EMPLOYEE INCENTIVE OPTION PLAN

The following are the terms of the Plan:-

Coppermoly Ltd Employee Incentive Option Plan

1. The Coppermoly Ltd Employee Incentive Option Plan ("the Plan") is described in and administered by the terms and conditions set out below.

2. The Plan and the terms and conditions of the Plan may only be amended with approval of the shareholders.

3. Directors may not offer options under the Plan if to do so would cause the aggregate of the number of options issued under the Plan and not yet exercised or expired and the number of shares issued under the Plan during the previous 5 year period, to exceed 5% of the number of issued shares in the Company as at the date of the offer.

Terms and Conditions

1. The Directors of the Company ("Directors") may issue options to subscribe for shares in the Company to current part time or full time employees of the Company or of an Associated Body Corporate. However, no options are to be issued to Directors of the Company pursuant to the Plan.

2. Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company.

3. The options are exercisable from one year after the date of issue until the expiry date. The options shall expire at 5.00 p.m. eastern standard time, on the first business day three (3) years after the date of issue of the options or such earlier date as the Directors determine at the time of issue ("expiry date"). Options may only be exercised in multiples of 5,000, unless exercising all the holder's remaining options. Any options not exercised by the expiry date shall lapse.

4. The exercise price of each option will be 110% of the average of the market closing price for company ordinary shares over the 5 business days prior to the day on which options are issued (rounded up to the nearest full cent) or a greater price determined by the Directors. The amount calculated by that average is to be advised to employees at the time of issue of the options.

5. Exercise of the options is effected by delivery of a Notice of Exercise [see back of Option Certificate] to the registered office of the Company together with payment of the exercise price of the options. Shares will be issued pursuant to the exercise of the options not more than 14 days after receipt by the Company from the option holder of the Notice and the exercise price in respect of the options.

6. Options may not be exercised if the effect of such exercise and subsequent allotment of shares would be to create a holding of less than a marketable parcel of ordinary shares unless the allottee is already a shareholder of the Company at the time of exercise.

7. Options are not transferable. Application will not be made to Australian Stock Exchange Limited ("ASX") for their Official Quotation.

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8. All shares issued upon exercise of the options and payment of the exercise price will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for Official Quotation by ASX Limited of all shares issued upon exercise of the options.

9. There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the books closing date will be at least 7 business days after the issue is announced. This will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.

10. In the event of any reconstruction, including a consolidation, sub-division, reduction or return of the issued capital of the Company prior to the expiry date, the number of options to which each holder is entitled or the exercise price of the options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules then applying and which will not result in any benefits being conferred on optionholders which are not conferred on shareholders, subject to such provisions with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the options will remain unchanged.

11. If an optionholder under this Plan ceases to be substantially involved with the company, the Directors, at their discretion may cancel all or part of the holder's options obtained under this plan after giving the holder 60 days notice of their intention to do so.

Definitions

For the purposes of this Plan:

Associated Body Corporate means a body corporate:

(a) that is a “related body corporate” as that term is defined by section 50 of the Corporations Act 2001 (Cth); or

(b) that has voting power in the Company of not less than 20%; or

(c) in which the Company has voting power of not less than 20%.