheque, electronic transfer or such other method of payment approved by the Board for the Exercise Price multiplied by the number of Shares in respect of which the Participant Option is being exercised on a Business Day within the earlier of 30 days of delivery of the Award Exercise Notice or the Business Day prior to the expiry of the Award Period.

14.2 Exercise and allotment of marketable parcel

Participant Options must be exercised so as to result in the allotment of a marketable parcel within the meaning of the Listing Rules **provided that** where the number of Participant Options held by a Participant has been adjusted from time to time in accordance with the terms and conditions of this Plan, the Participant Options will be exercised by the Participant so as to result in as near as possible a marketable parcel of Shares being created.

14.3 Allotment upon receipt of Award Exercise Notice

Upon receipt of the Award Exercise Notice and the payment referred to in clause 14.1, the Board shall allot to the Participant the Shares to which the Participant is entitled subject to the provisions of the constitution of the Company.

14.4 Quotation on the ASX

Upon allotment of Shares pursuant to the exercise of Options, the Company will, if listed on the ASX, use its best endeavours to have such Shares quoted and listed on the Official List of the ASX.

15. Vesting of Awards

15.1 Vesting of Awards

(a) An Award may only be vested in accordance with these rules and the terms of the Offer.

(b) The Company must provide an Issue Notice to the Participant once a Participant's Awards have been vested.

(c) Notwithstanding any other provision of these rules, a Participant's Awards may only be vested if:

(1) the Award has not lapsed in accordance with these rules; and

(2) the Performance Hurdle and any other relevant conditions attaching to the Awards have been satisfied.

(d) Where a portion of the Awards covered by a Certificate vest or are exercised by a Participant (as applicable), the Company may issue a new Certificate which evidences the remaining number of Awards held by the Participant.

15.2 Vesting of Rights

The vesting of a Right granted under the Plan will be effected in accordance with these rules and in the form and manner determined by the Board.

16. Additional issues of Securities and dividends

16.1 No entitlement to new securities

Participant Award holders do not have any right to participate in new issues of Securities in the Company made to shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Award holders with notice prior to the books record date (to determine entitlements to any new issue of Securities made to shareholders generally) to exercise the ;

(a) Options; and/or

(b) Rights,

in accordance with the requirements of the Listing Rules.

16.2 No entitlement to dividends

The Award holder does not participate in any dividends unless the Awards are exercised and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.

17. Bonus issue

If there is a bonus issue to the holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Award holder would have received if the Option had been exercised before the record date for the bonus issue.

18. Adjustment for rights issue

If, during the life of any Option, there is a pro rata issue (except a bonus issue) then the subscription price applicable to each Share then comprised in the Option may be reduced according to the following formula:

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

where:

O'	=	the new exercise price of the Option.
O	=	the old exercise price of the Option.
E	=	the number of underlying securities into which one Option is exercisable.
P	=	if the Company is listed on the ASX, the average market price per Share (weighted by reference to volume) of the underlying Shares during the five trading days ending on the day before the ex rights date or ex entitlements date.
S	=	the subscription price for a security under the pro-rata issue.
D	=	the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro-rata issue).
N	=	the number of securities with rights or entitlements that must be held to receive a right to one new security.

19. Rights of Participants

In addition to the rights set out in clauses 17 and 18, the Board may, subject to and in accordance with any relevant Listing Rule, vary:

(a) the number of Awards to which a Participant is entitled under this Plan;

(b) the Exercise Price for Options;

(c) both the number of Awards and the Exercise Price,

to make such adjustments to the entitlements of Participants as the Board may regard as appropriate following any reduction or restructuring of the capital of the Company **provided always** that:

(a) in the event of a reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of an Award holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of a reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on Participants which are not conferred on holders of Shares; and

(b) subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of the holders of Shares approving the reorganisation of capital, in all other respects the terms for the exercise of Awards shall remain unchanged.

20. Eligibility and Acknowledgement for Securities

20.1 Board discretion

The Board may in its absolute discretion determine that an Eligible Person who otherwise would be eligible to acquire Securities under this Plan is nonetheless not eligible.

20.2 Misconduct of Eligible Person

An Eligible Person will not be eligible to acquire Securities under this Plan at any time if he or she has been given notice of dismissal or termination for misconduct from the employment or engagement by virtue of which he or she would, but for this clause 20.2, be eligible to acquire Securities (or has given notice of resignation from employment or engagement in order to avoid such dismissal).

20.3 Issue subject to Acknowledgement

The Board may, at such time as it determines, issue Securities under this Plan to each Participant, subject to the Participant providing, or having provided to the Company, a valid Acknowledgement that the Participant agrees to be bound by the Terms of Allotment and by the constitution of the Company.

20.4 Approved form

An Acknowledgment required under this clause 20 must be in the form from time to time approved by the Board and must state any restrictions or other conditions relating to the Securities as determined by the Board.

20.5 Fresh Acknowledgement for future participation in Plan

The Board may at any time in its absolute discretion determine that an existing Acknowledgment provided by a Participant under this clause 20 ceases to be of effect and that a new Acknowledgment must be provided by the Participant if that Participant wishes to participate in any future issue under this Plan.

21. Statement of allotment, interest in Securities

21.1 Statement of allotment

As soon as reasonably practicable after the allotment of Securities, the Company shall cause a statement to be provided to each Participant setting out particulars of the Securities allotted to that Participant.

21.2 Interest in Securities

Each Participant has full legal and beneficial ownership of the Securities allotted to that Participant but any dealings with those Securities by the Participant are restricted as provided in this Plan.

22. Certificates: non-certification

22.1 Share certificates

The Company is not required to issue Share certificates or Award certificates, and is entitled to retain custody of any Share certificates or Award certificates issued, in respect of Participant

Shares or Participant Awards as long as those Shares are Restricted Shares or those Awards are Restricted Awards.

22.2 **Restriction from dealing procedure**

If any Participant Shares or Participant Awards are uncertificated, the Company is authorised to implement any procedure it deems appropriate to restrict the Participant from dealing with the Participant Shares or Participant Awards (as the case may be) for as long as those Shares are Restricted Shares or Awards are Restricted Awards.

23. Restriction on disposal of Shares

The Board, at its discretion may offer and issue Restricted Shares under this Plan upon the terms and conditions it sees fit, including without limitation, the length of and any exceptions to such restriction imposed. If the Board offers and issues Restricted Shares the following provisions will apply:

(a) Shares allotted under this Plan may not be dealt with (meaning for the purposes of this Plan, disposed of, transferred, encumbered or otherwise dealt with on such terms and with such exceptions as the Directors see fit) by a Participant at any time whilst those Shares are so restricted;

(b) the Company will not apply for listing of Restricted Shares on ASX; and

(c) if the Participant deals with or attempts to deal with a Participant Share in breach of clause 23(a), to the extent permitted by law, the Board shall be entitled to refuse to register any transfer of a Restricted Share.

24. Unrestricted Shares

24.1 **Removal of restrictions**

Upon a Participant Share becoming an Unrestricted Share, all restrictions on dealing with the Share provided or pursuant to this Plan will lapse.

24.2 **Subsequent actions**

As soon as practicable after a Share becomes an Unrestricted Share, the Company shall:

(a) cause the removal of any restriction imposed on dealing with the Share under clause 23(a);

(b) cause a statement of holding to be sent to the Participant to whom the Share is allotted; and

(c) if the Company is listed on the ASX, at the expense of the Company, forthwith apply to ASX for quoting of the Unrestricted Share on ASX.

25. Restriction on disposal of Awards

The Board, at its discretion, may offer and issue Restricted Awards under this Plan upon the terms and conditions it sees fit, including, without limitation, the length of and any exceptions to such restriction imposed. If the Board offers and issues Restricted Awards the following provisions will apply:

(a) Awards allotted under this Plan may not be dealt with (meaning for the purposes of this Plan disposed of, transferred, encumbered or otherwise dealt with on such terms and with such exceptions as the Directors see fit) by a Participant at any time until they become Unrestricted Awards;

(b) the Company will not apply for listing of Restricted Awards on ASX; and

(c) if the Participant deals with or attempts to deal with a Participant Award in breach of clause 25(a) to the extent permitted by law, the Board shall be entitled to refuse to register any transfer of a Restricted Award.

26. Unrestricted Awards

26.1 Removal of restrictions

Upon a Participant Award becoming an Unrestricted Award, all restrictions on dealing with the Award provided or pursuant to this Plan will lapse.

26.2 Subsequent actions

As soon as practical after an Award becomes an Unrestricted Award, the Company will:

(a) cause the removal of any restriction imposed on dealing with the Award under clause 25(a); and

(b) cause a statement of holding to be sent to the Participant to whom the Award is allotted.

26.3 Listing of Awards

Following an Award becoming an Unrestricted Award the Board may, if provided for in the terms and conditions attaching to the Award, at the expense of the Company, apply for those Unrestricted Awards to be quoted on ASX if the Board forms the view, acting reasonably, that the Unrestricted Awards meet the quotation requirements set out in the Listing Rules.

27. Exercise of Restricted Award

27.1 Restricted Awards convert to Relevant Restricted Shares

For the avoidance of doubt, in the event that a Participant exercises a Restricted Award where applicable in accordance with this Plan, the resulting Shares allotted as a consequence of exercise of the relevant Award shall be deemed to be Restricted Shares pursuant to clause 23 (**Relevant Restricted Shares**).

27.2 Restriction periods for Relevant Restricted Shares

The Relevant Restricted Shares shall remain Restricted Shares for the purpose of this Plan until the expiration of the remainder of the restriction period originally imposed on the exercised Restricted Award.

27.3 Removal on restriction on Relevant Restricted Shares

Upon the Relevant Restricted Shares becoming Unrestricted Shares in accordance with clause 27.2, the provisions of clause 24.1 and clause 24.2 shall apply.

28. Taxation

28.1 Offer to specify whether tax deferral applies

Any Offer made pursuant to this Plan will specify whether subdivision 83A-C of the Tax Law applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

28.2 Compliance with section 83A-105(6) of the Tax Law

In order to avoid any ambiguity, this clause is intended to comply with section 83A-105(6) of the Tax Law such that subdivision 83A-C applies to any Offers made pursuant to this Plan where the terms of the Offer comply with the requirements of that subdivision and the Offer expressly states that subdivision 83A-C is to apply to the Offer.

28.3 Company not liable

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

29. Administration of Plan

29.1 Administered by the Board

The Board administers this Plan and may:

(a) determine appropriate procedures for the administration of this Plan consistent with the Terms of Allotment; and

(b) delegate to any one or more persons for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under this Plan.

29.2 Board's unfettered discretion

Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion in the exercise of any of its powers or discretions pursuant to this Plan and to act or refrain from acting under or in connection with this Plan.

29.3 Waiver of Terms of Allotment

The Board may, in relation to any Participant Share or Participant Option, waive in whole or in part, on terms it considers appropriate, any of the Terms of Allotment.

29.4 Dispute

If there is any dispute or disagreement as to the interpretation of this Plan or the Terms of Allotment of any Security, the decision of the Board is final and binding upon all persons.

29.5 Termination or suspension

The Plan may be terminated or suspended at any time by resolution of the Directors and notification to the ASX in accordance with the Listing Rules.

30. Amendments to this Plan

30.1 Board may amend

Subject to clause 30.2 and the Listing Rules, the Board may by resolution amend (meaning, for the purposes of this clause 30, amend, add to, revoke or replace) this Plan (including this clause 30) or any of the Terms of Allotment of a Participant Share or a Participant Award.

30.2 Must not materially prejudice

The Board may not amend this Plan if the amendment would materially reduce the rights of a Participant in respect of a Participant Share or a Participant Award allotted before the date of the amendment, unless the amendment is introduced primarily:

(a) for the purpose of complying with any State or Commonwealth legislation that affects this Plan, including without limitation the Corporations Act or the Companies Act;

(b) to correct a manifest error;

(c) to address possible adverse tax implications in respect of this Plan arising from, amongst others:

(1) a ruling of any relevant taxation authority;

(2) a change to tax legislation (including an official announcement by any relevant taxation authority); or

(3) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction; or

(d) to enable the Company to comply with its constitution, the Corporations Act, the Companies Act, other legislation or the Listing Rules.

30.3 Retrospective effect

Subject to clause 30.2, any amendments made under clause 30.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

30.4 Notification of Participants

As soon as reasonably practicable after making any amendment under clause 30, the Board, by written notice, will inform each Participant affected.

31. Terms of employment or engagement not affected

31.1 Employment or engagement unaffected

The Terms of Allotment of this Plan do not:

(a) form part of any contract of employment, engagement or any arrangement in respect of any such employment or engagement, between an Eligible Person and Eligible Associate (when applicable) and the Company; or

(b) constitute a related condition or collateral arrangement to any such contract of employment or engagement, and participation in this Plan does not in any way affect the rights and obligations of a Participant under the terms of his or her employment or engagement.

31.2 **Terms of Allotment unaffected**

The terms of a Participant's employment or engagement with the Company do not in any way affect the rights and obligations of a Participant under this Plan.

31.3 **No right to compensation**

A Participant has no right to compensation or damages from the Company in respect of any loss of future rights under this Plan as a consequence of termination of the Participant's employment or engagement.

31.4 **Rights of Participants**

Nothing in this Plan or participation in the Plan:

(a) confers on any Eligible Person the right to continue as a Director, Employee or Contractor;

(b) confers on any Eligible Person the right to become or remain a Director, Employee or Contractor or to participate under the Plan;

(c) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements (where applicable);

(d) affects the rights and obligations of any Eligible Person under the terms of their office, employment with the Company or Associated Body Corporate;

(e) affects any rights which the Company may have to terminate the office, employment or engagement of an Eligible Person or will be taken into account in determining an Eligible Person's termination or severance pay;

(f) may be used to increase damages in any action brought against the Company or an Associated Body Corporate in respect of any such termination; or

(g) confers any responsibility or liability on the Company or Associated Body Corporate or their directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person.

32. Notices

32.1 **General**

A notice (meaning for the purposes of this clause 32, notice, application, permission or other communication) under this Plan may be given in writing, addressed to the person to whom it is given, and is taken to be given and received if sent in accordance with clauses 32.2, 32.3 and 32.4.

32.2 **Pre-paid mail, facsimile or email**

For the purposes of clause 32.1, a notice is duly given and received by the Company if sent to the Company by pre-paid mail or by facsimile or other electronic communication, to an address at which it is actually received by:

(a) the person who is, from time to time, designated by the Board as the person to whom the notice should be sent or by whom it should be received, and whose name or title and address are notified to the sender; or

(b) if no other person is designated by the Board for this purpose, the secretary of the Company.

32.3 Delivery

For the purposes of clause 32.1, a notice is duly given and received by a natural person (other than a person designated as the person to whom the notice should be sent in order to be received by the Company) if sent to:

(a) the person's last known mailing address or the person's last known facsimile or other electronic communication address; or

(b) in the case of an Eligible Employee or a Participant, to the last known mailing, facsimile or other electronic communication address of the place of business at which the person performs the whole or substantially the whole of his or her office or employment or engagement.

32.4 Notice to deceased

A notice given under clause 32.1 to a person being a natural person, is duly given even if the person is then deceased (and whether or not the Company has notice of his or her death), unless the legal personal representative of the person has established title to the satisfaction of the Company and supplied to the Company an address to which documents should be sent.

32.5 Treatment of notice

A notice sent in accordance with clause 32.1 is treated as given and received in the case of:

(a) a notice sent to the Company, at the time it is actually received by the secretary or other person designated by the Board as the person to whom it should be sent or by whom it should be received;

(b) any other notice sent by prepaid mail, 48 hours after it was put into the post properly stamped; and

(c) any other notice sent by facsimile or other electronic communication, at the time of transmission.

33. Constitution, Listing Rules and governing law

33.1 Subject to Constitution, Listing Rules, Corporations Act, and Companies Act

(a) This Plan and any Terms of Allotment are subject to the Company's constitution, the Corporations Act, the Companies Act, and the Listing Rules.

(b) If there is any inconsistency between the Plan and any Terms of Allotment and the Listing Rules, then the Listing Rules will prevail.

33.2 Contravention of law

Notwithstanding clause 33.1 of the Plan, no Participant Share or Participant Award may be offered, issued, vested or exercised if to do so:

(a) would contravene the Corporations Act, the Companies Act, or the Listing Rules; or

(b) would contravene the local laws or customs of an Eligible Person or Eligible Associate's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

33.3 **Governing law**

This Plan is governed by the laws in force in Queensland and the Commonwealth of Australia.

Schedule 1 - Summary of terms and conditions of the Plan

1. The Plan is to extend to Eligible Persons or Eligible Associate (as the case may be) of Tolu Minerals Limited ARBN 657 300 359 (**Company**) or an Associated Body Corporate of the Company as the Board may in its discretion determine.

2. The total number of Securities which may be offered by the Company under this Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of Securities issued or that may be issued as a result of offers made at any time during the previous three year period under:

   (a) an employee incentive scheme covered by the Corporations Act or the Companies Act; or

   (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

3. The Rights are to be issued for no consideration.

4. The exercise price of an Option is to be determined by the Board at its sole discretion.

5. The Award Commencement Date will be any such date or dates with respect to the Awards or tranches of Awards (as the case may be) as may be determined by the Board prior to the issuance of the relevant Awards.

6. The Award Period commences on the Award Commencement Date and ends on the earlier of:

   (a) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Award but being not less than two years;

   (b) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of an Uncontrollable Event, the earlier of:

      (1) the expiry of the Award Period; or

      (2) six months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement;

   (c) if an Eligible Person's employment or engagement with the Company or an Associated Body Corporate ceases because of a Controllable Event:

      (1) the expiry of the Award Period; or

      (2) three months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Eligible Person ceased that employment or engagement; or

   (d) the Eligible Person ceasing to be employed or engaged by the Company or an Associated Body Corporate of the Company due to fraud, dishonesty or being in material breach of their obligations to the Company or an Associated Body Corporate.

7. Eligibility to participate is determined by the Board. Eligibility is restricted to Eligible Persons (or their Eligible Associates where applicable) of the Company or an Associated Body Corporate of the Company. The Board is entitled to determine:

   (a) subject to paragraph 2, the total number of Rights and Options to be offered in any one year to Eligible Persons or Eligible Associates;

   (b) the Eligible Persons to whom offers will be made; and

   (c) the terms and conditions of any Rights and Options granted, subject to the Plan.

8. In respect of Awards, Award holders do not participate in dividends or in bonus issues unless the Awards are exercised or vested in accordance with this Plan and the Offer..

9. Award holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Award holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Awards, in accordance with the requirements of the ASX Listing Rules.

10. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Awards the Company may adjust the exercise price for the Awards in accordance with the formula in the terms of the Plan.

11. The Board has the right to vary the entitlements of Participants to take account of the effect of capital reorganisations, bonus issues or rights issues.

12. The terms of the Awards shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Awards shall not be changed to reduce the Exercise Price, increase the number of Awards or change any period for exercise of the Awards.

13. The Board may impose as a condition of any offer of Rights and Options under the Plan any restrictions on the transfer or encumbrance of such Rights and Options as it determines.

14. The Board may vary the Plan.

15. The Plan is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an Eligible Person under the terms of his or her employment or arrangement.

16. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:

   (a) the Current Market Price of the Shares; and

   (b) the acquisition price of the Shares or Awards offered where this is calculated by reference to a formula, as at the date of the Offer, to any Participant within three Business Days of a written request to the Company from that Participant to do so.

17. Any Offer made pursuant to this Plan will specify whether subdivision 83A-C of the applicable Tax Laws applies to that Offer such that any tax payable by a Participant under the Offer will be deferred to the applicable deferred taxing point described in that subdivision.

In this Plan:

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Uncontrollable Event means:

(a) death, serious injury, disability or illness which renders the Eligible Person incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;

(b) forced early retirement, retrenchment or redundancy; or

(c) such other circumstances which results in an Eligible Person leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

Schedule 2 – Offer Form

Attachment 1- Application for rights/options/shares

Tolu Minerals Limited.
(ARBN 657 300 359)

Tolu Minerals Limited
Employee Awards Plan

APPLICATION FOR RIGHTS/OPTIONS/SHARES]

I,..

of...

hereby apply for... [Rights/Options/Shares], in accordance with the terms and conditions of the Invitation made to me by the Directors of the Company under clause 4, to subscribe for an equal number of Shares in the capital of the Company and I agree that upon issue of those [Rights/Options/Shares], I shall hold those [Rights/Options/Shares] and deal with them only in accordance with the terms and conditions of the said Employee Awards Plan of Tolu Minerals Limited. (a copy of which is attached hereto), subject to and in accordance with the constitution of the Company.

Terms used in this document shall have the meaning ascribed to them in the Tolu Minerals Limited Employee Awards Plan.

Dated this day of 20

Signed: …………………………………………………………..

Name: ……………………………………………………………

Note:

(1) Rights are issued free.

Attachment 2- Notice of exercise form

Tolu Minerals Limited.
(ARBN 657 300 359)

Tolu Minerals Limited
Employee Share and Awards Plan

NOTICE OF EXERCISE FORM

To: The Directors
Tolu Minerals Limited (**Company**)

I, ...

of ....

hereby exercise my [Rights/Options]to apply for .... (in figures) fully paid ordinary shares in the capital of the Company.

I request you allot to me, and I agree to accept, the Shares subject to the constitution of the Company. 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.

Terms used in this document shall have the meaning ascribed to them in the Tolu Minerals Limited Employee Share and Awards Plan.

Signed: …………………………………………………………..

Date: ……………………………………………………………..