

BONDI MINING

Bondi Mining Limited
ACN 120 723 426

PROSPECTUS

For the offer of 11,111,112 ordinary Shares at an offer price of 27 cents each to raise \$3,000,000.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

Important Information

This document provides important information to assist prospective investors in deciding whether or not to invest in the Company. It should be read in its entirety. If you do not understand it, you should consult your professional advisers.

THE SHARES OFFERED UNDER THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

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CORPORATE DIRECTORY

Current Directors

Simon O'Loughlin - Non-Executive Chairman
(to resign post Merger)

Richard Valenta – Managing Director
(to resign post Merger)

Creagh O'Connor - Non-Executive Director
(to resign post Merger)

Darren Morcombe - Non-Executive Director

Incoming Directors

(to be appointed post Merger)

Edward Wayne Malouf - Executive Chairman

Tristan Davenport

Gooroodeo Sookun

Ian Ransome

Bruce Griffin – CEO

Company Secretary

Kerry Angel

Registered and Principal Office

96 Stephens Road, SOUTH BRISBANE, QLD, 4101

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Website: www.bondimining.com.au

Email: info@bondimining.com.au

Share Registrar

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street, ADELAIDE SA 5000

GPO Box 1903, ADELAIDE SA 5001

Enquiries: 1300 652 186 (within Australia)

+61 (0)3 9415 4148 (outside Australia)

www.computershare.com.au/contact

Change In Nature and Scale - Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

The Company has historically operated as a minerals exploration company with mineral exploration tenement interests in both Australia and Namibia. As announced to ASX on 29 August 2011, the Company has entered into a binding agreement to acquire all of the shares in World Titanium Resources Ltd (ACN 061 662 011) (**World Titanium**) by way of a merger via a scheme of arrangement.

World Titanium is the holder, via its wholly owned Malagasy subsidiaries, of rights to a suite of mineral exploration tenements in Madagascar which include the advanced mineral sands project known as the Toliara Sands Project.

The Company subsequently announced on 21 September 2011 that it had successfully completed due diligence on the acquisition. The merger with World Titanium will result in a significant change to the nature and scale of the Company's activities which requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules.

The Company has convened a general meeting of its Shareholders to be held on or about 5 December 2011 to seek Shareholder approval for, amongst other approvals, the issue of shares to effect the acquisition of and merger with World Titanium, the change in nature and scale of the Company's activities, a de-merger and spin out of the Company's Australian exploration assets, the consolidation of the Company's share capital and the change of Company name to World Titanium Resources Limited. A copy of the notice of meeting is available on the Company's website.

Solicitors to the Company

O'Loughlins Lawyers

Level 2, 99 Frome Street, ADELAIDE SA 5000

Solicitors – Namibia

Lorentz Angula Inc

Level 3 LA Chambers, Ausspann Plaza,

Dr Agostinho Neto Street

Windhoek, Republic of Namibia

Lawyers – Madagascar

LEXEL Juridique & Fiscal

Zone Tana Water Front, Ambodivona

Antananarivo 101 Madagascar

Independent Geologist - Madagascar Projects

GEOCraff Pty Ltd

26 Florence Road, NEDLANDS WA 6009

Independent Geologist - Namibian Projects

Geo Discovery Group Pty Ltd

Level 1, 686 Sherwood Road, SHERWOOD QLD 4075

Investigating Accountant

J.R. Securities Ltd

Level 30, 345 Queen Street, BRISBANE QLD 4000

Prospectus Manager

Wolfstar Group Pty Ltd

Level 4, 66 Kings Park Road, WEST PERTH WA 6005

The Offer made under this Prospectus and the issue of Shares pursuant to this Prospectus are subject to and conditional upon Shareholders passing all resolutions at the meeting to be held on or about 5 December 2011 and the satisfaction of the conditions referred to in those resolutions. If all resolutions are not passed or the conditions referred to in those resolutions are not satisfied, this Offer will not proceed, no Shares will be allotted pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.

The Company must comply with ASX requirements to re-list on ASX, which include re-complying with Chapters 1 and 2 of the ASX Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

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IMPORTANT INFORMATION

This Prospectus is dated 7 November 2011 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. Neither ASIC nor ASX Ltd (**ASX**) takes any responsibility for the contents of this Prospectus. No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Directors of and advisers to the Company do not guarantee the success of the Company, repayment of capital, payment of dividends or the price at which Shares will trade on ASX.

Electronic Prospectus

This Prospectus will be issued in paper form and as an electronic Prospectus which may be accessed on the internet at www.bondimining.com.au. The Offer of Shares pursuant to the electronic Prospectus is only available to persons receiving an electronic version of this Prospectus in Australia. The Corporations Act prohibits any person passing onto another person the Application Form unless it is attached to, or accompanied by, the complete and unaltered version of this Prospectus. During the Offer Period, any person may obtain a hard copy of this Prospectus by contacting the Company by email at info@bondimining.com.au.

Consolidation of Share Capital

Unless otherwise stated, all references to securities of the Company as set out in this Prospectus are on the basis that the proposed Consolidation of the Company's share capital (which is to be proposed for Shareholder approval at the general meeting of Shareholders to be held on or about 5 December 2011) has been implemented.

Foreign Jurisdictions

This Prospectus does not constitute an offer in any place in which, or to persons to whom, it would not be lawful to make an offer. Distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons who come into possession of this Prospectus should seek advice and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Risk Factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in the Investment Overview and Section 3 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

Forward Looking Statements

This Prospectus may contain forward looking statements or information. Forward-looking statements can be identified by the use of words such as "may", "should", "will", "expect", "anticipate", "believe", "estimate", "intend", "scheduled" or "continue" or similar expressions. Such statements and information are subject to risks and uncertainties and a number of assumptions, which may cause the actual results or events to differ materially from the expectations described in such forward looking statements or information. Whilst the Company considers the expectations reflected in any perceived forward looking statements or information in this Prospectus are reasonable, no assurance can be given that such expectations will prove to be correct. The risk factors outlined in Section 3 of this Prospectus, as well as other matters as not yet known to the Company or not currently considered material by the Company, may cause actual events to be materially different from those expressed, implied or projected in any perceived forward looking statements or information. Any forward looking statements or information contained in this Prospectus is qualified by this cautionary statement.

Website Address

The Prospectus can be downloaded from www.bondimining.com.au.

Photographs and Diagrams

Items and undertakings depicted in photographs and diagrams in this Prospectus are not assets of the Company, unless otherwise stated. Diagrams appearing in this Prospectus are illustrative only and may not be drawn to scale.

Definitions

Throughout this Prospectus abbreviations and defined terms are used. Those relevant to mineral exploration are contained in the Glossary located in the Independent Geologist's Reports in Sections 4 and 5 of this Prospectus, and other abbreviations and legal terms are contained in the Definitions in Section 13 of this Prospectus. Defined terms are generally identified by the uppercase first letter.

Competent Persons Statement – Malagasy Projects

The statements in this Prospectus that relate to Exploration Results for projects based in Madagascar are based on information compiled by Andrew Milne of GEOcraft Pty Ltd (**GEOcraft**). Mr Milne, B.Sc. (Hons) M. Sc, is an employee of GEOcraft and a member of the Geological Society of Australia and the Australasian Institute of Mining and Metallurgy. He has the appropriate relevant qualifications, experience, competence and independence to be considered an 'Expert' under the definitions provided in the Valmin Code and a 'Competent Person' as defined in the JORC Code. Mr Milne has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Milne consents to the inclusion in this Prospectus of these statements in form and the context in which they appear.

References to exploration / production targets and potential

On behalf of World Titanium, GEOcraft estimated a Mineral Resource of 707 million tonnes for the Ranobe Project. Any discussion in relation to targets, Resources or Reserves over and above the reported Mineral Resource of 707 million tonnes is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the reported Mineral Resource of 707 million tonnes, and it is uncertain if further exploration will result in the determination of a Mineral Resource over and above the resource of reported Mineral Resource of 707 million tonnes.

World Titanium has not yet identified Mineral Resources at Ankililoaka and Basibasy and any discussion in relation to targets and Mineral Resources at Ankililoaka and Basibasy is conceptual in nature. There has been insufficient exploration to define a Mineral Resource at Ankililoaka and Basibasy and it is uncertain if further exploration will result in the determination of a Mineral Resource at Ankililoaka and Basibasy.

Competent Persons Statement – Namibian Projects

The statements in this Prospectus that relate to Exploration Results for projects based in Namibia are based on information compiled by Neil McLean of Geo Discovery Group Pty Ltd (**Geo Discovery**). Mr McLean is a Director and Principal Geologist of Geo Discovery. He holds a BSc (Hons) degree from the University of the Witwatersrand, South Africa, an MSc (Mineral Exploration) degree from the University of London and a Diploma of the Imperial College (DIC). He is a Fellow in good standing with the Australasian Institute of Mining and Metallurgy (AusIMM). He has the appropriate relevant qualifications, experience, competence and independence to be considered an 'Expert' under the definitions provided in the Valmin Code and a 'Competent Person' as defined in the JORC Code. Mr McLean has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr McLean consents to the inclusion in this Prospectus of these statements in form and the context in which they appear.

Conditions Precedent

The Offer made under this Prospectus and the issue of Shares pursuant to this Prospectus are subject to and conditional upon Shareholders passing all resolutions at the meeting to be held on or about 5 December 2011 and the satisfaction of the conditions referred to in those resolutions. If all resolutions are not passed or the conditions referred to in those resolutions are not satisfied, this Offer will not proceed, no Shares will be allotted pursuant to this Prospectus and the Company will repay all money received from Applicants without interest.

Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer described in this Prospectus that is not contained in this Prospectus. Any information not so contained may not be relied upon as having been authorised by the Company or any other person in connection with the Offer. You should rely only on information in this Prospectus.

CHAIRMAN'S LETTER

7 November 2011

Dear Investor

On behalf of the Directors of Bondi Mining Limited (**Bondi Mining** or **the Company**), it is my pleasure to introduce this Prospectus to you. This Prospectus has been issued by Bondi Mining to enable the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules and for the offer of 11,111,112 new Shares at \$0.27 per Share to raise \$3,000,000 (**Offer**).

Bondi Mining was incorporated on 13 July 2006 and has historically operated as a minerals exploration company with tenement interests in Australia and more recently in Namibia. However, as announced to ASX on 29 August 2011, the Company has now moved into an exciting new phase of its development by entering into an Implementation Deed (**Deed**) to acquire all of the shares in World Titanium Resources Limited (**World Titanium**) by way of a merger under a scheme of arrangement (**Scheme**).

World Titanium is the holder, via its wholly owned Malagasy subsidiaries, of 100% of the mineral exploitation rights to a significant suite of mineral exploration tenements in Madagascar including the advanced mineral sands project known as the Toliara Sands Project. Subject to the implementation of the merger, the Company's initial focus will be the development of the Toliara Sands Project into a fully fledged world class mining operation.

The Toliara Sands Project is the most advanced of World Titanium's exploration assets having been the subject of more than \$20 million of exploration and evaluation expenditure to date. This expenditure has facilitated the establishment of a mineral resource in accordance with the JORC Code, preparation of a preliminary feasibility study and components of a bankable feasibility study.

The Company subsequently announced on 21 September 2011 that it had successfully completed due diligence on the acquisition.

The merger with World Titanium will result in a significant change to the nature and scale of the Company's activities and as such requires approval of its Shareholders under Chapter 11 of the ASX Listing Rules. The Company has convened a general meeting of its Shareholders to be held on or about 5 December 2011 to seek Shareholder approval for, amongst other approvals, the issue of shares to effect the acquisition of and merger with World Titanium, the change in nature and scale of the Company's activities, the planned demerger and spin out of the Company's Australian exploration assets, the consolidation of the Company's share capital and the change of Company name to World Titanium Resources Limited.

Subject to the satisfaction or waiver of the conditions precedent in the Deed, successful implementation of the Scheme, shareholder approval and re-compliance with the ASX Listing Rules, the Company will own 100% of the shares in World Titanium. Further details of the Deed are contained in Section 10.1 of this Prospectus.

The restructured Bondi Mining Board that will be in place post merger has the necessary background to ensure there is focus on sound development of the Company's projects whilst building shareholder wealth in the process. Further details on each of the Company's current and proposed directors are contained in the Investment Overview of this Prospectus.

The Directors believe that the decision to merge with World Titanium will deliver a significant opportunity to create increased value for Shareholders. The Board believe the main drivers of value from the merger are that:

- A merger with World Titanium will transform Bondi Mining into a mineral sands company with a substantial development-stage asset, on the path to become a major mineral sands producer.
- The Toliara Sands Project is a high grade, low capex, low cost asset.

It is also a condition of the Deed that Bondi Mining divest its Australian subsidiaries thus leaving the merged group with Bondi Mining's Namibian subsidiary and the World Titanium Companies. The Board expects to deliver additional significant value to our Shareholders through the demerger of the Company's current Australian copper and uranium exploration projects into a new company called Lyell Resources Limited. The shareholders of Bondi Mining, prior to the consolidation and merger, will be issued shares in Lyell Resources Limited in proportion to their shareholding in Bondi Mining. It is intended to return the Australian uranium and copper assets to a listed vehicle as quickly as possible, either through the IPO of Lyell Resources Limited or through other commercial arrangements.

This Prospectus having been prepared on the basis that the Company has divested its Australian subsidiaries, does not therefore contain a discussion of the Australian assets held by those subsidiaries.

This Prospectus contains detailed information about Bondi Mining and its projects, subject to the merger succeeding, and includes Independent Geologist's Reports. Please read this Prospectus carefully before you make a decision to invest and, where necessary, consult with your professional advisers.

Yours sincerely



SIMON O'LOUGHLIN

Non-Executive Chairman

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INVESTMENT OVERVIEW

IMPORTANT

The Shares offered by this Prospectus are of a speculative nature. Prospective investors should carefully consider the risk factors outlined in Section 3 of this Prospectus.

The information in this Section is a key points summary only and is not intended to provide comprehensive details of the Offer. Prospective investors should read the full text of this Prospectus and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of the Shares.

THE COMPANY

Bondi was incorporated in 2006 and has been listed on the Australian Securities Exchange (ASX Code: BOM) since December 2006. The Bondi corporate structure currently comprises Bondi Mining Ltd and four subsidiary companies: three incorporated in Australia and one incorporated in Namibia.

THE MERGER

The Company has entered into an Implementation Deed (**Deed**) with unlisted Australian public company World Titanium Resources Limited (**World Titanium**) to facilitate the acquisition of 100% of the shares in World Titanium. It is a condition of the Deed that Bondi divests its Australian subsidiaries. Hence the merged group will comprise Bondi, its subsidiary Bondi Mining Namibia (Proprietary) Limited and the World Titanium Companies.

World Titanium was incorporated on 8 March 1994 and has 86 shareholders. Its current issued share capital comprises 73,469,870 fully paid ordinary shares. Boule Titanium Ltd is World Titanium's largest shareholder with 21,801,555 fully paid ordinary shares, comprising 29.67% of World Titanium's shares.

World Titanium holds permits for the advanced Toliara Sands Project in Madagascar through its Malagasy subsidiaries Toliara Sands SARL and Madagascar Resources SARL. The Toliara Sands Project is based on two exploration areas known as Ranobe and Manombo-Morobe located north of the port of Toliara in south-west Madagascar. Details of the Toliara Sands Project are contained in Section 2 of this Prospectus.

Subject to the satisfaction or waiver of the conditions precedent in the Deed, the passing of all of the resolutions at the general meeting of Bondi's Shareholders on or about 5 December 2011 and implementation of the scheme of arrangement, the Company will merge with World Titanium and gain control of World Titanium's projects in Madagascar whilst retaining the existing group of exploration tenement applications in Namibia.

Under the terms of the Deed, Bondi will de-merge its Australian subsidiaries which hold the current suite of Australian uranium and copper exploration tenements. Subject to the passing of all resolutions at the meeting of Shareholders on or about 5 December 2011, Bondi will transfer all of its shares in wholly owned subsidiaries Mount Owen Resources and Murphy Uranium to another wholly owned subsidiary Lyell Resources. The shareholders of Bondi, prior to the Consolidation and Merger, will then be issued shares in Lyell Resources in proportion to their shareholding in Bondi as at 14 December 2011. It is intended to return the Australian uranium and copper assets to a listed vehicle as quickly as possible, either through the IPO of Lyell Resources or through other commercial arrangements. This Prospectus has been prepared on the basis that the Company has divested its Australian subsidiaries, and does not therefore contain a discussion of the Australian assets held by those subsidiaries.

If the Scheme is approved and implemented:

- (a) Bondi will acquire all of the World Titanium Shares and World Titanium will become a wholly owned subsidiary of Bondi;
- (b) Bondi New Shares will be issued in consideration of the acquisition of the World Titanium Shares;
- (c) Bondi New Options will be issued in consideration for the acquisition or cancellation of the World Titanium Options;
- (d) Bondi Warrants will be issued in consideration for the acquisition or cancellation of the World Titanium Warrants;
- (e) the existing board of Bondi will be replaced with representatives of World Titanium other than Darren Morcombe who will remain as a non-executive director;
- (f) Bondi will maintain its listing on ASX and change its name to World Titanium Resources Ltd;
- (g) World Titanium Shareholders will, via the Merger, hold approximately 86.2% of Bondi's issued share capital; and

(h) Bondi will divest its Australian subsidiaries through the demerger and spin out via an inspecie distribution. Hence the merged group will comprise Bondi, its subsidiary Bondi Mining Namibia (Proprietary) Limited and the World Titanium companies.

THE COMPANY'S OBJECTIVES

The Company's main objective, post merger with World Titanium, is to develop the Toliara Sands Project with a particular focus on producing a definitive feasibility study for the Ranobe mineral sands deposit in order to create significant value for the Company's shareholders and its stakeholders in the project region.

INVESTMENT HIGHLIGHTS

The main highlights of the proposed acquisition and project development are as follows:

- Mineral Resource at Ranobe (707Mt at 6.54% THM in accordance with the JORC Code) in Madagascar.

Category	Million Tonnes	Average % Total Heavy Minerals (THM)	% Slimes
Measured	222	7.66	4.42
Indicated	393	6.07	4.66
Inferred	92	5.91	5.36
Total	707	6.54	4.70

- An advanced mineral sands asset:
 - ✓ Value per tonne of ore significantly above industry average
 - ✓ Heavy mineral grade significantly above industry average
 - ✓ Estimated capital intensity (ratio of capital expenditure to annual revenue) significantly below industry average
 - ✓ Revenue to cost ratio in second quartile of overall industry
 - ✓ Estimated cash cost per tonne product significantly below industry average
- Easily mined resource with little/no overburden and low slimes.
- Exploration upside exists both at Ranobe, where mineralisation remains open along strike, and within the broader Malagasy tenement portfolio where significant mineralisation has been identified.
- Highly skilled exploration and development teams.

KEY RISKS

The business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Set out below are the key risks which the Directors consider are associated with an investment in the Company. Further risks associated with an investment in the Company are outlined in Section 3 of this Prospectus:

- **Exploration and Development**

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project there is no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

- **Operating Experience and Reliance on Key Personnel**

While its Directors and management team have significant experience in the mining exploration industry, the Company has limited experience of developing a mining operation in Madagascar. If growth objectives are to be met, this will depend on the ability of the Directors and management to implement the current development strategies and to adapt, where necessary, to accommodate and manage any unforeseen difficulties. Initially, the Company will rely heavily on the experience of its existing management team and Directors and is yet to secure the services of a team of experienced executives. The loss of the services of certain personnel could have an adverse effect on the Company and its activities. There is no guarantee the Company will be successful in securing suitable additional executive management.

- **Resource Estimations**

Resource estimates are inherently imprecise as they are expressions of judgement at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Estimates remain subject to change which may adversely affect the Company's operations or the commercial viability of its projects.

- **Title, Tenement Tenure and Access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved. Tenements are subject to numerous country-specific legislation conditions. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

It is noted that the expiry date of the initial term of four permits in Madagascar has passed and each of these permits has had an application for renewal submitted but not yet approved. As the renewal process has been complied with by the holder it is noted in the Legal Report on Tenements included as Section 8 of this Prospectus that World Titanium has acquired an irrevocable right for the renewal of these permits. On this basis the Directors do not believe there is a risk that the renewals will not be approved.

- **Sovereign Risk**

The Company's assets, post merger, will be located in Namibia and Madagascar. Namibia and Madagascar are considered to be developing countries. As such they are subject to emerging legal and political systems as compared to those in place in Australia. The Company may also acquire assets in other emerging market countries subject to similar risks.

Madagascar recently experienced a period of political unrest that began in late January 2009 and continued until March that year. Presently the political situation in Madagascar remains stable, albeit with localized episodes of unrest. World Titanium's operations and staff remain secure and business is being conducted on a normal day-to-day basis.

- **Surface Rights and Land Access Risk**

If and when the Merged Group develops its assets through to the commencement of mining operations, it will need, in addition to exploitation permits, to enter agreements with the landowners of that land covered by the exploitation permits to commence mining operations. This will involve negotiating with the landowners to lease or directly acquire the underlying land. This process is explained in detail in the Legal Report on Tenements included as Section 8 of this Prospectus.

The Merged Group notes that most of the land is vacant land owned by the government. Informal discussions have been held with relevant parties but no agreements have been entered. The Merged Group will enter more formal discussions at the appropriate time in the future.

In the event the Merged Group is unable to reach agreement with the landowners of private land a dispute resolution process is available which may impose terms and conditions of a template lease agreement between the parties where no mutually acceptable resolution is reached. However, this procedure does not apply to government owned land and as there are no prescribed time limits to reach an agreement the length of negotiations could result in a delay in the commencement of mining operations, or, where no agreement is reached mining operations on that portion of land could not be conducted. This would adversely impact on the Company's ability to generate revenue. In addition, the rent payable in respect of leased land may vary depending on the region in which it is located. Although there are schedules of prices, it is common practice in relation to government owned land for the rate to be negotiated on a case by case basis. The level of rent negotiated will impact on the commercial viability of any proposed mining operations and may, depending on the rate, adversely affect the Company's proposed operations and in turn revenue.

Until such time as these issues are resolved the Merged Group will not be able to commence mining operations on the underlying land to which it has not agreed access.

- **Project Risk**

Regulatory approvals may be required prior to work being undertaken on the ground. The granting of such approvals may take time to achieve and no guarantees can be given that the approvals will be granted. Permits are required to advance the projects and those permits may not be granted.

- **Litigation Risk**

World Titanium was party to an option agreement with Exxaro Mineral Sands B.V (**Exxaro**) pursuant to which World Titanium granted Exxaro an option over all of World Titanium's then held subsidiaries (**Option Agreement**). Under the Option Agreement there was a provision which provided that, if World Titanium sold an interest in the project prior to 17 January 2012, then Exxaro would be entitled to half of the proceeds up to an amount which recouped its expenditure of US\$17 million on the Toliara Sands Project. If World Titanium was to develop the project in its own right, the full amount would be payable at the commencement of construction. World Titanium has advised Exxaro that this recoupment clause does not apply in the event of termination, which is the manner in which Exxaro chose to end its involvement. Exxaro has advised that it does not accept this interpretation. On this basis, there is a risk that Exxaro may commence litigation against World Titanium. However, World Titanium and the Company consider that such an action would be unlikely to be successful in light of an opinion from Senior Counsel that Exxaro has no basis for a claim under the recoupment clause.

THE OFFER

The Company is offering 11,111,112 Shares for subscription at an Offer Price of 27 cents per Share to raise \$3,000,000. The key information relating to the Offer and references to further details are set out below.

INDICATIVE TIMETABLE FOR THE OFFER

Lodgement Of This Prospectus with ASIC	7 November 2011
Opening Date Of The Offer	7 November 2011
First Court Hearing To Approve The Convening Of The Scheme Meeting	7 November 2011
Expected Closing Date Of The Offer	2 December 2011
Scheme Meeting	5 December 2011
General Meeting Of Bondi Shareholders	5 December 2011
Second Court Hearing To Approve The Scheme	15 December 2011
Scheme Record Date	23 December 2011
Issue/Implementation	30 December 2011
Dispatch of Holding Statements	6 January 2012
Expected Date For Shares To Commence Trading On ASX	12 January 2012

The above dates are indicative only and may vary, subject to the requirements of the ASX Listing Rules and the Corporations Act.

KEY INFORMATION	FURTHER DETAILS
<p>Type of security being offered and its rights and liabilities</p> <p>Fully paid ordinary shares in the capital of the Company ranking equally with existing Shares on issue.</p>	Section 11.4
<p>Subscription of the Offer</p> <p>\$3,000,000</p>	Section 1.2
<p>How to apply for Shares</p> <p>Complete and return the Application Form together with payment in full for the quantity of Shares being applied for. Applications must also be for a minimum of 7,407 Shares and thereafter in multiples of 1,000 Shares.</p>	Section 1 and Application Form
<p>Will the securities be listed?</p> <p>Application for Official Quotation by ASX of the Shares issued pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.</p>	Section 1.7
<p>How will Shares be allocated?</p> <p>The Directors will determine the allottees in their sole discretion.</p>	Section 1.5
<p>Where will the Offer be made?</p> <p>No action has been taken to register or qualify the Shares, or, otherwise permit a public offering of the Shares the subject of this Prospectus, in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.</p>	Section 1.9
<p>Broker commissions</p> <p>The Company reserves the right to pay a commission of up to 5% on amounts subscribed through any licensed securities dealers or Australian financial services licensee and accepted by the Company.</p>	Section 1.6
<p>CHESS and Issuer Sponsorship</p> <p>The Company participates in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.</p>	Section 1.8
<p>Who should I contact with queries?</p> <p>Any questions concerning the Offer should be directed to the Company by telephone on +61 (0)8 6141 3500.</p>	

PURPOSE OF THE OFFER

The purpose of the Offer is to facilitate an application by the Company for re-admission of the Company to the official list of the ASX and to raise \$3,000,000.

The Company is seeking to satisfy Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

The Company aims to achieve the objectives set out above, the completion of the Merger with World Titanium and the development of the merged Company's projects as described in this Prospectus.

CAPITAL STRUCTURE

Following completion of the Issue, the proposed issued capital structure of the Company will be as set out in the table below.

SHARES				
	Shares	% Post Offer & Merger	Options	Warrants
Bondi Securities on issue prior to lodgement of this Prospectus	120,412,807		5,235,000	
Bondi Securities on issue after consolidation	30,103,202	10.09%	1,308,750	
New Bondi Securities to be issued under the Implementation Deed and as Scheme Consideration	257,144,545	86.19%	16,275,000	1,492,050
Securities issued pursuant to this Prospectus	11,111,112	3.72%		
Total Securities	298,358,859	100.00%	17,583,750	1,492,050

As at the date of this Prospectus, Bondi has the following Bondi Options on issue:

Expiry Date	Exercise Price	Balance pre-consolidation
11/11/2011	\$0.40	500,000
11/11/2011	\$0.35	500,000
11/11/2011	\$0.30	500,000
26/11/2012	\$0.30	120,000
28/02/2015	\$0.12	65,000
08/05/2015	\$0.20	1,900,000
08/05/2013	\$0.20	1,500,000
22/05/2015	\$0.15	50,000
22/05/2015	\$0.21	50,000
22/05/2015	\$0.28	50,000
Total		5,235,000

Rights attaching to the Shares are summarised in Section 11.4 of this Prospectus. Terms and conditions of the Options and Warrants are summarised in Section 11.5 of this Prospectus.

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders as at the date of the Prospectus and on completion of the Offer have been included in both tables below for comparison purposes.

As at the date of the Prospectus

Those Shareholders holding 5% or more of the Shares on issue at the date of this Prospectus on a post-consolidation basis are:

Shareholder	Shares	% (undiluted)	% (fully diluted)
Laguna Bay Capital Pty Ltd	3,115,625	10.35%	9.92%
Springtide Capital Pty Ltd <Cockatoo Valley Invest A/C>	3,060,625	10.17%	9.75%
Acorn Capital Limited	2,036,250	6.76%	6.48%

On Completion of the Merger (assuming no existing Substantial Shareholder subscribes and receives additional Shares pursuant to the Offer)

Those Shareholders holding 5% or more of the Shares on completion of the Merger on a post-consolidation basis:

Shareholder	Shares	% (undiluted)	% (fully diluted)
Boulle Titanium Ltd	76,305,443	25.58%	24.15%
Running Water Limited/ Canon Point Pty Ltd/Guy LeClezio	22,458,335	7.53%	7.11%

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offer) prior to the Shares commencing trading on ASX.

USE OF FUNDS

The proposed application of funds over two calendar years from the date on which the Shares allotted under this Prospectus are quoted on the ASX is as follows:

Use of Funds (A\$)	Notes	Funds Available Post Merger	Year 1 Spend	Year 2 Spend	Total Spend
Pre-offer Cash		10,900,000			
Total Funds Raised Under The Offer		3,000,000			
Total Funds Available		13,900,000			
Exploration & Development Expenditure	1		4,550,000	2,450,000	7,000,000
Expenses of the Offer	2		240,000		240,000
Application Handling (Brokerage) Fees			150,000		150,000
Administration			1,440,000	1,500,000	2,940,000
Investment Opportunities & Working Capital	3		1,820,000	1,750,000	3,570,000
Total Funds Applied			8,200,000	5,700,000	13,900,000

Notes:

1. Exploration and development expenditure is more fully described in Section 2 of this Prospectus.
2. Refer to a breakdown of the expenses of the Offer in the Investment Overview below.
3. Unallocated working capital will be conserved to allow for exploration of the Namibian tenements (subject to their granting) in addition to the evaluation and securing of new exploration and development opportunities.

EXPENSES OF THE OFFER

The estimated expenses (exclusive of GST) connected with the Offer which are payable by the Company, based on the Subscription amount of \$3,000,000 are as follows:

Expense Item	(A\$)
Investigating Accountant's Report	10,000
Legal Expenses	75,000
Independent Geologist's Reports	10,000
ASX and ASIC fees	90,000
Corporate Adviser Fees	40,000
Printing, marketing and distribution	15,000
Total Before Brokerage	240,000
Application Handling (Brokerage) Fees	150,000
Total	390,000

The above tables together with the exploration and development program and associated expenditure outlined in Section 2 of this Prospectus are statements of current intentions at the date of the lodgement of this Prospectus with ASIC. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied in these circumstances.

The Directors are satisfied that, upon completion of the Issue, the Company will have sufficient funds to meet its stated objectives for a period of at least two years.

In the event that the Company produces a positive definitive or bankable feasibility study for one or other of its projects then further significant development capital may be raised either through the issue of new securities or by securing debt or a combination of both.

The use of joint venture funding or share placements will be considered by the Directors where it is appropriate to accelerate exploration of a specific project towards the delineation or development of a discovery.

It is also possible that future acquisitions may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by project finance and/or equity issues (subject to shareholder approvals).

DIRECTORS AND KEY PERSONNEL

The Company is currently managed by an energetic Board and management team possessing a broad range of technical, commercial and financial skills with significant experience in the international resources industry. Profiles of the current directors are as follows:

CURRENT DIRECTORS

Mr Simon O'Loughlin, BA (Acc) – Non-Executive Director/Chairperson
(Will resign post Merger)

Simon O'Loughlin is the founding member of O'Loughlins Lawyers, an Adelaide based medium sized specialist commercial law firm. For many years he has practiced both in Sydney and Adelaide, in the corporate and commercial fields with, in more recent times, a particular focus on the resources sector. He also holds accounting qualifications. Simon is the Chairman of Bondi Mining Ltd, Avenue Resources Ltd and Kibaran Nickel Ltd and a Non-executive Director of Petrathern Limited, Probiomics Limited, Chesser Resources Ltd, WCP Resources Limited, Aura Energy Limited and Strzelecki Metals Ltd.

Simon has extensive experience and involvement with companies in the small industrial and resources sectors. He has also been involved in the listing and back-door listing of numerous companies on the ASX and National Stock Exchanges. He is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

Dr Richard Valenta, BSc, PhD, PGeo (ON,NL), MAUSIMM – Managing Director
(Will resign post Merger)

Richard Valenta has 30 years of exploration experience in Australia, Canada, Turkey, Mexico, Brazil, Argentina and other parts of Latin America. Prior to joining Bondi, Dr Valenta was Chief Operating Officer of TSX-listed Frontier Development Ltd, Chief Geoscientist of TSX-listed Aurora Energy Resources Ltd, and Central American Exploration Manager for Mount Isa Mines Exploration Ltd. Dr Valenta has a proven track record for discovery of high-grade gold, copper-gold and uranium resources and has been directly involved in the greenfield exploration, discovery and development of multi-million ounce gold and world-class uranium resources in the Americas and Asia. He is also Managing Director of Chesser Resources Limited.

Mr Creagh O'Connor, BEc, LLB, ACA – Non-Executive Director
(Will resign post Merger)

Creagh O'Connor is a founding Director of specialist resource and energy investment bank, Gryphon Partners Advisory Pty Limited (**Gryphon**). Gryphon was acquired by the Standard Chartered Bank in September 2011. Recent advisory assignments undertaken by Gryphon include: Citadel Resources Limited's A\$1.25 billion takeover by Equinox Minerals Limited, OZ Resources Ltd's sale of the Martabe gold project for US\$211 million, Beach Petroleum Ltd's sale of its Tipton West interest for up to \$400 million, Oxiana Limited's merger with Zinifex Limited, Lion Selection Limited's successful defence of the Indophil Resources NL takeover, Oxiana Limited's A\$265 million acquisition of the Golden Grove base and precious metals operation in Western Australia; Oxiana Limited's \$415 million takeover of Agincourt Resources Ltd; the initial public offering of (uranium company) Toro Energy Limited; the A\$80 million acquisition of (gold company) Sedimentary Holdings Limited by AuSelect Limited; and Agincourt Resources Limited's US\$80 million acquisition of (gold company) Sedimentary Holdings Limited by AuSelect Limited. Mr O'Connor is a member of the audit committee.

Prior to establishing Gryphon, Mr O'Connor was employed by the Normandy Mining Limited in a variety of roles including Company General Manager of Business Development for Normandy Mining Limited having joined in 1993. Prior to this, he spent 13 years specialising in corporate finance, advisory roles and providing general financial advice in Australia and Europe. Mr O'Connor has held numerous directorships of resource companies and he is currently a Non-Executive Director of Chesser Resources Limited.

Mr Darren Morcombe – Non-Executive Director
(Will remain as a non-executive director of the Company post Merger)

Darren Morcombe has more than 20 years of professional experience in a variety of natural resource roles in Australia, United States and Switzerland commencing with over 10 years in senior roles with Normandy Mining Limited and Newmont Mining Corp. in the areas of financing, treasury, mergers and acquisitions. He is the founder of Springtide Capital Pty Ltd, which is a private investment company specialising in investments in microcap listed companies, venture capital and resource orientated companies. He was Chairman and major shareholder of a refining and gold financing company European Gold Refineries SA, Europe's largest gold refinery, and Director of AGR Matthey Ltd, one of the largest gold refineries in the world. He retired from this position in 2008 and these businesses are now owned by Newmont Mining Corporation. Darren is a major shareholder of several public companies and also the Chairman of Foran Mining Corporation listed in Canada.

Kerry Angel, B.Bus, CPA - Company Secretary

Kerry Angel is a Certified Practising Accountant with over 20 years' experience in the accounting industry, a significant proportion of which has been in key roles within the mining industry. She has managed accounting, treasury, finance and shared service functions for a number of large mining and mining service groups, as well as having managed accounting and regulatory reporting roles for a number of ASX-listed junior companies. Kerry is also currently Company Secretary of Chesser Resources Ltd and Panax Geothermal Ltd.

PROPOSED DIRECTORS TO BE ELECTED POST MERGER

Profiles of the proposed new directors to be appointed by World Titanium post merger are as follows:

**Mr Wayne Malouf – Current Chief Executive Officer of World Titanium.
(Proposed as Executive Chairman of the Company post Merger)**

Wayne Malouf has a BA and JD from St Mary's University of San Antonio, Texas and an MA in social sciences (economics and international relations) from the University of Chicago. In addition to his legal experience, Mr Malouf served as CEO of Titanium Resources Group (TRG) from 2002 to 2005 and TRG's Executive Vice-Chairman from 2005 to early 2008. He oversaw the company's IPO listing on the AIM Exchange and the successful restart of the Sierra Rutile titanium mine and Sierra Minerals bauxite mine. From 2008 to 2010 Mr Malouf served as CEO of Diamond Fields Resources (DFI) and continues to serve as DFI's non-executive Chairman. He negotiated DFI's joint venture for the Atlantis II Red Sea deposit, the largest known SEDEX deposit in the world. He returned briefly to TRG as Executive Chairman in August 2010 and assisted that company in addressing a number of organizational and operational matters before stepping down in February 2011.

Mr Malouf's current directorships and partnerships include Diamond Fields International Ltd, Kimberley Overseas, Diamond Fields (S.L.) Ltd, Diamond Fields (Liberia) Inc., Gem Fields Resources Ltd, Diamond Fields Marine Ltd, Diamond Fields Saudi Arabia Ltd, Diamond Fields Potash Saudi Arabia Ltd, Diamond Fields Salt Saudi Arabia Ltd and Red Sea Arabian Resources Ltd.

**Mr Tristan Davenport
(Proposed as Non-executive Director of the Company post Merger)**

Tristan Davenport was educated at Millfield School and subsequently studied Anthropology and Archaeology at the University of London (SOAS). He later trained at De Beers' London office as a diamond sorter and studied diamond gemology at the Gemological Association of Great Britain. In 1995 he joined America Mineral Fields and worked on various mining projects in the Democratic Republic of Congo. He has established and managed heavy mineral processing laboratories in support of exploration programmes in Finland and Norway and has designed and managed exploration projects for companies in Zambia, Sierra Leone and Madagascar.

**Mr Gooroodeo (Mahen) Sookun FCCA, MBA
(Proposed as Non-executive Director of the Company post Merger)**

Mahen Sookun is a fellow of the Association of Chartered Certified Accountants (UK) and holds an MBA (Finance) from the University of Leicester (UK). He has served in private and public companies during the last twenty years as Corporate Finance Executive in Mauritius and Africa in diverse sectors such public utilities, agriculture and textiles, real estates development and mining. Before joining World Titanium, he was the Group Finance and Administrative Manager of Titanium Resources Limited, a company involved in mineral resources and mining and listed on the AIM market of the London Stock Exchange. He is also currently the Director, CFO and Secretary of Diamond Fields International, a public company listed in Toronto. In Mauritius, Mr Sookun is the Head of Finance of the largest Real Estate Development in the Anahita Integrated Resort Scheme Development promoted by the CIEL Group.

**Dr Ian Ransome MSc
(Proposed as Non-executive Director of the Company post Merger)**

Ian Ransome is a geologist, whose academic qualifications include an MSc in geochemistry and a PhD in geology. He has more than 20 years' experience as an exploration geologist, using a multidisciplinary approach to generating and evaluating exploration targets in diamonds, gold, nickel, base and rare metals. Most of his experience has been in a broad range of African countries, including a nickel laterite project in Madagascar. Dr Ransome is presently a director and CEO of Diamond Fields International Ltd.

Mr Bruce Griffin BE (chem eng), BA (econ), MBA
(Proposed Director/CEO of the Company post Merger)

Bruce Griffin is an experienced executive and brings relevant international mineral sands experience to World Titanium. He is currently the Managing Director of MIL Resources Ltd an ASX listed Papua New Guinea focussed exploration company and was previously Group General Manager Storage and Logistics at GrainCorp Ltd where he was responsible for grain storage and handling business including road rail and port logistics, OH&S, quality assurance and technical services. He also spent seven years at BHP Billiton Ltd and nine years in a variety of operational and commercial positions with Royal Dutch Shell plc and has experience as a management consultant with Bain & Company Incorporated Partnership.

While at BHP Billiton Ltd, Bruce held a number of positions including Vice President, Global Approvals for the Rio Tinto Ltd takeover bid and Vice President Titanium where he had responsibility for BHP Billiton Limited's titanium business, including the Richards Bay Minerals joint venture with Rio Tinto Ltd and the Corridor Sands and Tigen projects in Mozambique. Bruce held a number of operational and commercial roles for the Royal Dutch Shell plc in New Zealand, Venezuela and the Netherlands.

Bruce holds a Bachelor of Engineering Degree in Chemical and Process Engineering from Canterbury University, a Bachelor of Arts Degree in Economics from Massey University and an MBA from the Melbourne Business School.

DISCLOSURE OF INTERESTS

Each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all non-executive directors was set at \$200,000 per annum by Bondi Shareholders at the Bondi general meeting held on 6 November 2006.

On 14 June 2007, the Company entered into a Consultancy Agreement (**Agreement**) with Proton Geoscience Pty Ltd (**Proton**), a company associated with Dr Richard Valenta, which continues until terminated by either the Company or Proton. The Company engaged Proton to (among other duties) provide advice in relation to all aspects of its business, being exploration, development and investment in the resource sector. In consideration for the services provided, the Company agreed to pay Proton a retainer of \$10,000 (plus GST) per month, subject to review during December of each year. As at 1 January 2011, Proton's current retainer is \$11,667 (plus GST) per month. Proton will also be reimbursed by the Company for any out of pocket expenses incurred in connection with the performance of its duties under the Agreement.

Dr Valenta has guaranteed the performance of Proton's obligations under the Agreement, and has indemnified the Company for any loss, liability and expense which it may suffer or incur in consequence of any breach or default by Proton of or in performance of its obligations.

Either the Company or Proton may terminate the Agreement by giving to the other not less than six months' notice of termination in writing, or by the payout by the Company to Proton or forfeiture by Proton of six months' remuneration in lieu of such notice, as the case may be. The Company also has limited additional rights to immediately terminate the Agreement with cause.

Bondi Directors' remuneration for the year ended 30 June 2011 was as follows:

Director	Salary	Fees	Super	Options	Total
Richard Valenta	\$140,000	-	\$24,300	\$41,240	\$205,540
Simon O'Loughlin	-	\$35,000	\$5,850	\$12,372	\$53,222
Creagh O'Connor	-	\$35,000	\$5,850	\$12,372	\$53,222
Darren Morcombe	-	\$35,000	\$3,332	\$12,372	\$50,704

World Titanium has agreed to pay the Proposed Director, Mr Bruce Griffin, \$325,000 per annum when he commences in the position as Chief Executive Officer of World Titanium in early November 2011. In addition Mr Griffin will receive a bonus of \$500,000 if the Ranobe project commences production within the budget and time frame approved by the board of World Titanium. The key terms of Mr Griffin's employment agreement are summarised overleaf in this Investment Overview.

The remuneration of the directors of Bondi as outlined above is current as at the date of this Prospectus, but is subject to adjustment in the ordinary course of business. All Directors are entitled to be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the Company's business.

Mr Simon O'Loughlin is a Partner of O'Loughlins Lawyers which has acted as the solicitors to the Company in relation to the Offer. Details of the amounts paid to O'Loughlins Lawyers are set out in Section 11.8 of this Prospectus.

The Company maintains Directors' and Officers' Liability Insurance on behalf of the Directors and officers of the Company.

The direct and indirect interests of the current Bondi Directors in the securities of the Company as at the date of this Prospectus are as follows:

Current Bondi Director	Shares		Options*	
	Direct	Indirect	Direct	Indirect
Richard Valenta	-	1,358,549	-	2,500,000
Simon O'Loughlin	-	800,000	-	300,000
Creagh O'Connor	-	1,755,556	-	300,000
Darren Morcombe	-	12,742,500	300,000	-
Total	-	16,656,605	300,000	3,100,000

*The terms and conditions of these Options are set out in Section 11.5(a) of this Prospectus.

The direct and indirect interests of the proposed Bondi Directors in the securities of the Company as at the date of this Prospectus and assuming the Merger is implemented are as follows:

Proposed Bondi Director	Current Bondi Shares Held	Bondi Shares Held Post Merger	Current Bondi Options Held	Bondi Options Held Post Merger*
Wayne Malouf	-	-	-	5,600,000
Gooroodeo Sookun	-	-	-	875,000
Ian Ransome	-	-	-	525,000
Tristan Davenport	-	972,223	-	700,000
Bruce Griffin	-	-	-	4,550,000
Total	-	972,223	-	12,250,000

*The terms and conditions of these Options are set out in Section 11.5(c) of this Prospectus.

AGREEMENTS WITH DIRECTORS OR RELATED PARTIES

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

Executive Employment Agreement – Bruce Griffin

The Employment Agreement is for the employment of Bruce Griffin as Chief Executive Officer and a Director of World Titanium Resources Limited. This Employment Agreement will survive the Merger of Bondi and World Titanium and as such Mr Griffin will fulfill the role of Chief Executive Officer and a Director of the merged entity on the terms summarised below.

The term of the Employment Agreement is from November 1, 2011 until October 31, 2014 with a guaranteed minimum 18 months' base salary unless he is terminated for cause.

Mr Griffin shall receive a "base salary" of \$325,000 per annum inclusive of applicable taxes. Mr Griffin is entitled to a bonus payment of A\$500,000 upon the Toliara Sands Project being completed on time and on budget as agreed by the board of World Titanium.

Mr Griffin is entitled to annual leave and personal and carer's leave, long service leave, parental and adoption leave and compassionate leave in accordance with statutory entitlements.

Employment may be terminated without cause by either party upon giving the other party at least five months' notice in writing. Mr Griffin agrees not to take on other employment or directly engage in any business activity without the consent of the Company.

Mr Griffin is also eligible to receive 1,300,000 options to acquire shares in World Titanium with an expiry date of 31 March 2015 and exercise price of \$1.00. The options shall vest, subject to Mr Griffin remaining in employment with the Company, as follows:

- 433,334 on October 31, 2012;
- 433,333 on October 31, 2013; and
- 433,333 on October 31, 2014.

The options shall vest immediately if there are any substantive changes in the control of World Titanium other than the Merger. The price and number of options will be adjusted post Implementation of the Merger so that Mr Griffin receives an equivalent package of Bondi options at an equivalent price (with the adjustment to be on equivalent terms to the conversion of World Titanium warrants and options in the Deed).

Indemnity, Insurance and Access Deeds

The Company has entered into an Indemnity, Insurance and Access Deed with each current Director (and expects to enter into an Indemnity, Insurance and Access Deed on the same or substantially similar terms with each Proposed Director at the time of their appointment). Pursuant to the Deed the Director is indemnified by the Company against any liability incurred in their capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions.

The Company must keep a complete set of company documents until the later of the date which is seven years after the Director ceases to be an officer of the Company and the date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director is involved as a party, witness or otherwise because the Director is or was an officer of the Company (**Relevant Proceedings**).

The Director has the right to inspect and/or copy a company document in connection with Relevant Proceedings during the period referred to above.

The Company must maintain an insurance policy insuring the Director against liability as a director and officer of the Company while the Director is an officer of the Company and until the later of the date which is seven years after the Director ceases to be an officer of the Company and the date any Relevant Proceedings commenced before the date referred to above have been finally resolved.

The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer available.

CORPORATE GOVERNANCE

To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (2nd Edition) as published by ASX Corporate Governance Council (**Recommendations**).

The Company's main corporate governance policies and practices as at the date of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 11.2 of this Prospectus.

In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.bondimining.com.au).

TAXATION

The Australian taxation consequences of any investment in Shares will depend upon an investor's particular circumstances. It is an obligation of investors to make their own enquiries concerning the taxation consequences of an investment in the Company. If you are in doubt as to the course of action you should take, you should consult your professional advisers.

DIVIDEND POLICY

The Company does not yet have a dividend policy. The Company has no immediate intention to declare or distribute dividends. Payment of future dividends will depend upon the future profitability and financial position of the Company.

RESTRICTED SECURITIES

Subject to the Company being readmitted to the Official List, certain of the Shares and Options to be issued as Scheme Consideration, after the Offer closes, are likely to be classified by ASX as restricted securities and will be required to be held in escrow.

The Company will announce to the ASX full details (quantity and duration) for the Shares and Options required to be held in escrow prior to the Shares commencing trading on ASX.

1. DETAILS OF THE OFFER

1.1 Introduction

The information set out in this Section is not comprehensive and should be read together with the other information in this Prospectus.

1.2 The Offer and Subscription

The Company is offering 11,111,112 Shares for subscription at an Offer Price of 27 cents per Share to raise \$3,000,000.

All Shares issued pursuant to this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with the Shares already on issue. The rights attaching to the Shares are summarised in Section 11.4 of this Prospectus.

If the subscription for the Offer is not achieved within four months after the date of this Prospectus, the Company will repay all money received from Applicants, without interest.

1.3 Offer Period

The Offer will open on the Opening Date and will remain open until 5.00 pm (CST) on the Closing Date. The Company reserves the right to either open or close the Offer at an earlier time or date or to extend the time or date without prior notice. Applicants are encouraged to submit their Applications as early as possible.

1.4 How to Apply

Applications must be for a minimum of 7,407 Shares (\$2,000) and thereafter in multiples of 1,000 Shares (\$270) and can only be made by completing the Application Form attached to this Prospectus. The Company reserves the right to reject any Application or to allocate any investor fewer Shares than the number for which the Applicant has applied.

Applications under the Offer may be made, and will only be accepted, in one of the following forms:

- on the relevant Application Form accompanying this Prospectus; or
- on a paper copy of the relevant electronic Application Form which accompanies the electronic version of this Prospectus, both of which can be found at and can be downloaded from www.bondimining.com.au.

Application Forms must be accompanied by a personal cheque or a bank draft, payable in Australian dollars, for an amount equal to the number of Shares for which you wish to apply multiplied by the Application Price of 27 cents per Share. Cheques or bank drafts should be made payable to "Bondi Mining Limited Application Account" and crossed "Not Negotiable". No brokerage or stamp duty is payable by Applicants. The amount payable on Application will not vary during the period of the Offer.

Applicants should ensure that cleared funds are available at the time the Application is lodged, as dishonoured cheques will result in the Application being rejected. Application monies will be held in trust in a subscription account established and controlled by the Company until allotment has taken place.

Completed Application Forms should be posted to:

Bondi Mining Ltd Share Issue
c/o Computershare Investor Services Pty Ltd
GPO Box 1903
ADELAIDE SA 5001

Application Forms must be received by the Share Registrar no later than 5.00 pm (CST) on the Closing Date.

Detailed instructions on how to complete paper Application Forms are set out on the reverse of those forms. You are not required to sign the Application Form. The Company reserves the right to reject any Application (including where an Application Form has not been correctly completed) or allocate any person fewer Shares than that person applied for, or vary the dates and times of the Offer without prior notice and independently of other parts of the Offer. Where Applications are rejected or fewer Shares are allotted than applied for, surplus Application Money will be refunded. No interest will be paid on any Application Money refunded.

An Application may not be withdrawn after lodgement unless the Applicant is permitted to withdraw the Application in accordance with the Corporations Act.

1.5 Allocation and Allotment of Shares

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Offer closes and Scheme implementation. All Shares issued pursuant to the Offer will rank pari passu in all respects with the existing Shares of the Company. Holding statements will be dispatched as required by ASX. It is the responsibility of Applicants to determine their allocation prior to trading in Shares.

The Directors reserve the right to reject any Application or to allot a lesser number of Shares than subscribed for in an Application Form. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

1.6 Brokerage and Handling Fees

Brokerage and/or handling fees on Applications will be payable, at a rate of up to 5%, by the Company to member firms of ASX or licensed investment advisers on such Application Forms bearing their stamp and accepted by the Company.

1.7 Stock Exchange Listing

Application will be made to ASX within seven days after the date of this Prospectus for Quotation of the Shares issued pursuant to this Prospectus. If approval for Quotation of the Shares is not granted within three months after the date of this Prospectus, the Company will not allot or issue any Shares pursuant to the Offer and will repay all Application Money without interest as soon as practicable.

1.8 Clearing House Sub-Register Systems CHESS and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under this system, the Company will not issue certificates to investors in relation to their Shares. Instead, Shareholders will receive a statement of their shareholdings in the Company.

If an investor is broker sponsored, ASX Settlement Pty Limited will send them CHESS statements. The CHESS statements will set out the number of Shares allotted to each investor under this Prospectus, give details of the Shareholder's holder identification number (**HIN**) and give the participant identification number of the sponsor.

Alternatively, if an investor is registered on the issuer sponsored sub register, the statements will be dispatched by the Share Registrar and will contain the number of Shares allotted under this Prospectus and the Shareholder's security holder reference number (**SRN**).

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time, however a charge may be made for additional statements.

1.9 Overseas Investors

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgement of a duly completed Application Form will be taken by the Company as to constitute a representation that there has been no breach of such laws.

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

1.10 Privacy Act

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this Prospectus and may disclose it for those purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), ASX, ASIC and other regulatory authorities.

If an Applicant becomes a Shareholder of the Company, the Corporations Act requires the Company to include information about the Shareholder (name, address and details of the Shares held) in its public registers. This information must remain in the registers even if that person ceases to be a Shareholder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. Successful Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

1.11 No Underwriting

This Offer is not underwritten.

1.12 Investor Enquiries

This document is important and should be read in its entirety. Persons in doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Additional copies of this Prospectus or further advice on how to complete the Application Form can be obtained from the Share Registrar by telephone on +61 (0)8 8236 2300.

Questions relating to the Offer can be directed to the Company by telephone on +61 (0)7 3844 0982.

2. OVERVIEW OF THE COMPANY, THE MERGER AND THE PROJECTS

2.1 Introduction

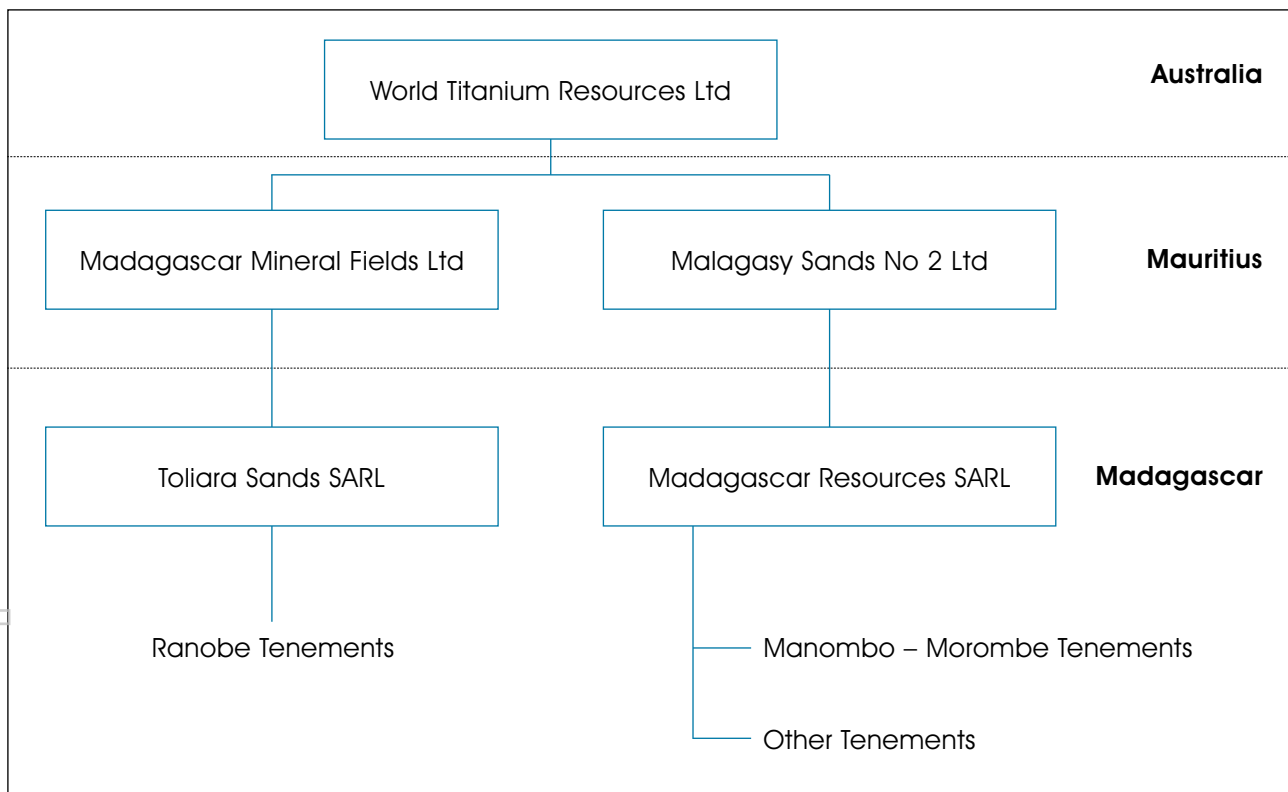
Bondi was incorporated in 2006 and has been listed on the ASX since December 2006. The Bondi corporate structure comprises Bondi Mining Ltd and four subsidiary companies: three incorporated in Australia and one incorporated in Namibia.

The Company has historically operated as a minerals exploration company with mineral exploration tenement interests in both Australia and Namibia. As announced to ASX on 29 August 2011, the Company has entered into a binding agreement to acquire all of the shares in World Titanium Resources Ltd (ACN 061 662 011) (**World Titanium**) by way of a merger via a scheme of arrangement.

Refer to the Investment Overview and Section 10.1 of this Prospectus for details of the Merger.

World Titanium's assets include:

- 10,000,000 shares in ASX listed Malagasy Minerals Ltd (ASX Code: **MGY**), representing approximately 6.39% of the MGY issued capital at the date of the Malagasy Minerals Ltd 2011 Annual Report.
- An amount of \$795,675 receivable from MGY as deferred payment of the purchase consideration for Mada-Aust SARL, previously a wholly owned subsidiary of World Titanium. This receivable is to be repaid from 70% of the quarterly cash receipts in Mada-Aust SARL from royalty agreements for the quarrying of labradorite from its tenements.
- Subsidiary companies and their interests in tenements as set out below:



2.2 Project Overview

Madagascar

The Toliara Sands Project is the only material asset of World Titanium in the country of Madagascar, and comprises:

- The Ranobe mineral sands project (**Ranobe**), which has been the subject of over US\$20million of exploration and evaluation expenditure. Of this amount, approximately US\$17 million was spent by Exxaro Mineral Sands BV (**Exxaro**) on a preliminary feasibility study and components of a bankable feasibility study, including the establishment of a Mineral Resource estimated in accordance with the JORC Code. Exxaro had an option over all of World Titanium's subsidiary companies from January 2004 to July 2009, when it chose to terminate the agreement.
- Mineralisation defined by drilling at Ankilliloaka and Basibasy.
- A large dune system in the Manombo Morombe region which has been the subject of an aeromagnetic survey and hand auger sampling.



Figure 1. Toliara Sands Project Location Map

The Ranobe Resource

The mineralised zone at Ranobe is approximately 16 km in length, 1 to 2 km in width and comprised of three mineralised sand units, shown diagrammatically below:

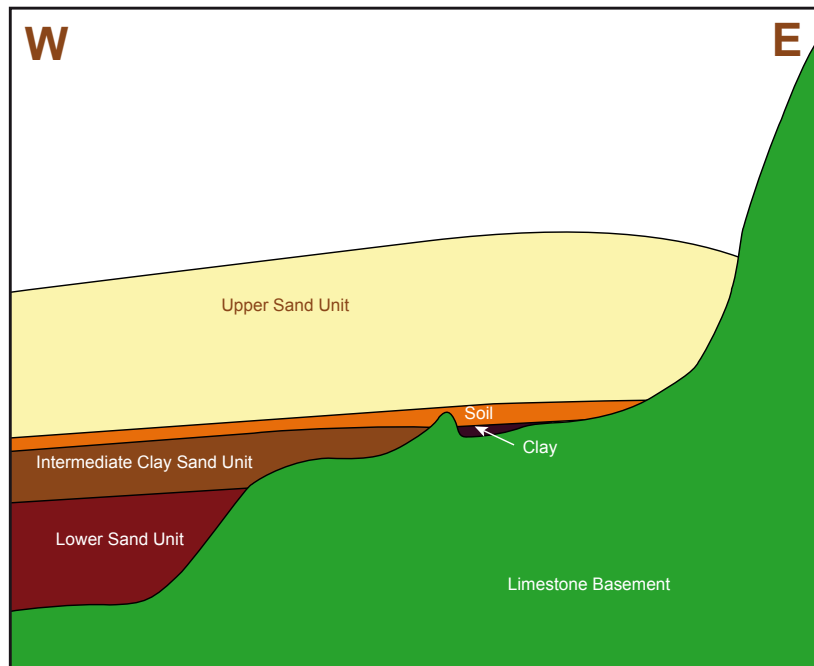


Figure 2. Ranobe Deposit Section

A heavy minerals (**HM**) Resource has been calculated, in accordance with the JORC Code, for the Upper Sand unit, as follows in Table 1 below :

Table 1. Ranobe Resource Table

Category	Million Tonnes	Average % Total Heavy Minerals (THM)	% Slimes
Measured	222	7.66	4.42
Indicated	393	6.07	4.66
Inferred	92	5.91	5.36
Total	707	6.54	4.70

The average composition of the HM assemblage in the Ranobe resource is ilmenite (64.7%), rutile (1.91%), zircon (5.57%) and leucoxene (5.09%).

Although a sizeable resource has already been defined at Ranobe, there is ample scope for this to be increased. In fact, the resource delineated so far has not been closed off on its western edge, or to the north and south.

The existing resource estimate is limited to the Upper Sand Unit. However, there is potential to define significant volumes of additional mineralisation beneath, west of, and along strike from the drilled resource at Ranobe.

A mining lease application has been submitted over an area which contains the following higher grade Resource (refer Table 2 below) within the Upper Sand Unit:

Table 2. Ranobe Resource Table – High Grade Portion of Deposit

Category	Million Tonnes	% THM	% Slimes
Measured	134.8	8.25	4.11
Indicated	22.90	8.67	4.83
Total	157.7	8.31	4.22

A preliminary scoping study for a mining rate of 7 million tonnes per annum focussed on this mining lease.

A second mining lease application is in progress, to the south of the first. The Resource within the Upper Sand Unit in this area is illustrated in Table 3 below:

Table 3. Ranobe Resource Table for Upper Sand Unit

Category	Million Tonnes	Average % THM	% Slimes
Measured	22.28	8.24	4.11
Indicated	94.76	7.00	4.83
Inferred	22.66	6.51	4.22
Total	139.70	7.12	4.67

Ankilliloaka

At Ankilliloaka, 25km north of Ranobe, drilling encountered intersections over a distance of approximately 5000m, in young quartz sands and clay sands, to near a northwest trending ridge of limestone. Based on the drilling, the exploration target at Ankilliloaka is 360-368 million tonnes containing 5 - 6% THM and 8.5 – 9.5% Slimes. This Exploration Target is at an early stage of evaluation, and the potential quantity and grade remains conceptual in nature. World Titanium has not yet identified Mineral Resources at Ankilliloaka and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The HM suite is dominated by ilmenite (52%), leucoxene (5%), rutile (1%) and zircon (4%). The TiO₂ content of the ilmenite ranges from 47.6 to 56.8% TiO₂. The HM suite therefore appears to be similar to that at Ranobe.

Basibasy

At Basibasy, 60km north of Ranobe, there appears to be a shoreline running roughly through north- south, with clay-rich sediments to the east. West of this "shoreline" the sediments are more sandy and drilling encountered significant mineralisation (ie 39m at 7.0% HM) in quartz sands in an area around 2km by 3km. The Exploration Target based on this drilling is around 440-446 million tonnes containing about 4.5%- 5.5 THM and 8 - 9% Slimes. This Exploration Target is at an early stage of evaluation, and the potential quantity and grade remains conceptual in nature. World Titanium has not yet identified Mineral Resources at Basibasy and any discussion in relation to targets and Mineral Resources is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource. The HM suite is dominated by ilmenite (50%), leucoxene (16%), rutile (1%) and zircon (7%). The TiO₂ content of the ilmenite ranges from 50.2 to 59.6% TiO₂. This HM suite therefore appears to be different to that at Ranobe.

Ranobe Development Concept

The historical information available for the Toliara Sands Project supports the conclusion that the next major milestone for the project will be the generation of a definitive or bankable feasibility study. The Directors consider that a positive study is required in order to attract the major capital investment required for developing a mining and production operation at Ranobe.

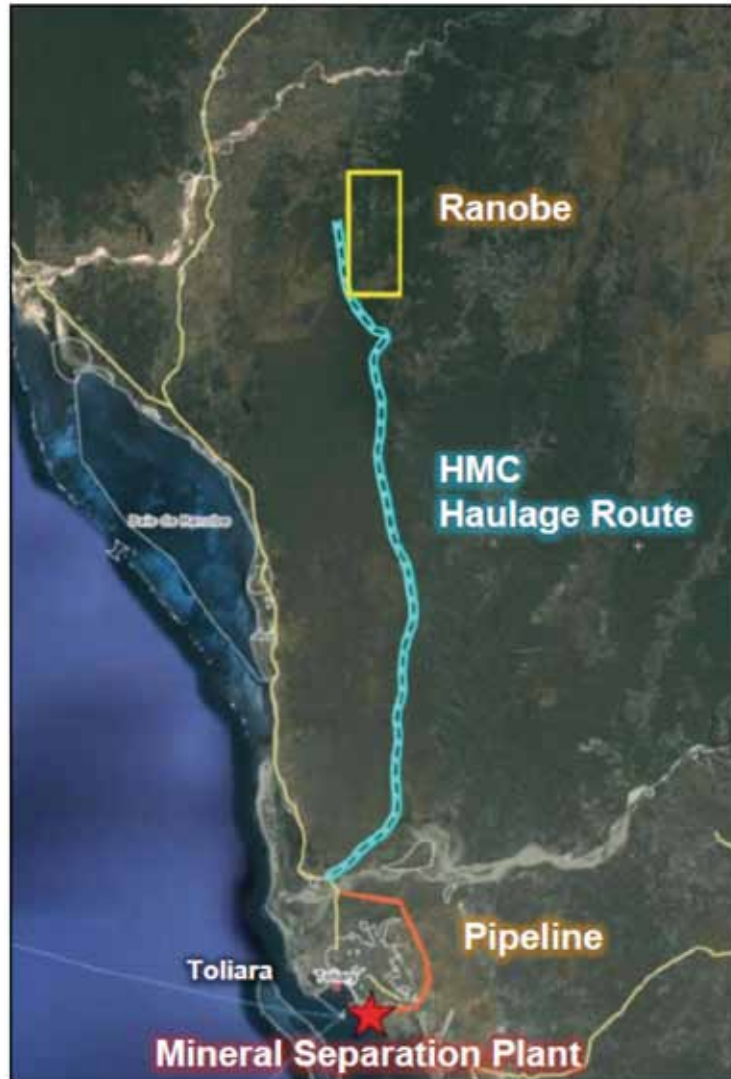


Figure 3. Ranobe haulage route and processing plant location

The heavy mineral at Ranobe consists predominantly of ilmenite making up approximately 70% of the concentrate produced. The project also benefits significantly from the presence of much higher value zircon and rutile which together contribute about 8% of the heavy mineral, but around 50% of the value.

Important features of the deposit that deliver significant advantages compared to many existing operations include the low slimes content in the ore (less than 5%) and the absence of barren overburden.

The global mineral sands industry mines an average ore grade of 5.1% heavy mineral with an overburden strip ratio of 0.4. By contrast, contained value of the first phase of the Ranobe deposit has the potential to significantly exceed this value due to its grade, and there is no overburden to remove. This is believed to be the key to unlocking the project value.

The ore volume requirements for the project mean that the deposit may be economically mined using a simple front end loader direct feeding a slurry transport unit. This mining methodology is employed in many operations world-wide, and represents a very low risk option.

The primary concentrator plant is expected to be based on easily relocatable plants widely employed in many Australian ilmenite mines.

Testwork conducted to date shows that the ilmenite consists predominantly of a product suitable for use in the TiO₂ sulphate pigment process or in ilmenite smelters for the production of chloride grade slag. A smaller volume of higher value ilmenite suitable for direct chlorination or as a blend feed to synthetic rutile processors may also be recovered. It is believed that these products can be separated with conventional mineral sands processing technology at a low unit cost.

It is expected that a simplified flowsheet will be employed to recover a mixed rutile/zircon concentrate suitable for shipment to Chinese processors, which have shown an increasing appetite for semi-finished concentrates. Capital and operating cost estimates are considered to be in line with similar minerals sands processing operations.

A Legal Report on Tenements in relation to World Titanium’s mineral exploration permits in Madagascar is included in Section 8 of this Prospectus.

Namibia

At the time of the Merger the only exploration assets held by Bondi will be ten tenement applications in Namibia, made in the name of its Namibian subsidiary.

The tenement applications, covering approximately 8,000 square kilometres in north eastern Namibia, approximately 200km north-west of the capital Windhoek, are expected to be granted in the fourth quarter of 2011. The tenure covers two main project areas; Otjinene and Otavi. The areas comprise flat to gently undulating savannah with good access via graded roads and tracks around the townships of Otjinene and Grootfontein.

The Otjinene and Otavi project areas are target areas for concealed sediment hosted, *Zambian Copper Belt Style*, copper deposits and breccia hosted lead-zinc-silver deposits. Target types comprise the large sediment hosted, stratabound copper deposits of the *Zambian copper belt* (e.g. *Fungurume deposit*; in the Democratic Republic of Congo (**DRC**)) or breccia hosted Cu-Pb-Zn-Ag deposits of the *Kipushi style* (e.g. *Kipushi deposit* in the DRC).

The Otjinene and Otavi projects are located at the southwestern portion of a large rift zone, termed the *Pan-African Belt*, which extends through north eastern Namibia, northern Botswana into Zambia, Zimbabwe and the DRC. A series of Proterozoic extensional basins developed along the rift zone and host both the well known *Zambian Copper Belt* and lesser developed *Kalahari Copper Belt* in which the project is located. The Proterozoic rocks in the project areas are covered by recent *Kalahari sands*. Work undertaken by Bondi and its consultants suggests that prospective *Damaran stratigraphy* may occur within the project areas at a relatively shallow depth below the *Kalahari sand*.

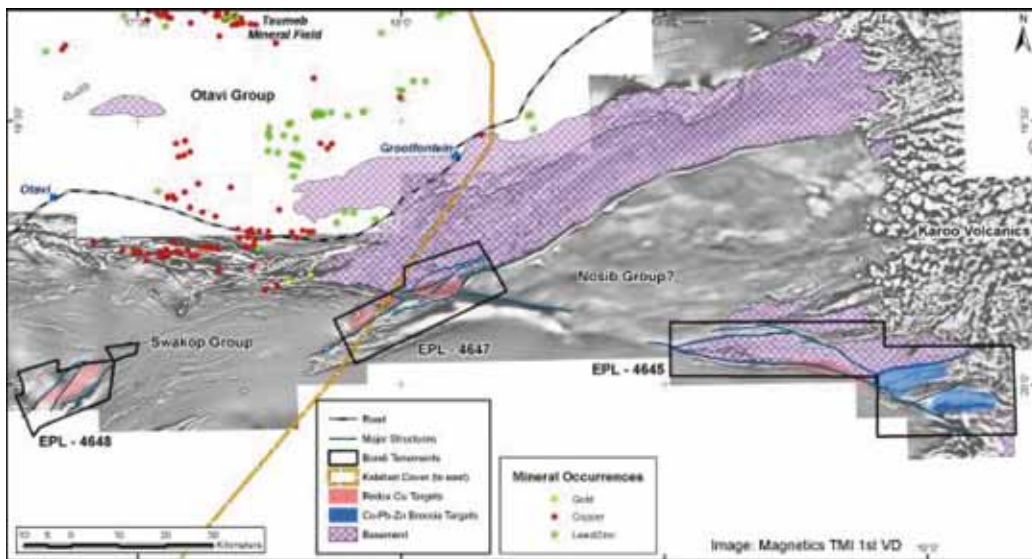


Figure 4. Otavi project area with tenement applications EPL 4645, 4647 & 4648 on grey scale magnetics

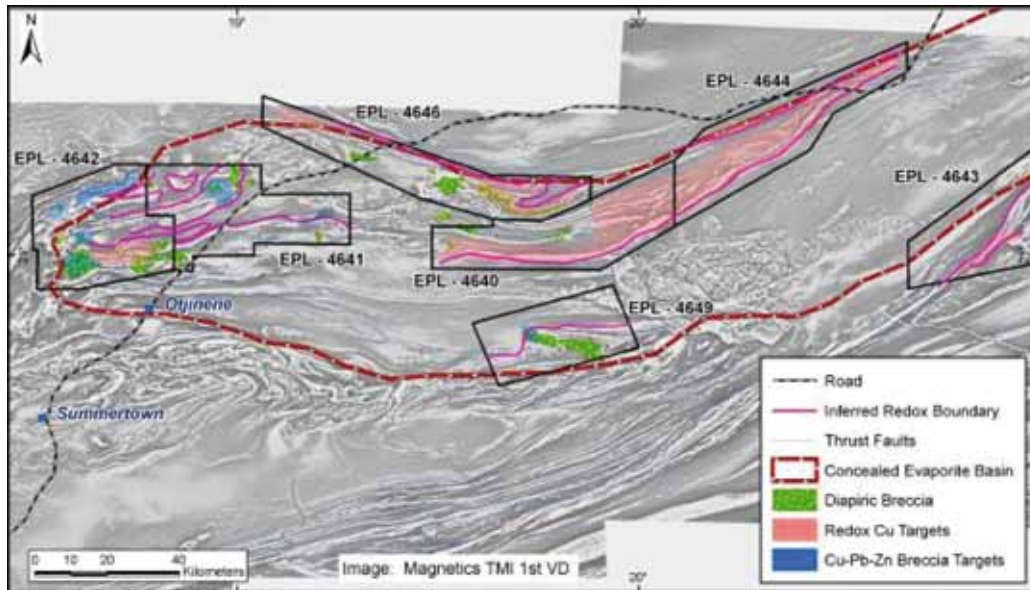


Figure 5. Otjinene project with tenement applications EPL 4640, 4641, 4642, 4643, 4644, 4646 & 4649 on grey scale magnetics

Once the tenements are granted, drill targets will be defined through wide spaced, low detection multi-element soil geochemistry and airborne electromagnetic surveys to define the sulphides associated with copper-silver mineralisation and also the pyritic black shale which is part of the host sequence.

A Solicitors' Report on Tenements in relation to the Company's tenement applications in Namibia is included in Section 9 of this Prospectus.

COMPANY EXPLORATION AND DEVELOPMENT PROGRAMMES AND BUDGETS

Summary

The main initial focus for the Company post Merger will be to rapidly advance the development plans for the Ranobe resource area. The majority of the Company's planned expenditure over the next 2 years will be applied to development activities at Ranobe as detailed below. Further exploration is planned to refine the mining sequence for the initial production area at Ranobe and a small program is also planned to target an increase in the existing defined Mineral Resource.

The Company will eventually spend further money on exploring the Ankililoaka and Basibasy deposits subject to, and in conjunction with, the development phase of Ranobe. This expenditure is not currently planned to occur during the next 2 years.

Subject to their granting, an initial work program will be conducted on the Namibian exploration projects.

Madagascar - Ranobe Development Background, Plans and Budget

The Toliara Sands Project has been subject to over US\$20million of exploration and evaluation expenditure. Of this amount, approximately US\$17 million was spent by Exxaro Mineral Sands BV (**Exxaro**) on a preliminary feasibility study and components of a bankable feasibility study, including the establishment of mineral resources in accordance with the JORC Code. Exxaro had an option over all of World Titanium's subsidiary companies from January 2004 until July 2009 when it chose to terminate the agreement.

World Titanium also commissioned a pre-feasibility scoping study focused on the higher grade resources at Ranobe. The study results, whilst only preliminary, are considered to be favourable and have provided the impetus to continue investing in development of the project. The next step in the project lifecycle will be to work toward the preparation of a definitive feasibility study prior to securing major development funding. An outline of the major activity over the next 2 years is provided below.

Permitting and Access

World Titanium submitted its application for PE 37242 in May 2010, together with a provisional Environmental Impact Assessment as required by the Mining Code. The application is currently being considered by the Ministry of Mines.

The Company anticipates that PE 37242 will be granted before the end of the first quarter of 2012. The Company plans to utilise part of the funds available to finalise its Environmental Impact Assessment for submission to the National Office of the Environment upon granting of the exploitation permit. The Company will also begin the process of lodging an application for large scale investment in the Malagasy mining sector status.

In addition the Company will commence the process of securing access agreements for roading, loading facilities, surface infrastructure and subsurface rights. World Titanium has developed good relationships with the government and local communities over the period of its involvement in Madagascar.

Table 4. Permitting and Access Budget

Permitting and Access	Year 1	Year 2	Total
Planned spend (A\$)	1,250,000	1,250,000	2,500,000

Engineering

The next phase of engineering will involve further detailed engineering optimization work to build on the current preliminary scoping study. This optimization work will include developing the design of plant and equipment to handle an increase in initial production from the originally proposed rate of 200,000tpa to a targeted rate of 400,000tpa, detailed infrastructure studies and identifying long lead time items for ordering. This work will also aid in establishing the specifications for a tender for project engineering design, procurement and construction management. Expenditure of up to \$2.5 million is expected to achieve these goals as set out in Table 5 below.

Table 5. Engineering Budget

Engineering	Year 1	Year 2	Total
Planned spend (A\$)	2,000,000	500,000	2,500,000

Executive management recruitment

The Company plans to hire new team members to help implement the activities outlined above and ultimately drive the development phase of the Toliara Sands Project.

Table 6. Recruitment Budget

Recruitment	Year 1	Year 2	Total
Planned spend (A\$)	500,000	500,000	1,000,000

Madagascar – Exploration Plans and Budget

Further exploration is planned in the Ranobe area of the Toliara Sands Project. Production planning drilling at Ranobe is included in the global budget for engineering evaluation outlined above.

In addition there is a general understanding of the extent and nature of the heavy mineral content of the Ankililoaka and Basibasy deposits, and the Company intends eventually spending further money on exploring the Ankililoaka and Basibasy deposits subject to and in conjunction with the development phase of Ranobe. This expenditure is not currently planned to occur during the next 2 years.

The "Big Dune" area of the Toliara Sands Project at Morombe is of interest because exploration work to date indicates that it contains high-grade titanium and also higher grade zircon than Ranobe. There is abundant water which would allow a dredging operation and possibly hydro electricity generation.

The ultimate potential seen is for a large-scale operation which could support the infrastructure capital required to export a product through a port created at Morombe.

Approximately A\$1,000,000 has been allowed during the next 2 years for drilling, assaying and preliminary metallurgical test work on the "Big Dune" at Manombo-Morombe and the resource extension drilling at Ranobe.

Additional drilling is planned to test for extensions of the Ranobe resource (as discussed above), as well as to investigate further the presence of heavy minerals at Morombe (**Northern Dune**). It is planned to commence drilling in May-June of 2012.

At Morombe, in order to determine the grade and distribution of any mineralisation at depth, drilling along several lines across the area is suggested. The main aims of this drilling program are to:

- follow up the reconnaissance hand auger sampling results;
- clarify the stratigraphy of the area;
- collect samples of heavy minerals (HM) for further analysis; and
- determine whether there is any potential for economic HM mineralisation.

The planned drill lines are along existing tracks and old seismic exploration lines, to facilitate access with minimal land disturbance. The line names listed below are itemised in the proposed budget (see Table 7).

A-B to south of the young dune system. Drill widely spaced holes (800-1200m apart) to test the older sands within “the limit of big dune” (7-8 holes)

C-D north south across the dune sequence. Drill widely spaced holes (1200m apart) south of E-F and then close up spacing (400-800m apart) depending on results approaching the Northern Dune rim where holes are spaced 100-200m apart, before opening up spacing (400m) to test older sands to the north (30-40 holes)

E-F east west across western part of dune rim and along the northwest traverse to test the “target zone”. Drill holes spaced at 400-800m to the east of C-D and then close up spacing (100-200m) to test the western rim and the “target area” along the northwest traverse (30-40 holes)

The northern “**Dune Rim**” and the adjacent young and old dune sands should also be tested along a number of traverses at 100-200m spacing (20-30 holes) The area covered by this drilling is roughly 15 km by 15 km, representing a very large volume of sand.

A budget proposal covering the initial proposed work at both Ranobe and M-M is set out in Table 7 below.

Table 7. Exploration Budget

	Holes	Depth	Metres	\$ at \$50/m	TBE Samples 3m	TBE at \$50 ea	Mag sep	Mag sep at \$200 ea
Ranobe								
USU west	50	30	1500	75000	500	25000	5	1000
USU south	70	30	2100	105000	700	3500	5	1000
ICSU and USU	100	20	2000	100000	667	33333	5	1000
			5600	280000	1867	93333	15	3000
M-M Drill Lines								
A-B	8	45	360	18000	120	6000	5	1000
C-D	40	45	1800	90000	600	30000	5	1000
E-F	40	45	1800	90000	600	30000	5	1000
Rim	30	45	1350	67500	450	22500	5	1000
			5310	265500	1770	88500	20	4000
TOTAL			10910	545500	3637	181833	35	7000
A+B+C	\$734,333			A		B		C

Logistics and support costs in Madagascar are estimated at an additional \$100,000. Therefore, allowing for contingencies, approximately A\$1,000,000 is allocated to this initial exploration program.

Namibia - Exploration Plans and Budget

Once the tenements in Namibia are granted, drill targets will be defined through wide spaced, low detection multi-element soil geochemistry and airborne electromagnetic surveys to define the sulphides associated with copper-silver mineralisation and also the pyritic black shale which is part of the host sequence.

There is currently no detailed budget allocated for this work however once the Namibian tenements are granted, they have a required exploration expenditure of A\$ 500,000 in year one (1) and A\$1,400,000 in year two (2).

ONGOING EXPLORATION BUDGET

The scope of ongoing work will be partly determined by the results of the initial drilling programme as well as the amount of funds raised under this Prospectus.

It is emphasised that the programmes and budgets proposed rely on current knowledge and exploration concepts and are based on the assumption that results will be sufficiently encouraging to justify a continuous work programme.

The actual activities carried out and the allocation of funds will be subject to frequent rigorous technical review, and may be varied depending on the results achieved as the exploration programmes progress.

The Independent Geologist’s Reports in Sections 4 and 5 of this Prospectus contain full details of the proposed exploration budgets.

3. RISKS

3.1 Introduction

The risks contained both in the Investment Overview and this Section 3 should be considered carefully by potential investors

The Shares offered under this Prospectus should be considered speculative because of the nature of the commercial activities of the Company. Whilst the Directors commend the Offer, potential investors should be aware that an investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's activities and its involvement in the exploration industry. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the proposed activities of the Company.

Persons considering whether or not to invest in the Company should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate, before any decision is made to apply for Shares. Prospective investors should consider whether the Shares offered are a suitable investment for them having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. If in any doubt, they should consult with their professional advisers before deciding whether to apply for Shares.

The following, which is not exhaustive, identifies some of the major risks associated with an investment in the Company, of which potential investors need to be aware before making a decision on whether or not to invest in the Company's Shares.

3.2 Key Risks

The Key Risks identified in the Investment Overview section of the Prospectus are as follows:

- Exploration and Development Risk;
- Operating Experience and Reliance on Key Personnel Risk;
- Resource Estimations Risk;
- Title, Tenement Tenure and Access Risk;
- Sovereign Risk;
- Surface Rights and Land Access Risk;
- Project Risk; and
- Litigation Risk

INVESTORS SHOULD NOTE THAT DETAILS RELATING TO THESE RISK FACTORS APPEARS IN THE INVESTMENT OVERVIEW AND HAVE NOT BEEN REPEATED IN THIS SECTION

3.3 Risks Specific to the Company

Other specific risks which the Directors consider are associated with an investment in the Company are:

- **Development and Mining**

Possible future development of mining operations at any of the Company's projects is also subject to numerous risks. The Company's operations may be delayed or prevented as a result of weather conditions, mechanical difficulties, shortage of technical expertise or equipment. There may be difficulties with obtaining government and/or third party approvals, operational difficulties encountered with extraction and production activities, unexpected shortages or increase in the price of consumables, plant and equipment, cost overruns or lack of access to required levels of funding.

If the Company commences production, its operations may be curtailed or disrupted by a number of risks beyond its control such as environmental hazards, industrial accidents and disputes, technical failures, unusual or unexpected geological conditions, adverse weather conditions, fires, explosions and other accidents.

The Company's operations may be adversely affected by higher than anticipated ore treatment costs, worse than anticipated metallurgical conditions, fluctuations in base and metal prices or lack of availability of smelter capacity.

No assurance can be given that the Company will achieve commercial viability through development of any of its projects.

- **Commodity and Currency Price Volatility**

Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Just some of these influencing factors include:

- world demand for particular commodities
- the level of production costs in major commodity producing regions
- expectations regarding inflation, interest rates and US dollar exchange rates.

Any significant and/or sustained fluctuation in exchange rates or commodity prices could have a materially adverse effect on the Company's operations and its financial position given that prices of various commodities are denominated in United States dollars and expenditure will be incurred by the Merged Group in a number of currencies, including that of Madagascar.

- **Compulsory Work Obligations**

Tenements are subject to expenditure and work commitments which must be met in order to keep such tenements in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant mining legislation. If no variation is approved, and there is failure to meet the commitments, this could lead to forfeiture of the tenement.

- **Environmental**

The Company's projects are subject to laws and regulations relating to environmental matters. Should the Company proceed to development of one or more mines, it could be expected that such developments would have numerous environmental impacts which would require various statutory approvals to be put in place. There is no guarantee that such approvals would be granted. The Company intends to conduct its operations in an environmentally responsible manner and in accordance with relevant legislation. However, the Company is unable to predict the effect of future changes to environmental legislation or policy and the cost effect of such changes on its operations and financial position.

- **Shortage of Funding**

The funds raised by the Offer will be used to carry out work on the Company's projects as detailed in this Prospectus. If the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. The Company may require additional funding to carry out further exploration, undertake feasibility studies, develop mining operations and/or acquire new projects. Any additional financing through share issues may dilute shareholdings acquired under this Prospectus. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

- **Joint Ventures**

The Company may wish to undertake future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

- **Government Policy**

Changes in Government policies, taxation and other laws can have a significant influence on the outlook for companies and the return to investors.

- **Insurance Risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

- **Competition Risk**

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

- **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

3.4 General Risks

General risks associated with investment in the Company may include:

- fluctuation of the price at which the Company's Shares trade due to market factors;
- price volatility of the Company's Shares in response to factors such as:
 - o additions or departures of key personnel;
 - o litigation and legislative change;
 - o press newspaper or other media reports; and
 - o actual or anticipated variations in the Company's operating results.

4. INDEPENDENT GEOLOGIST'S REPORT - MADAGASCAR

Date: 28th October 2011

Independent Geologist's Report

BONDI MINING LTD

WORLD TITANIUM RESOURCES - TOLIARA SANDS PROJECT

By

ANDREW MILNE

GEOCRAFT PTY LTD

ABN 81 975 965 690

26 FLORENCE ROAD, NEDLANDS, WESTERN AUSTRALIA 6009

For personal use only

The Directors
Bondi Mining Ltd
96 Stephens Road
SOUTH BRISBANE QLD 4101

Friday, 28th October 2011

Dear Sirs,

GEOCraft Pty Ltd ("GEOCraft") has been commissioned by Bondi Mining Ltd ("Bondi"), to provide an Independent Geologist's Report ("the Report") in relation to World Titanium Resources' ("WTR") Toliara Mineral Sands Project in Madagascar ("the Project").

WTR and Bondi have executed a Merger Implementation Deed to effect their merger by way of a Scheme of Arrangement under which Bondi will make offers to acquire all of the issued shares in WTR on the basis of 3.5 Bondi shares for each WTR share.

The Report will be included or referred to in a Prospectus to be lodged by Bondi with the Australian Securities and Investment Commission ("ASIC"), on or about November 4th 2011.

The Report has been prepared in accordance with the Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code"), which is binding upon Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"), and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ("ASIC") and Australian Securities Exchange ("ASX"), which pertain to Independent Expert's Reports.

GEOCraft has not been requested to provide an Independent Valuation, nor have we been asked to comment on the fairness or reasonableness of any vendor or promoter considerations, and we have therefore not offered any opinion on these matters.

GEOCraft has based its review of the Projects on information provided by WTR along with technical reports prepared by consultants, previous tenement holders' technical reports, and other relevant published and unpublished data. All available technical data and reports have been reviewed and assessed. GEOCraft has relied upon and assumed the accuracy and fair representation of all technical information provided orally and in writing by WTR, their commercial partners and consultants, and previous license holders. GEOCraft has not verified the original data provided. At no time did GEOCraft become aware of either the withholding of information or of the changing of records to influence the conclusions of its study. GEOCraft is satisfied that sufficient data was acquired to enable a reasonable assessment of prospectivity of the Projects.

A final draft of the Report was previously provided to both Bondi and WTR, along with a written request to identify any material errors or omissions prior to

lodgement. Where appropriate, and in accordance with ASIC Regulatory Guide 55, consent has been obtained to quote data and opinions expressed in unpublished reports prepared by other professionals on the properties concerned.

The legal status associated with the tenure on the Projects has not been independently verified by GEOCraft, and the current status of the leases listed in the Report is based on information provided by WTR. The Report has been prepared on the assumption that the leases will prove lawfully accessible for evaluation. The commercial agreements under which WTR has acquired or may acquire beneficial rights to the Projects have not been independently verified by GEOCraft.

The Report has been prepared on information available up to and including October 28th 2011. Mr Milne has provided consent for the inclusion, in full, of the Report in the Prospectus, and to the inclusion of statements made by Mr Milne in the Prospectus in the form and context in which those statements appear, and has not withdrawn that consent before lodgement of the Prospectus with the ASIC.

Mr Milne (B.Sc. (Hons), M.Sc.) is an employee of GEOCraft Pty Ltd. Mr Milne is a Member of the Geological Society of Australia ("GSA") and the Australasian Institute of Mining and Metallurgy ("AusIMM") and has the appropriate relevant qualifications, experience, competence and independence to be considered an "Expert" under the definitions provided in the Valmin Code and a "Competent Person" as defined in the JORC Code.

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled or reviewed by Mr Milne.

Mr Milne has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Milne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears".

Neither GEOCraft, nor the author of this report, has or has previously had any material interest in WTR or the mineral properties in which WTR has an interest. Our relationship with Bondi and WTR is solely one of professional association between client and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

Yours faithfully



Andrew Milne

GEOCraft Pty Ltd

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INTRODUCTION

The Toliara Sands Project is located in southwest Madagascar, about 18 km inland from, and 40 km north of, the port of Toliara. The Project is based on two exploration areas known as Ranobe and Manombo-Morombe (“M-M”). The general location is shown in Figure 1.



FIGURE 1: Location of the Toliara mineral sands project

The individual Permit locations are shown in greater detail in **Figure 2**. Tenement details, grouped by prospect name, are set out in **Table 1**.

RANOBE PROJECT

The Ranobe Project has been the subject of a Bankable Feasibility Study (BFS) carried out by Exxaro Ltd, while the M-M area is still in the exploration phase.

To date a considerable amount of work has been completed at Ranobe, including resource definition (710 million tonnes at 6.29% THM¹ JORC² compliant resource estimate by Exxaro in 2006 – further details at the bottom of **Table 2**), feasibility studies into mining, processing, rehabilitation, economics, infrastructure, and environmental and social matters relating to the production of ilmenite. In July 2009 Exxaro terminated its involvement in the TSP based on adverse economic and political grounds.

Exxaro began a prefeasibility study in 2003 which culminated in an incomplete BFS on the Ranobe Project. Before their withdrawal in 2009, Exxaro spent US\$17 million bringing total expenditure on the project to US\$23 million.

Exxaro’s plan to produce ilmenite required a large scale mining and processing operation which in turn required construction of accommodation, roads, bridge, port and power infrastructure. This made the project non-economic under then-current market conditions.

¹ THM = Total Heavy Minerals

² Joint Ore Reserves Committee

WTR commissioned a comprehensive review of the Ranobe project, resulting in a new, smaller scale project concept that has positive investment criteria and scope for expansion. The plan is to develop the Ranobe deposit to take advantage of the current forecast market opportunity before any other competitive deposits can be developed in other countries.

Geological Setting

Figure 3 illustrates the locations of tenements in relation to geology.

Mineralization occurs within dune sand and underlying sediments located to the west of a limestone cliff forming the western edge of a limestone plateau that covers much of southwestern Madagascar. The western edge of the large pale blue area in Figure 3 marks the approximate location of the limestone cliff. The limestone continues to the west, beneath the various unconsolidated sediments, as a gently west-sloping, irregular surface that may represent a wave-cut platform from a period of higher relative sea level. The limestone itself, which is of Eocene age, does not contain heavy minerals.

At Ranobe, the mineralized zone comprises three sedimentary units that can be distinguished on colour and clay content. From top to bottom, these are:

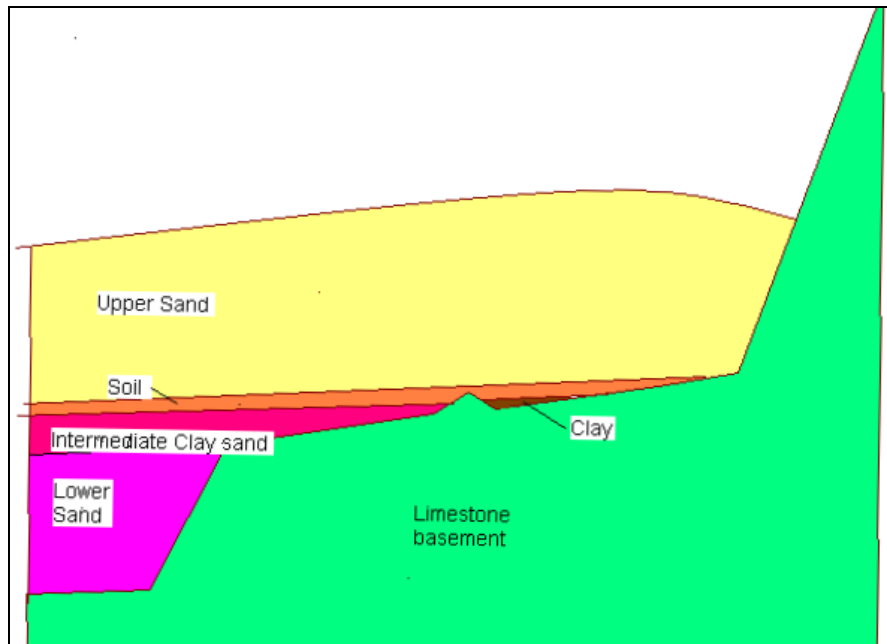
- **Upper Sand Unit (“USU”)**: beige to pale orange, clean, well sorted, quartz sand averaging > 3% heavy minerals and < 7% slimes. This is up to 30 m thick. May contain brown or orange-brown silt, loam or silty sand/soil (averaging >3% HM and 5-10% slime) at the base.
- **Intermediate Clay Sand Unit (“ICSU”)**: dark orange-brown / red-brown, clayey sand that laps onto the limestone basement from the west, and fills depressions in the limestone surface. Typically contains \geq 20% slimes and less than 3% heavy minerals. It is up to 15 m thick and not as widespread as the Upper unit in that it does not always extend to the base of the limestone cliff or to more than 100m above sea level. In depressions on the limestone basement, this unit grades into clay. There is also an orange sandy layer that is probably a beach zone within this unit.
- **Lower Sand Unit (“LSU”)**: up to 30m thick, dark red-brown, coarse sand with minor clay (around 10% slimes). This is probably a sandy “beach” facies of the ICSU. The unit generally lies to the west of the ICSU on-lap line and does not appear in depressions.

The USU may contain brown or orange-brown silt, loam or silty sand/soil (with >3% THM and 5-10% slime) at the base. This was assigned to the USU unless it contained greater than 20% slime, in which case it was assigned to the ICSU.

The USU overlies the ICSU in places, but rests directly on limestone “basement” elsewhere.

The LSU is only known to be significantly developed in the north-west extremity of the area.

Interpreted stratigraphic relationships are shown schematically below (west is to the left).



Mineralogy

In October-November 2007, Allied Mineral Laboratories conducted mineral separation test-work on 85 kg of Heavy Mineral Concentrate (“HMC”) obtained from the Toliara pilot plant. The Ranobe HMC was found to comprise:

- 59.2% Primary ilmenite (with TiO₂ content 49.3% and 45ppm UTh)
- 13.5% Secondary ilmenite (with TiO₂ content 57.6% and 160ppm UTh)
- 4.4% zircon
- 0.3% rutile (about 1% of the HMC can be expected to report to a commercial rutile product)
- 4% monazite
- 2.1% “magnetite” with TiO₂ content 47.6%. This could be included with the primary ilmenite product in commercial operation.

Test work conducted to date shows that the various mineral species can be separated by conventional equipment used throughout the world. The low TiO₂ ilmenite is suitable for use in the TiO₂ sulphate pigment process or in ilmenite smelters for the production of chloride grade slag. The high TiO₂ ilmenite is suitable for direct chlorination or as a blend feed to synthetic rutile processors.

A zircon/rutile concentrate can be sold directly, but generally at a price discount because it requires further processing. Alternatively, additional separation stages can yield separate zircon and rutile products. Although the overall rutile content of the Ranobe heavy minerals is low, the Allied Mineral Laboratories testwork produced a premium-quality rutile concentrate.

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Resource Evaluation

A large amount of systematic resource-definition work has been done on the Ranobe mineral sand deposit. There have been three separate drilling campaigns, with associated sample collection and analysis, including the insertion of Quality Control samples. Drilling was by the Air Core method, using a Wallis “Mantis 75” machine. Wallis Drilling provided an experienced mineral sand driller for all three drilling campaigns.

Drilling confirmed the presence of three mineralized units: Upper Sand Unit, Intermediate Clay Sand Unit and Lower Sand Unit. The Upper Sand Unit, which comprises the majority of the resource, is a free-flowing fine sand, with an average of only 2.4% silt and no clay. Measurement of other geotechnical parameters of the Upper Sand Unit, including particle size analysis, demonstrated the absence of any induration or cementation that otherwise might cause mining problems.

Sample analysis was performed by several reputable laboratories, both in Australia and in South Africa. Assessment of results reported for QC samples showed generally satisfactory performances. Part of this assessment was carried out by a major Western Australian mineral sands producer.

The mineralogical composition of the heavy minerals present has been investigated by magnetic separation, followed by mineralogical examination of each magnetic fraction, and by QEMSCAN, an advanced analytical technique performed by SGS laboratories.

Metallurgical assessment of ilmenite has also been undertaken, with the aim of establishing potential markets for it.

The *in situ* density of the Upper Sand Unit has been determined at 14 different locations within the deposit, ensuring that the density figure applied is representative and valid. This work was done by an accredited South African geotechnical company.

It is considered that, in both comprehensiveness and quality, this work is of JORC standard.

Geostatistical (block modelling) resource assessments of the Ranobe deposit, including the Upper Sand Unit, were made by two different Companies in 2004 and 2006. In 2010, GEOCraft Pty Ltd made an independent, polygonal resource estimate based on the geological interpretation of 51 drill cross-sections, incorporating over 730 drill-holes in the Upper Sand Unit. This estimate corroborated the two previous estimates, in both tonnes and grade.

The three separate resource estimates for the Upper Sand Unit only are summarized below:

Company	Year	Measured Mt	Indicated Mt	Inferred Mt	Total Mt	HM %	Slime %
Ticor	2004		605	128	733	6.18	4.82
Exxaro	2006	209	320	181	710	6.29	4.23
GEOCraft	2010	222	393	92	707	6.55	4.68

Further details of previous resource estimates are set out in **Table 2**.

The GEOCraft estimate incorporated drill-hole data from all three (2001, 2003, and 2005) drilling campaigns (see **Figure 4**), at a 3% THM cut-off. The polygonal method arrives at a result in a fundamentally different way, which is generally more readily visualized. It therefore serves as a valuable check evaluation, and it has produced a result that corroborates those by Ticor and Exxaro.

The resource estimate is limited to the Upper Sand Unit. However, there is potential to define significant volumes of additional mineralization beneath, west of, and along strike from the drilled resource at Ranobe. No additional drilling has been carried out since that in 2005.

Development Potential

At Ranobe, known mineralization extends over an area of about 1.5-2 km x 15.6 km (East x North). Within this area, the land surface ranges from about 94 to 165 metres above sea level, and is smooth with a slight downward slope towards the west, to gently undulating.

The mineralization commences at surface and typically has a vertical thickness of about 20 - 30 metres, extending to 50 metres in places. The ore material is a loose, free-flowing fine sand of uniform grain-size, with no cementation or induration that could be expected to cause mining problems. Such material should be amenable to mining with standard earth-moving machinery, or by dredging. Because the mineralization begins at the surface, there is no overburden to remove, other than vegetation.

The deposit is about 40 km from an existing port, which would likely require upgrading.

Proposed Development

Within the overall Upper Sand Unit resource, a Phase 1 mining area target has been defined, focussing on the higher-grade eastern portion of the deposit. This area is estimated to contain 75 Mt at a grade of 9.5% THM (67 Mt Measured, 8 Mt Indicated). Based on this Phase 1 material, a proposed initial development plan has been formulated.

Figure 5 shows the Phase 1 area within the extant Mining Permit, superimposed on an image of the overall USU heavy mineral grades.

Scoping studies examining an annual ilmenite production rate of 400,000 t/a were carried out in July, 2011. This work, detailed in a report provided by WTR, indicates that economic development of the deposit is feasible, with a forecast after-tax IRR of 45% and a project payback period of 2-3 years.

Mining could be scaled up under favourable conditions, as a much larger resource than that considered for the initial phase of operation has already been defined. In addition, potential exists for additional mineralization to be defined by drilling beneath, to the west of, and along strike from, the established Ranobe resource.

Conclusion

The Ranobe deposit contains a large heavy Mineral Resource of a THM grade (6.2 - 6.5%) that is higher than the global mineral sands industry average (5.6%).

The mineralization commences at surface and is both thick and laterally continuous. The ore material should be amenable to mining with standard industry equipment. Because the mineralization begins at the surface, there is no overburden to remove.

Mineralization has also been intersected in sand units beneath the USU. This material is not included in the resource estimates compared above, but could amount to a substantial quantity of potentially economic heavy mineral sand.

Because of its size and relatively high grade, the Ranobe USU deposit offers the opportunity to develop a small scale mine initially, but with the potential to expand production significantly once market exposure has been gained.

M-M PROJECT

The M-M project includes three areas with known, but less well-defined, heavy mineral accumulations. These are Ankililoaka, Basibasy, and Morombe (see Figure 3 for locations).

At Ankililoaka, 25 km NW of Ranobe, scout drilling has encountered heavy minerals in young quartz sands and clayey sands, near a northwest-trending ridge of limestone. Mineralization occurs over a North-South distance of 5.75 km, with grades typically around 5.5% THM.

Basibasy is about 60 km north of Ranobe. Here, reconnaissance drilling has located significant mineralization in quartz sands lying west of an old shoreline that runs roughly north-south. An area of about 2 km by 3 km includes fifteen drill-holes, each of which encountered 30 metres or more of sand with an overall average grade of 5% THM.

The most northerly part of the M-M area, Morombe, is occupied by a large semi-circular dune field with potential to host several billion tonnes of sand. Preliminary hand auger drilling has confirmed the general presence of low levels 1-3% THM throughout the area.

Drilling has confirmed that there is a general trend going north from Ranobe of increasing TiO₂ content of ilmenite, as well as an increasing proportion of zircon in the heavy mineral assemblage.

Based on work to date, which has located heavy minerals at all three sites, there is potential that further more detailed work will define economically significant resources at Ankililoaka, Basibasy, and Morombe.

Evaluation of Mineralization

Based on the drilling done at Ankililoaka and Basibasy, estimates of the quantity of heavy mineral sand potentially present have been made by GEOCraft Pty Ltd. In both cases, these estimates are based on very limited information, and they should not be interpreted as formal

resource figures in any category. Nonetheless, they indicate where more detailed work could be directed with a reasonable probability of delineating economically viable mineralization.

At **Ankililoaka**, 10 holes drilled on a north-south baseline and on an east-west cross-line intersected $\geq 3\%$ THM from surface to depths of up to 48 metres. These two lines of drilling crudely outline an area of about 2 x 5.75 km. A cross-section along the east-west line (7,479,000 mN) shows some of this drilling, with an outline of mineralization at a 3% THM cut-off (**Figure 6**).

The estimated potential quantity of mineralized sand ($\geq 3\%$ THM) at Ankililoaka is **360-368 million tonnes** containing **5 - 6% THM** and **8.5 – 9.5% Slimes**. The HM suite is dominated by ilmenite (52%), leucoxene (5%), rutile (1%) and zircon (4%). The TiO₂ content of the ilmenite ranges from 47.6 to 56.8%. The HM suite therefore appears to be similar to that at Ranobe. This potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource, and it is uncertain if future exploration will result in the determination of a Mineral Resource.

At **Basibasy**, a similar situation occurs, with 15 holes on two intersecting lines over an area of about 2 x 3 km. In all of these holes, sand containing $\geq 3\%$ THM was intersected between the surface and vertical depths ranging between 30 and 39 metres.

The estimated potential quantity of mineralized sand here is **440-446 million tonnes** containing about **4.5%- 5.5 THM** and **8 - 9% Slimes**. The HM suite is dominated by ilmenite (50%), leucoxene (16%), rutile (1%) and zircon (7%). The TiO₂ content of the ilmenite ranges from 50.2 to 59.6%. This HM suite therefore appears to be different from that at Ranobe. This potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource, and it is uncertain if future exploration will result in the determination of a Mineral Resource.

At **Morombe**, scout hand-auger drilling has established the presence of 1-3% THM with the mineral suite dominated (70-80%) by ilmenite with $>56\%$ TiO₂, and a higher proportion of zircon (8-11%) within the mineral suite than occurs further south. Preliminary testwork indicates that the zircon may have limited marketability due to a high Uranium-Thorium content. Not enough exploration has yet been done here to indicate what quantity of mineralization might exist, or to establish whether it has sufficient continuity to constitute a potential resource.

The Morombe area is considered to warrant further work as it has potential due to the following:

- Large volume, low grade mineralization
- Significant (80%) High ($>56\%$) TiO₂ ilmenite in the mineral suite
- Significant (11%) zircon in the mineral suite
- High water table which makes dredging possible
- Proximity to a sheltered lagoon capable where ship loading is feasible

Conclusion

Early-stage reconnaissance exploration to the north of Ranobe has already located heavy mineral sands at Ankililoaka, Basibasy and Morombe (“Northern Dune”).

Studies of the heavy mineral suites from these locations indicate that both the TiO₂ content of ilmenite and the proportion of the more valuable zircon present increase northwards (respectively to 58% and 8–11%) at Morombe.

Potentially significant mineralization has already been drilled at Ankililoaka and Basibasy while there appears to be potential for a large volume of lower-grade sand at Morombe.

POTENTIAL FOR FURTHER EXPLORATION

Ranobe

Although a sizeable resource has already been defined at Ranobe, there is ample scope for this to be increased. In fact, the resource delineated so far has not been closed off on its western edge, or to the north and south.

On 40 out of 45 lines of drilling completed to date (see Figures 4 & 5), the most westerly drill-hole was still in mineralization grading above 3% THM, within the USU. The thickness of this mineralization is generally 15-25 metres. How far further west it may extend is presently unknown. However, the northern-most line of drilling at Ranobe extends 1000 metres further west than those to the south, and still ends in mineralization.

Both the most northern and most southerly drill-lines within the resource area encountered mineralization above the 3% THM cut-off, respectively in 16 and 13 consecutive holes. On each of these lines, this heavy-mineral sand ranges from 6 metres to 20-30 metres in thickness, and is thickest near the western end.

As well, a number of holes which passed through the base of the USU encountered mineralization in the underlying ICSU (and in the LSU in some cases). While such mineralization typically has a higher slime content than the USU, THM grades of 10-20% have also been encountered.

Both of these situations present opportunities for delineating additional mineralization and increasing the known resource. The quantity of additional mineralization could be substantial.

Well to the south of the delineated Ranobe resource, two lines of early reconnaissance drilling encountered heavy mineral sand that has not yet been systematically followed up. One line is located 3 km south of the most southerly line of drilling within the established resource area (ie: 3 km further south than the bottom of Figure 4). On this line, 10 out of 18 holes intersected heavy-mineral sand grading \geq 3% THM and up to 24 metres thick. The maximum THM grade in an individual 3-metre sample was 7.98%.

Five kilometres further south, another 2001 reconnaissance line of 5 holes also intersected mineralization with 4 consecutive holes having grades $\geq 3\%$ THM, with a maximum of 9.51%. There is presently no drilling between these two lines that are 5 km apart.

Northern dune - M-M

As noted earlier, hand-auger drilling has established the presence of 1-3% THM at Morombe, with the mineral suite dominated (70-80%) by ilmenite with $>56\%TiO_2$, and containing a higher proportion of zircon (8-11%) than occurs further south. There may be scope to define areas where the grade is consistently of economic interest.

PROPOSED INITIAL EXPLORATION AND BUDGET ESTIMATE

Additional drilling is planned to test for extensions of the Ranobe resource (as discussed above), as well as to investigate further the presence of heavy minerals at Morombe ("Northern Dune"). It is planned to commence drilling in May-June of 2012. This depends upon the logistics of getting a drill rig to Madagascar.

At Morombe, in order to determine the grade and distribution of any mineralization at depth, drilling along several across the area is suggested. The main aims of this drilling program are to:

- follow up the reconnaissance hand auger sampling results
- clarify the stratigraphy of the area
- collect samples of heavy minerals (HM) for further analysis
- determine whether there is any potential for economic HM mineralization

The planned drill lines are along existing tracks and old seismic exploration lines, to facilitate access with minimal land disturbance. The line names listed below are itemized in the budget proposal (see next page).

A-B to south of the young dune system. Drill widely spaced holes (800-1200m apart) to test the older sands within "the limit of big dune" (7-8 holes)

C-D north south across the dune sequence. Drill widely spaced holes (1200m apart) south of E-F and then close up spacing (400-800m apart) depending on results approaching the northern dune rim where holes are spaced 100-200m apart, before opening up spacing (400m) to test older sands to the north (30-40 holes)

E-F east west across western part of dune rim and along the northwest traverse to test the "target zone". Drill holes spaced at 400-800m to the east of C-D and then close up spacing (100-200m) to test the western rim and the "target area" along the northwest traverse (30-40 holes)

The northern "**Dune Rim**" and the adjacent young and old dune sands should also be tested along a number of traverses at 100-200m spacing (20-30 holes)

The area covered by this drilling is roughly 15 km by 15 km, representing a very large volume of sand.

A budget proposal covering the initial proposed work at both Ranobe and M-M is set out below.

	Holes	Depth	Metres	\$ at \$50/m	TBE samples 3m	TBE at \$50 ea	Mag sep	Mag sep at \$200 ea
Ranobe								
USU west	50	30	1500	75000	500	25000	5	1000
USU south	70	30	2100	105000	700	35000	5	1000
ICSU and USU	100	20	2000	100000	667	33333	5	1000
			5600	280000	1867	93333	15	3000
M-M Drill Lines								
A-B	8	45	360	18000	120	6000	5	1000
C-D	40	45	1800	90000	600	30000	5	1000
E-F	40	45	1800	90000	600	30000	5	1000
Rim	30	45	1350	67500	450	22500	5	1000
			5310	265500	1770	88500	20	4000
TOTAL			10910	545500	3637	181833	35	7000
A+B+C	\$734,333			A		B		C

Logistics and support costs in Madagascar are estimated at an additional \$100,000. Allowing for contingencies, approximately \$1 million is allocated to initial exploration.

PROPOSED USE OF FUNDS

As part of the merger of WTR and Bondi Mining Ltd, Bondi plans to raise approximately \$3 million (before costs of the offer) via a Prospectus. Combined with existing capital, the merged entity will then have some \$13.9 million in cash.

In addition to an allocation of \$1 million to initial exploration, the sum of between \$6 million and \$10 million is proposed to be used for various activities involved in the development of a mine at Ranobe.

These activities will include, but are not necessarily limited to:

- Environmental and other Permitting, including access to surface title
- Purchase of vehicles and equipment
- Engineering optimization work
- Executive recruitment and remuneration
- Working capital, corporate expenses and issue expenses.

Andrew Milne, B.Sc. (Hons), M.Sc., MAusIMM
GEOCRAFT Pty Ltd
28th October 2011



GLOSSARY OF TERMS

Heavy Mineral	mineral with physical density sufficiently greater than that of quartz and feldspar to allow their separation by gravity methods
Ilmenite	an iron-titanium oxide mineral with high density and TiO ₂ content ranging from 45% to 60%, depending on how much it has been altered.
Leucoxene	a Titanium-rich alteration product of other titanium minerals, especially Ilmenite
Magnetite	an iron oxide mineral that is ferromagnetic. Sometimes contains TiO ₂ .
Monazite	a Thorium-rich phosphate/silicate mineral that also typically contains Cerium, Lanthanum and Yttrium. A valuable heavy mineral that is radio-active
Rutile	a mineral that is virtually pure titanium dioxide (TiO ₂)
Slime/s	clay or other very fine-grained material present in heavy-mineral sand
Stratigraphic	to do with the layering of rocks that were originally laid down as sediments
THM	Total Heavy Mineral/s: all the combined dense minerals present, whether economically valuable or not. THM% : the weight-percentage of all the heavy minerals in a sample or deposit.
Zircon	a zirconium silicate mineral containing about 67% ZrO ₂ . Widely used in ceramics.

The information in the report to which this statement is attached that relates to Exploration Results, Mineral Resources or Ore Reserves is based upon information compiled by Andrew Milne, who is a member of the Australasian Institute of Mining and Metallurgy.

Mr Milne is employed by GEOCraft Pty Ltd.

Mr Milne has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Milne consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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TABLE 1: SCHEDULE of TENEMENTS, TOLIARA MINERAL SANDS PROJECT, MADAGASCAR

AREA	PERMIT NUMBER	REGISTERED Holder(s)/Applicant	PERMIT TYPE	GRANT DATE (Application Date)	EXPIRY DATE	TERM (Years)	TOTAL AREA km ²	SMALL CASES	TENEMENT FEES A\$	TENEMENT FEES (MGA) 2011	SUBSTANCES UNDER TITLE	NOTES
Ankiliioaka	3314	MRSARL (b)	R	12/01/2001	11/01/2011	10	75	192	16,209.64	32,697,600	Ilmenite, Zircon, Leucoxene, Rutile, Basalt, Limestone, Guano	(1) (2) (4)
	36876	MRSARL (b)	R	22/11/2011	21/11/2014	10	12.5	32	2,027.39	4,089,000	Ilmenite	(1) (4)
Morombe	30250	MRSARL (b)	R	12/01/2001	11/01/2011	10	206.25	528	44,576.51	89,918,400	Ilmenite, Zircon, Leucoxene, Rutile, Basalt, Limestone, Guano	(1) (2) (4)
Basibasy	35822	MRSARL (b)	R	12/01/2001	11/01/2011	10	81.25	208	17,560.44	35,422,100	Ilmenite, Zircon, Leucoxene, Rutile, Basalt, Limestone, Guano	(1) (2) (4)
Ranobe	3315	TSSARL (a)	R	12/01/2001	11/01/2011	10	106.23	272		46,321,600	Ilmenite, Zircon, Leucoxene, Rutile, Basalt, Limestone, Guano	(1) (2) (3)
	12026	TSSARL (a)	R	15/09/2004	14/09/2014	10	6.25	16		2,044,800	Ilmenite	(1)
	17388	TSSARL (b)	R	28/07/2005	27/07/2015	10	18.75	48		6,134,400	Ilmenite	(1) (3)
Other	37242	TSSARL (b)	E	12/05/2010				24			Ilmenite, Zircon, Leucoxene, Rutile, Basalt, Limestone, Guano	
	39130	TSSARL (b)	E	17/09/2010				24			Ilmenite, Zircon, Leucoxene, Rutile, Basalt, Limestone, Guano	
Miscellaneous	36182	MRSARL (b)	R					160			Ilmenite, Rutile, Zircon, Magnetite	Majunga, far North
	36183	MRSARL (b)	R					22			Ilmenite, Rutile, Zircon, Magnetite	Majunga, far North
	36648/36650	MRSARL (b)	R	30/10/2009				16			Limestone	(6)
	38091	MRSARL (b)	R	23/09/2010				78			Ilmenite, Garnet, Zircon	Itampolo

PERMIT TYPE: "R": Research (Exploration) "E": Exploitation (Mining Permit)

NOTES:

1. Renewable twice for a three-year period per renewal
2. Renewable application introduced on 17th September 2010 for a three-year period
3. A PE application is pending processing at the BCMM on part of Permit 3315 since 17th September 2010
4. Permits presently registered in the name of Exploitation Madagascar (TSSARL), and for which a transfer to MRSARL is pending at the BCMM
5. Permit presently registered in the name of Mada Aust and for which a transfer to TSSARL is pending at the BCMM
6. We have been informed that Permit 36648 has been split into two Permits (36648 and 36650) but to date the Company has not received confirmation of grant

TABLE 2: SUMMARY of PREVIOUS RESOURCE ESTIMATES, RANOBÉ MINERAL SANDS PROJECT

Author, Year	Company	Drilling Info Used	UNIT	RESOURCE CATEGORY	Tonnes	Avg THM%	Avg SL-%	Ilmenite*	Rutile	Leucoxene	Zircon	Monazite + Xenotime			
2004 Source: exxaro Power-Point slide, Jan 2006	KUMBA	2001 & 2003	Not Stated	INDICATED	605	6.28	5.29								
				Inferred	720	3.51	2.8								
				Total	1325	4.77	3.94								
Van der Schyff, 2004	TICOR	2001 only	USU	Inferred	592	3.02	2.85								
				2001 & 2003	USU	INDICATED	605	6.28	5.29						
						Inferred	128	5.75	2.58						
						Total	733	6.18	4.82						
				2001 only	ICSU	Inferred	4.4	4.87	22.89						
				2001 & 2003	ICSU	INDICATED	127.6	3.35	21.21						
						Inferred	0.7	4.05	25.98						
						Total	128	3.35	21.23						
				2001 only	LSU			nil							
				2001 & 2003	LSU	IND	17	9.15	9.32						
Inferred	nil														
Total	17	9.15	9.32												
2001 only	Lmst-Surface	Inferred	597	3.03	2.99										
2001 & 2003	Lmst-Surface	INDICATED	750	5.84	8.09										
		Inferred	129	5.74	2.7										
		Total	878	5.83	7.3										
2001 only	3% THM Comp	INDICATED	729	5.84	7.76										
2001 & 2003	5% THM Comp	INDICATED	567	6.5	6.3										
Siebrits, 2006	exxaro	2003 & 2005	USU	MEASURED	209	7.44	4.08	4.81	0.14	0.37	0.42	0.14			
				INDICATED	320	6.09	4.02	4.0	0.12	0.31	0.34	0.11			
				Total	181	5.32	4.76	3.5	0.1	0.27	0.3	0.1			
				Total	710	6.29	4.23	4.07	0.12	0.32	0.35	0.12			

Percentages listed below represent the overall mineral proportions in the heavy mineral sand, not in the HM concentrate

* Figures for "Ilmenite" include any Pseudorutile + Ferropseudobrookite

Based on Kriged QEMSCAN Results

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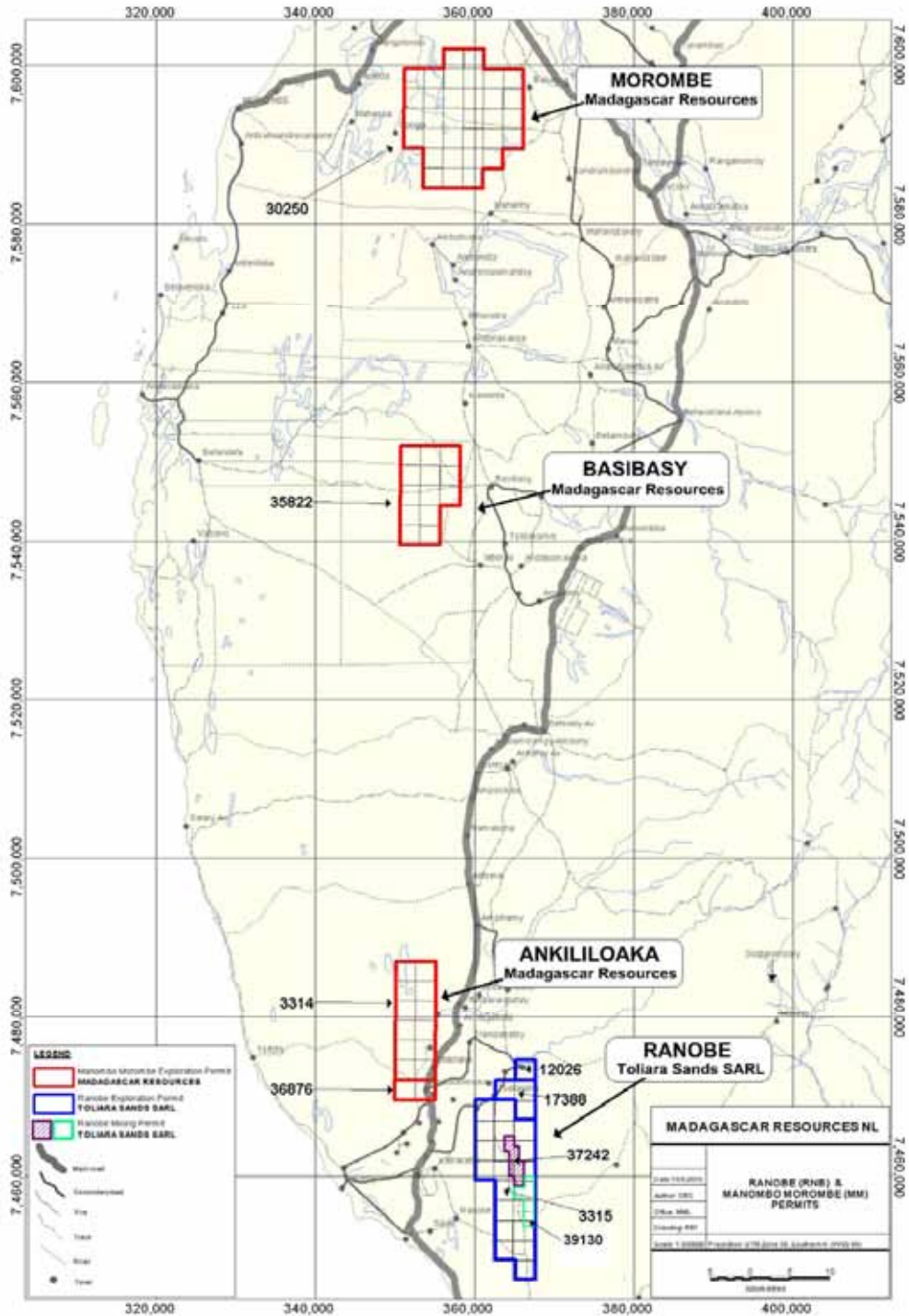


FIGURE 2: Toliara Project Tenements in South-West Madagascar

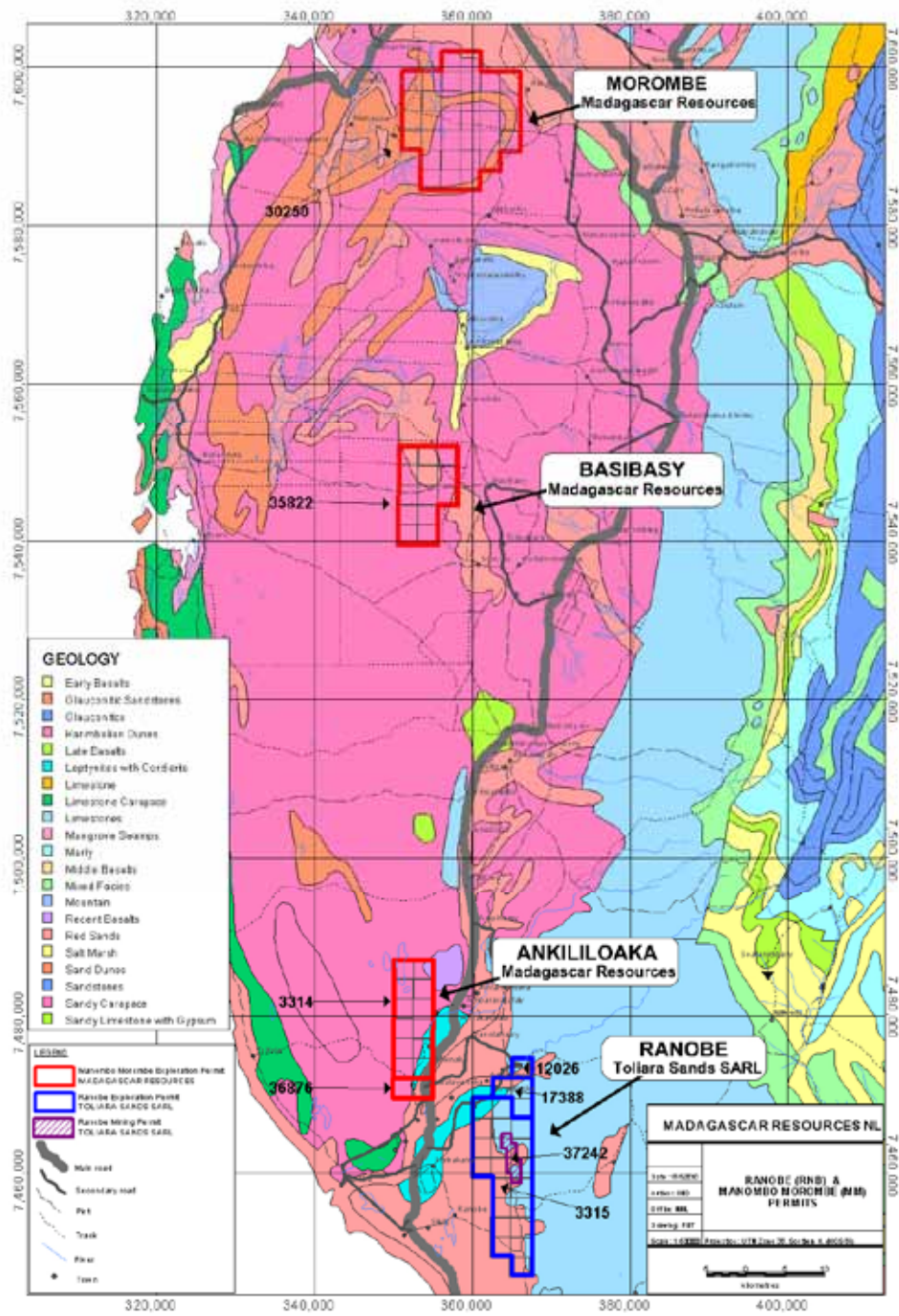
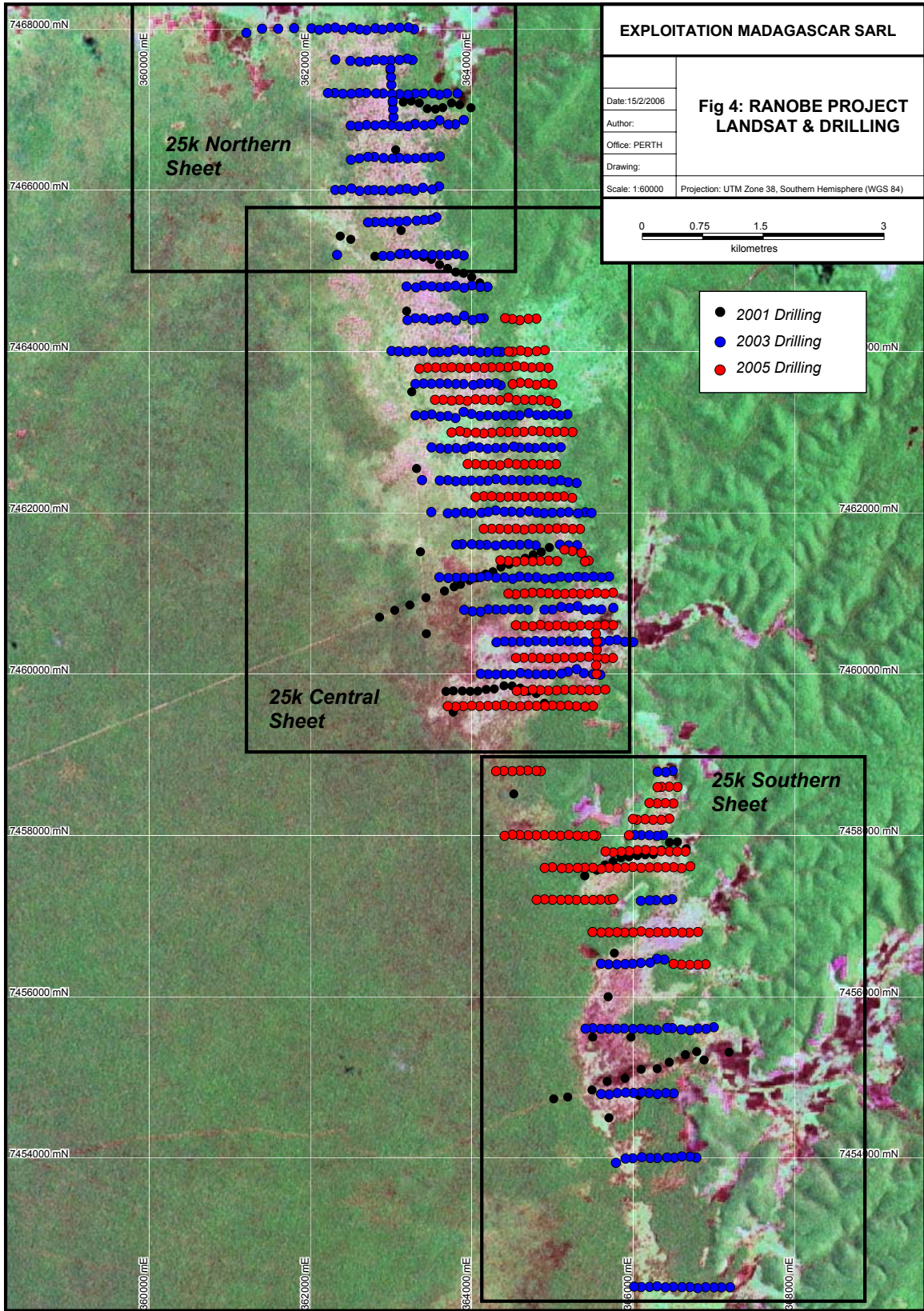


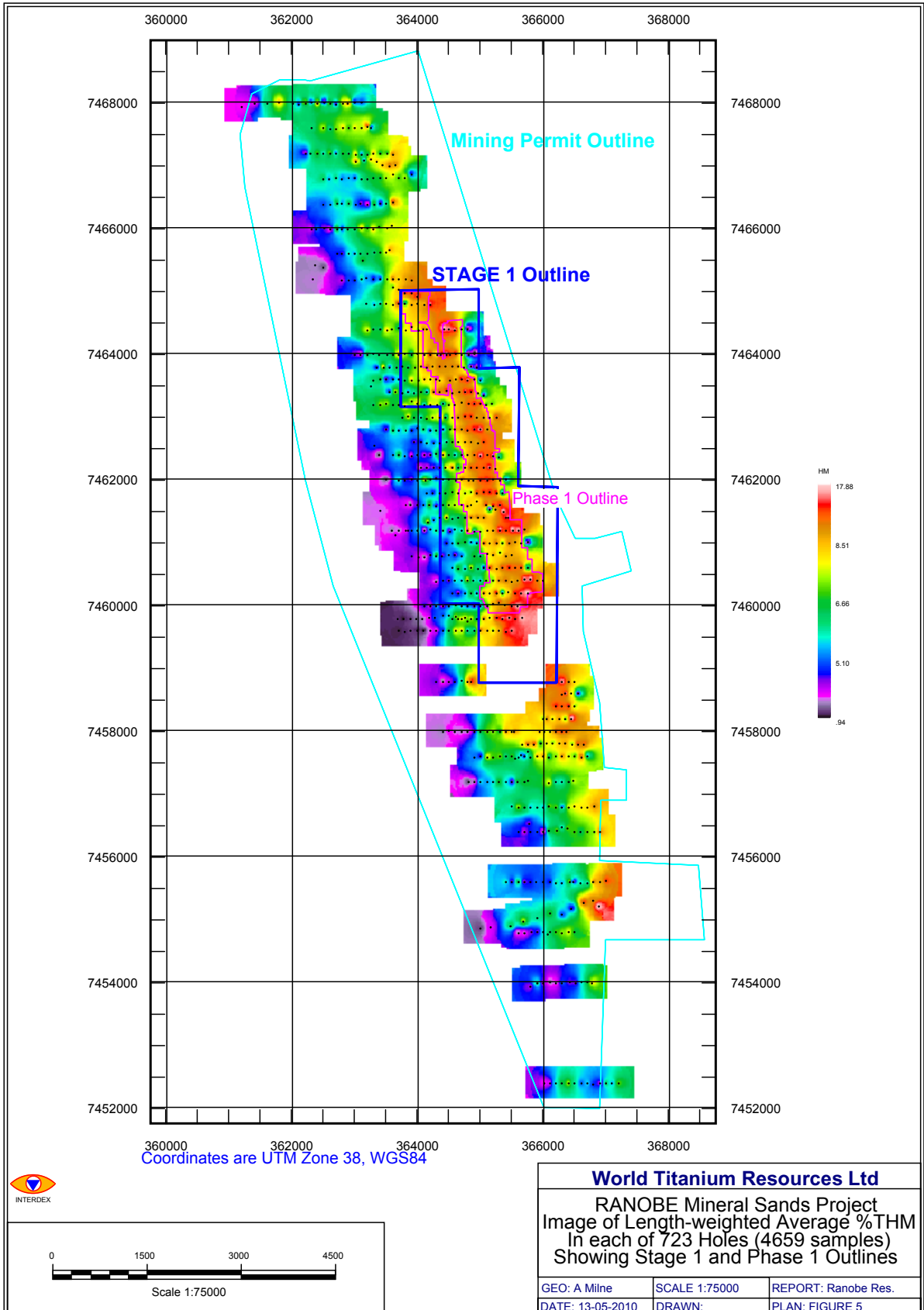
FIGURE 3: Tenement Locations and Interpreted Bedrock Geology

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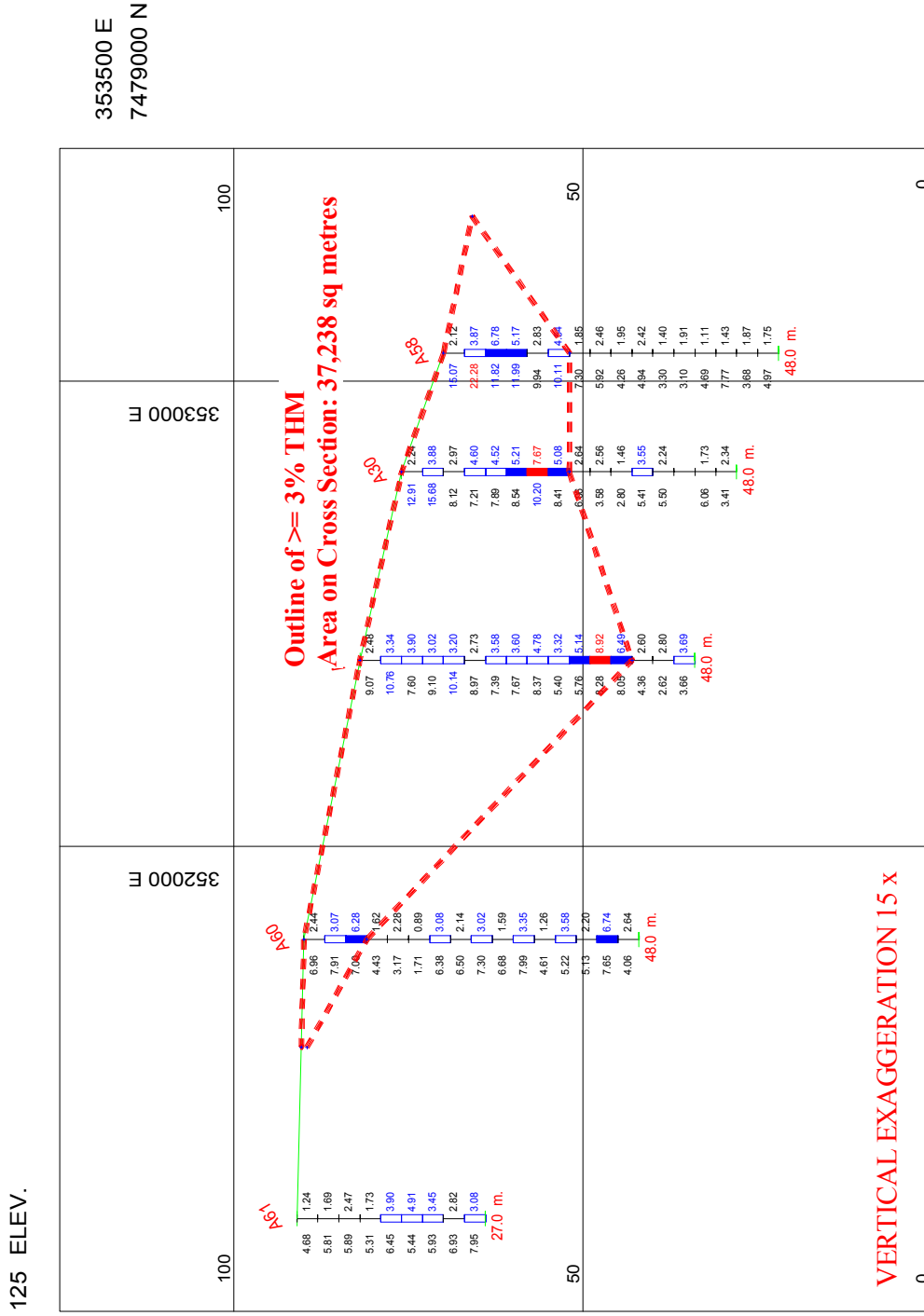


FIGURE 6
RECONNAISSANCE DRILL SECTION, ANKILLOAKA
Showing Slimes% on Left, THM% on Right

5. INDEPENDENT GEOLOGIST'S REPORT - NAMIBIA



GeoDiscovery Group

ABN. 42087 256853

Minerals exploration, discovery and management

BONDI MINING LIMITED

INDEPENDENT GEOLOGIST'S REPORT

**OTAVI AND OTJINENE PROJECTS
NAMIBIA**

Prepared for Bondi Mining Limited
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31 October 2011

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Figure 5 Geological interpretation of the Otjinene project area showing prospective targets for stratabound Cu and breccia-hosted Cu-Pb-Zn mineralisation

Figure 6 Geological interpretation of the Otavi project area showing prospective targets for stratabound Cu and breccia-hosted Cu-Pb-Zn mineralisation

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Table 2 Otjinene Tenement Descriptions

Table 3 Geophysical Surveys

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Appendix 1 Glossary of Technical Terms

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SUMMARY

Geo Discovery Group Pty Ltd (Geo Discovery) has been commissioned by Bondi Mining Limited (Bondi) to prepare an Independent Geologist's Report of its Otjinene and Otavi Projects in north eastern Namibia.

Bondi is exploring for copper and associated base metals (Pb-Zn-Ag) at the Otjinene and Otavi Projects in Namibia. Through its wholly owned subsidiary, Bondi Namibia (Pty) Limited, the company currently holds ten tenement applications covering 7,983 km² in north eastern Namibia, approximately 200 km north east of the capital, Windhoek. The projects lie within the Pan-African Belt, an ancient tectonic rift zone that contains the Zambian Copper Belt, which host some of the world's largest copper deposits, and the less-explored Kalahari Copper Belt. Bondi's project areas are situated in a largely covered part of the Pan-African Belt which has seen limited modern exploration. A recent geological interpretation by the company of Namibian government airborne magnetic data was carried out in conjunction with a review of published regional geological mapping and interpretations. This work has highlighted what Bondi believes to be similar geological units and structural regimes to those found in the Zambian Copper Belt under relatively shallow cover of Kalahari Sand. As part of this appraisal a number of target zones with the potential to host sediment-hosted, redox Cu deposits and Cu-Pb-Zn breccia-hosted deposits were identified and covered by Bondi Namibia's tenement applications.

Upon granting of the tenements Bondi plans to carry out reconnaissance geochemical soil sampling programs and airborne electromagnetic (EM) surveying focussed on the target areas. This work will be followed by in-fill geochemical soil sampling and further geophysical surveying to define specific targets for drill testing.

The projects present Bondi with an opportunity to undertake modern and systematic exploration within a (largely) covered, under-explored terrain deemed prospective for moderate to large-sized sediment-hosted, redox Cu deposits and moderate-sized breccia-hosted Cu-Pb-Zn deposits.

Report Title: Independent Geologist's Report, Otavi and Otjinene Projects, Namibia

1 INTRODUCTION

1.1 Terms of Reference

Geo Discovery Group Pty Ltd (Geo Discovery) has been commissioned by Bondi Mining Limited (Bondi) to prepare an Independent Geologist's Report (IGR) on its Otavi and Otjinene projects in Namibia. Geo Discovery understands that Bondi is to acquire World Titanium Resources Limited under a Scheme of Arrangement with the acquisition being subject to Bondi successfully re-complying with Chapters 1 and 2 of the Australian Stock Exchange (ASX) Listing Rules. Geo Discovery understands that this will require Bondi to issue a new Prospectus, to be dated on or about 2 November 2011, containing this IGR.

The IGR has been compiled in accordance with the requirements and recommendations of the VALMIN Code (2005) which sets out the principles and matters which should be taken into account when preparing expert reports on mineral assets under the Corporations Law, and the JORC Code (2004) which sets out the requirements for reporting Exploration Results, Mineral Resources and Ore Reserves.

1.2 Qualifications, Experience and Independence

Geo Discovery is an independent, privately owned consulting firm that has been providing mineral exploration services since 1999.

The sole author of the IGR is Neil McLean who is a Director and Principal Geologist of Geo Discovery. He holds a BSc (Hons) degree from the University of the Witwatersrand, South Africa, an MSc (Mineral Exploration) degree from the University of London and a Diploma of the Imperial College (DIC). He is a Fellow in good standing with the Australasian Institute of Mining and Metallurgy (AusIMM).

He has worked as a geologist for a continuous period of 33 years with major mining companies and as an independent consultant with broad experience in managing exploration programs, generating projects, evaluating projects and undertaking independent reporting. He has experience in a wide range of geological terrains, deposit models and commodities, including base metals, gold, coal and bauxite.

Neither Geo Discovery nor the author of this report have or have previously had any material interest in Bondi or the mineral properties that are the subject of this report. The relationship between Geo Discovery and Bondi is solely one of professional association between client

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and independent consultant. This report is prepared in return for professional fees based upon agreed commercial rates in no way contingent on the results of the report.

1.3 Sources of Information

The information within this report is based on information provided by Bondi and includes technical reports provided by consultants commissioned by Bondi. These internal reports and other sources of information are referenced where applicable in the text and in the **REFERENCES** section. Bondi has informed Geo Discovery that it has provided it with all material and available information that it holds that is relevant to the projects being reported on and that, to the best of its knowledge and understanding such information is accurate and true. Bondi has advised Geo Discovery that further research will be undertaken at the Geological Survey of Namibia to determine whether there is any further information that is pertinent to its project areas.

Geo Discovery has not attempted and is not required to establish the legal status of the tenements within the project areas but understands that all the tenements are in the application stage and have yet to be granted by the relevant Namibian government authority.

The author has not undertaken a field visit to the project areas as he is of the understanding that the prospective host rocks to any mineralisation are, for the most part, covered by recent Kalahari Sand and as a consequence are not visible in the field. He is also of the understanding that there are no drill core samples or other samples available for inspection that Bondi is currently aware of.

2 DESCRIPTION AND LOCATION OF PROJECTS

2.1 Project Locations

The Otavi and Otjinene projects are located in eastern Namibia on the western edge of the Kalahari Desert, approximately 200 km north east of the capital Windhoek (**Figure 1**). A total of ten (10) exploration tenement applications, covering 7983 km², were applied for in November 2010. The tenement applications are held in name of Bondi Namibia (Pty) Limited, a wholly owned subsidiary of Bondi Mining Limited.

Report Title: Independent Geologist's Report, Otavi and Otjinene Projects, Namibia

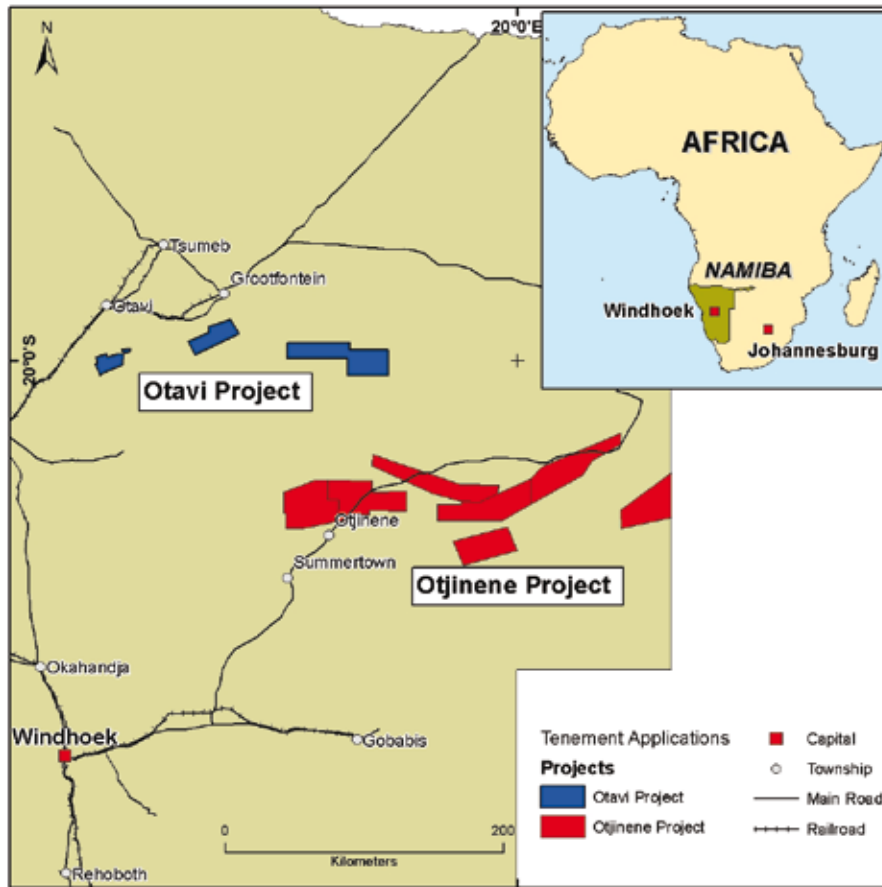


Figure 1. Location of Otavi and Otjinene projects and related tenement applications.

2.2 Project Descriptions

The Otavi project consists of three (3) applications for exclusive prospecting licences (EPLs) covering a total of 1577 km² (Table 1). The tenements are located in the northern part of the region, close to the townships of Otavi and Grootfontein.

Table 1: Otavi Tenement Descriptions

Tenement	Holder	Central Location (degrees, WGS84)	Application Date	Area (km ²)
EPL 4645	Bondi Namibia	17.3652°E, 20.0068°S	18 Nov, 2010	989
EPL 4647	Bondi Namibia	18.0392°E, 19.8416°S	18 Nov, 2010	383
EPL 4648	Bondi Namibia	18.8779°E, 19.9733°S	18 Nov, 2010	205

The Otjinene project consists of seven (7) applications for exclusive prospecting licences (EPLs) covering a total of 6406 km² (Table 2). The tenements are located in the southern part of the region and extend east from the township of Otjinene to the Botswana border.

Table 2: Otjinene Tenement Descriptions

Tenement	Holder	Central Location (degrees, WGS84)	Application Date	Area (km ²)
EPL 4640	Bondi Namibia	19.8216°E, 20.9422°S	18 Nov, 2010	991
EPL 4641	Bondi Namibia	19.0040°E, 20.8930°S	18 Nov, 2010	998
EPL 4642	Bondi Namibia	18.6582°E, 20.9410°S	18 Nov, 2010	993
EPL 4643	Bondi Namibia	20.8571°E, 20.9383°S	18 Nov, 2010	778
EPL 4644	Bondi Namibia	20.3321°E, 20.6982°S	18 Nov, 2010	991
EPL 4646	Bondi Namibia	19.4763°E, 20.7884°S	18 Nov, 2010	955
EPL 4649	Bondi Namibia	19.7934°E, 21.2000°S	18 Nov, 2010	700

2.3 Tenement Procedures in Namibia

The following information is summarised from the Namibian Minerals Act (1992) and relates to 'exclusive prospecting licences' (EPLs)

(http://www.mme.gov.na/mines/acts/act_minerals_X.html)

- Exploration leases are called 'exclusive prospecting licences' and are for a maximum term of three years (they can be for a shorter term).
- The leases are limited in size to a maximum of 100000 hectares or 1000 km².
- A lease will not be renewed more than twice, unless the Minister gives consent.
- A lease shall not expire during the period which an application for renewal is being considered, unless it is refused, withdrawn or lapses.
- An application for renewal of a lease shall be made no later than 90 days prior to the expiry date.
- At first renewal the area of the lease should be reduced by 25% (retain 75%) of the original.
- Subsequent renewals should reduce the remaining area by 50%.
- Cessation or assignment of any interest in any licence requires the Minister's approval (a foreign based company which has an interest in Namibia cannot be taken over without the Minister's consent).
- The minister will not grant a lease application unless satisfied with exploration program conducted and the expenditure commitment has been met.

- A holder of a lease will keep (at an address in Namibia) information, reports and returns. For example – sample locations, geological mapping, drill hole locations, assay results, etc.
- On the cancellation or expiry of a lease all exploration information shall be delivered to the Commissioner one month after the date of the expiry or cancellation.

3 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The project areas are readily accessible from the surrounding townships via main roads and numerous secondary farming tracks. Access to the Otavi project is from either Otavi or Grootfontein, both of which lie on a main road and are connected to the regional rail system. The Otjinene project area can be accessed from the township of Otjinene via the main road which passes through the northern part of the tenement area. The areas are located within low undulating savannah with well established and vegetated dunes. Several large ephemeral drainages transect the area but only flow after a good rain or prolonged wet season.

Namibia is one of the driest countries in Africa. In the eastern region, where Bondi's projects are located, the dry season lasts approximately eight months from March to November. Rain outside this period is minimal with the area experiencing an average of 350 mm a year. The daytime temperature varies from mid 30^oCs to low 40^oCs during the summer (October to April) and low 20^oCs during winter (May to September). Temperatures at night during this period can drop to near freezing.

Bondi has engaged the services of a local geological contractor and envisages using graduates and undergraduate geologists to help complete and supervise the field work. Field assistants will be sourced from the surrounding townships or via local contractors.

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4 GEOLOGICAL SETTING

4.1 Regional Tectonic Setting

Both project areas are located in the south western sector of a large tectonic rift zone, the Pan-African Belt, which extends from the central coast of Namibia, through north eastern Namibia, northern Botswana and into Zambia, Zimbabwe and the Democratic Republic of the Congo (DRC) (Figure 2). A series of Proterozoic extensional basins, developed within the rift zone, host significant stratabound copper deposits in the Copper Belt in Zambia and the adjacent Katanga Province in the DRC as well as the lesser developed Kalahari Copper Belt in central Botswana and north eastern Namibia where Bondi's projects are located.

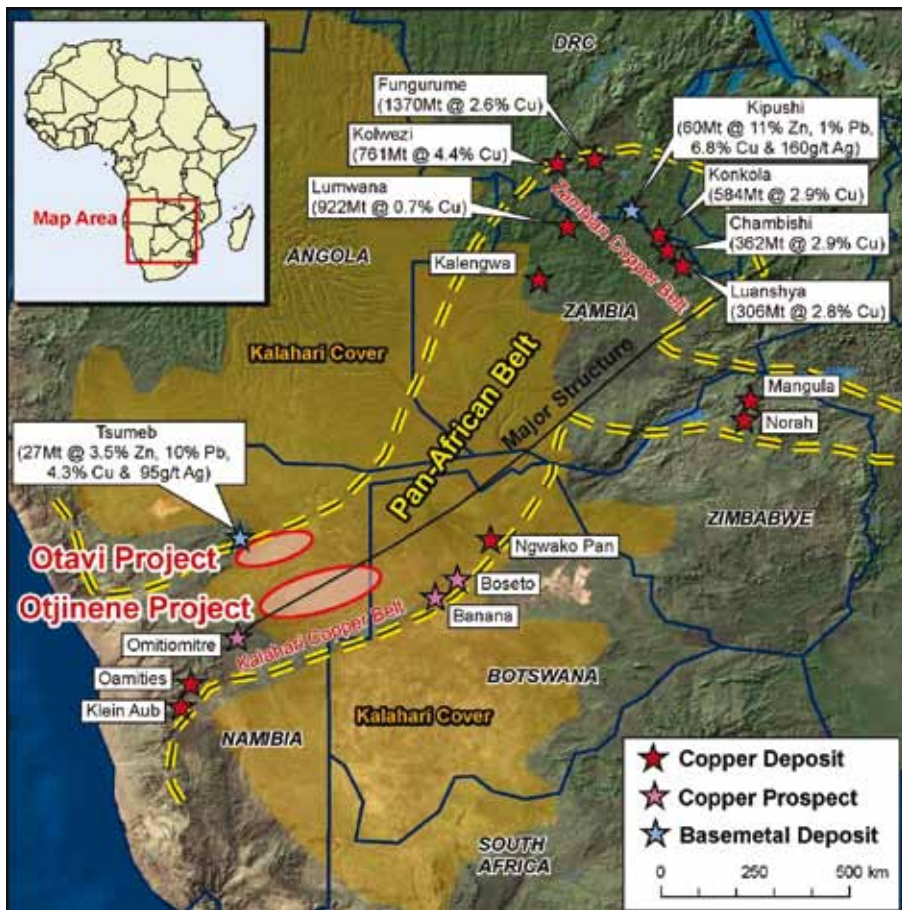


Figure 2. Extent of the Pan-African Belt showing the locations of significant copper and other base metal deposits in relation to the Otavi and Otjinene projects.

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4.2 Regional Geological Setting

Much of the description below is sourced from 'The Geology of Namibia' (Miller, 2008).

The oldest rocks present in north eastern Namibia consist of an Archean basement of metamorphic rocks ascribed to the Abbabis Complex which occurs as a series of basement highs exposed in outcrop to the south west of the project areas (**Figure 3**). Aeromagnetic and gravity data suggest that similar basement 'highs' are present in the vicinity of the project areas beneath Kalahari Group sand cover.

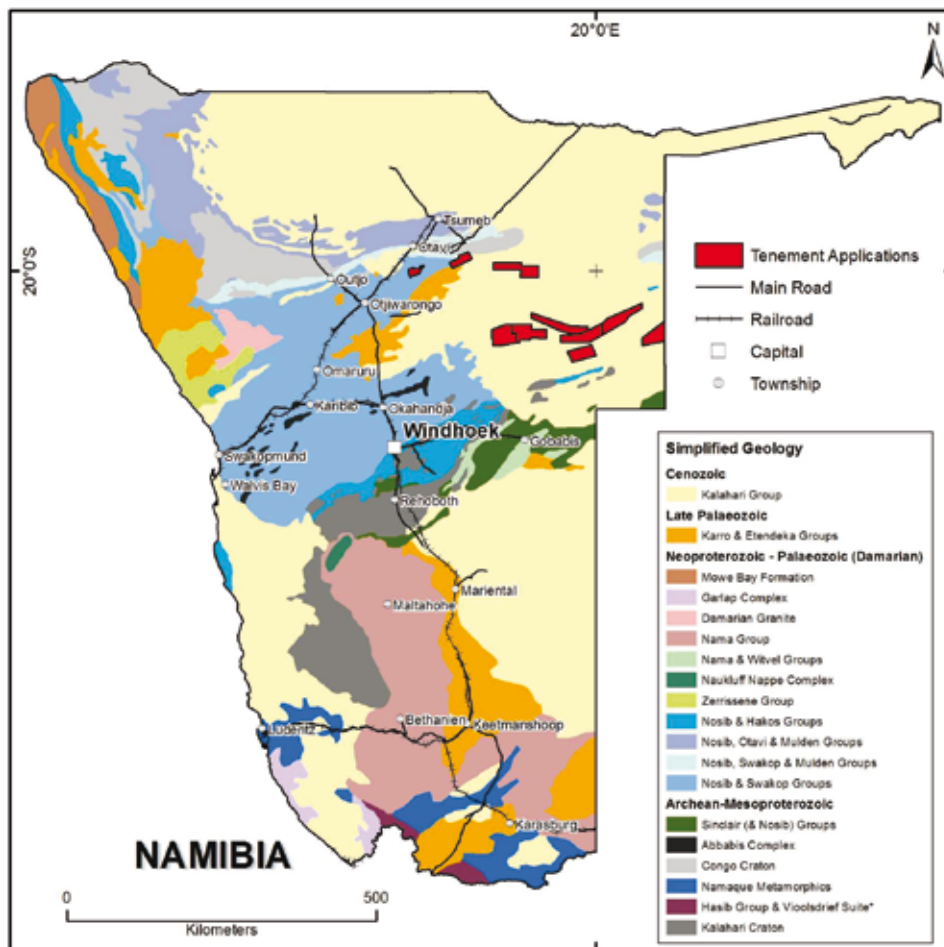


Figure 3. Geological map of Namibia showing the locations of Bondi's tenement applications.

The Mesoproterozoic Sinclair Supergroup lies stratigraphically above the Abbabis Complex and consists of felsic and mafic volcanic rocks with some interlayered sedimentary units. Rocks of the Supergroup crop out well to the south of the Otjinene project area (**Figure 3**) though may well extend to the north east under the Kalahari Group cover into the southern part of the project area.

The Neoproterozoic Damaran Supergroup unconformably overlies the Sinclair Supergroup and consists of the basal Nosib Group and the overlying Swakop Group and its northern equivalent, the Otavi Group. Rocks of the Damaran Supergroup formed in an extensional tectonic regime within the Pan-African Belt extending from the Namibian coast to the north east beneath the Kalahari Group.

The Nosib Group, which is comprised of basal oxidised sandstone and conglomerate and overlying reduced phyllite and greywacke, formed in a platform and evaporite setting. It is the target stratigraphy for stratabound copper mineralisation within the project areas and may be equivalent in age to the Ngwako Pan Formation in the Ghanzi Group in central Botswana and the Ore Shale in the Roan Group, Zambia, and the RAT (Roches Argilo-Talcqueuse) in the Mines Group, the DRC. All these units host significant deposits of stratabound copper mineralisation.

Platform carbonate rocks of the overlying Swakop Group and the equivalent Otavi Group, crop out in the vicinity of Bondi's project areas, mainly to the north west around Tsumeb and Otavi – Otavi Group – and to the west and south southwest – Swakop Group. In the Tsumeb area the Otavi Group is host to the Tsumeb Cu-Pb-Zn, Kombat Cu-Ag and Berg Aukas Zn-Pb deposits. It represents a target stratigraphy for breccia-hosted Cu-Pb-Zn mineralisation within Bondi's project areas.

Permian to Jurassic Karoo basalts unconformably overlie the Damaran sediments and crop out to the west of the Otjinene project and southwest of the Otavi project. During Tertiary to Quaternary times terrestrial sediments of the Kalahari Group were deposited in a tectonically active basin formed by the flexural uplift of the African continental margin and independent structures related to rifting (Wanke and Wanke, 2007). This unit covers much of north eastern and eastern Namibia and extends into central and southern Botswana. Its youngest unit, the Kalahari Sands, is present throughout the Otavi and Otjinene project areas.

Structurally, the Pan-African Belt in north eastern Namibia is characterised by long, north east trending extensional faults which parallel the trend of the belt. Some of these faults have become re-activated to form regional thrusts zones and locally reverse faults. Folding

is generally very tight and tends to parallel the structural trend with elongate north east trending axial planes, especially along the southern edge of the belt where it extends into Botswana. Towards the centre of the belt, where Bondi's project areas lie, folding becomes more complex and there is evidence of north west structural movement and fold inflexion.

4.3 Project Geology

Published geological maps of the project areas indicate that Kalahari Sand is present throughout the Otjinene project area and much of the Otavi project area, particularly in the eastern part. Bondi has yet to undertake any geological mapping to confirm the extent of the Sand cover and the nature and extent of the outcropping stratigraphy in the western part of the Otavi project area.

An appreciation of the underlying geology and structural setting relies on interpreting Namibian government regional aeromagnetic and gravity data and extrapolating patterns from areas of outcrop outside the project areas. Such work done by Bondi and its consultants – to be discussed in the **EXPLORATION** section – suggests that prospective Damaran stratigraphy may occur within the project areas at a relatively shallow depth below the cover of Kalahari Sand.

5 DEPOSIT TYPES

Bondi is exploring for two main deposit types within the Otavi and Otjinene projects:

1. Sediment-hosted, stratabound redox copper deposits (i.e. Zambian Copper Belt-style) and,
2. Breccia-hosted lead zinc silver deposits (i.e. Kipushi-type or Tsumeb-type).

5.1 Sediment-Hosted, Stratabound Redox Copper Deposits

Sediment-hosted, stratabound redox copper deposits are large, copper-cobalt-silver deposits; such as the Tenke Fungurume deposit in the Katanga Province of the DRC which contains 673.9 million tonnes at 2.5% Cu and 0.25% Co (www.lundinmining.com). These types of deposits account for approximately 25% of the worlds copper production and are second only to porphyry copper deposits - which account for 60%. Stratabound redox copper deposits are found in continental sedimentary basins, which contain terrestrial clastic and evaporitic, and shallow marine platform, sediments (**Error! Reference source not**

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found.). The deposits occur at geological reduction-oxidation (redox) boundaries between oxidised rocks, commonly hematite stable sediments (i.e. redbeds) with evaporitic or dolomitic units, and overlying reduced rocks such as black pyritic shales or dolomitic shales. The deposits form where mineralising fluids, moving out of the basin, are focused - such as at anticlinal fold closures or domes, along basement highs or in embayments and adjacent to thrust faults and diapiric complexes. Mineralisation consists of disseminated and often veined sulphides consisting of chalcocite, bornite, chalcopyrite, pyrite, galena and sphalerite. The ore also commonly contains cobalt, silver and gold. The deposits are generally well zoned with an inner copper core, which itself commonly displays internal copper mineral zoning, and an outer lead-zinc zone.

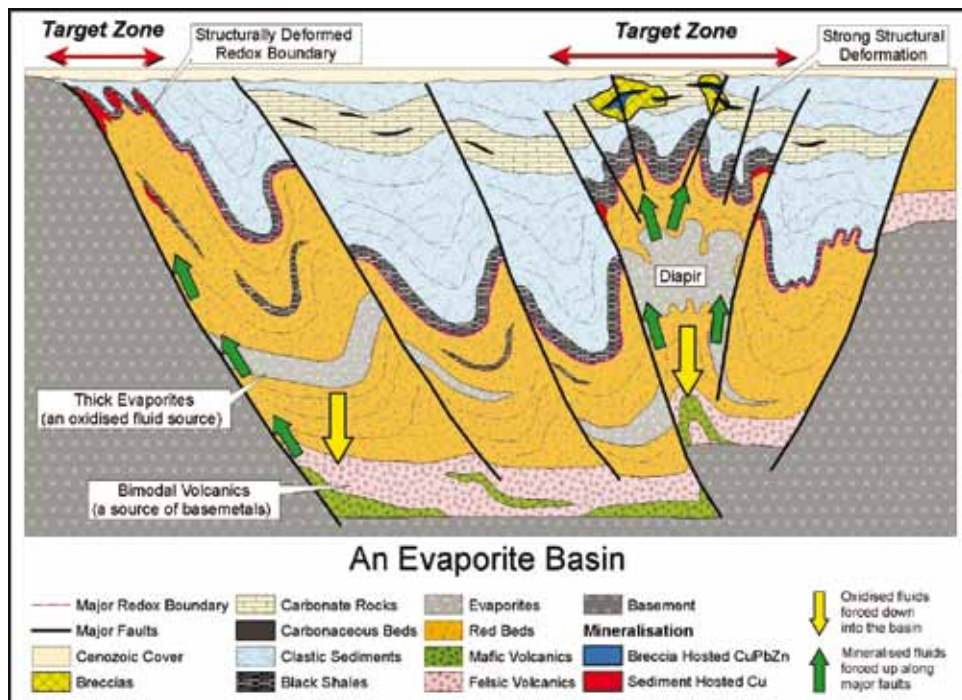


Figure 4. Deposit models for sediment-hosted copper (red) and breccia-hosted Cu-Pb-Zn (blue). Modified by Bondi Mining after Hitzman et al, 2010.

5.2 Breccia-hosted Copper-Lead-Zinc Deposits

Breccia-hosted copper-lead-zinc deposits form in similar geological environments to sedimentary hosted, stratabound redox copper deposits and are generically related to the

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same mineralising processes. Mineralisation in the breccia-hosted copper-lead-zinc type is associated with dolomitic or calcareous sequences in the platform sediments (**Error! Reference source not found.**). The deposits occur within hydraulically fractured breccias, associated with faults, diapirs or inverted anticlinal complexes and solution collapsed breccias associated with karst geomorphology. The calcareous rocks often contain organic material such as black shale beds and pyrobituminous bands and/or diagenetic pyrite all of which acted as a reductant during mineralisation. Mineralisation is commonly dominated by the zinc and lead sulphides – commonly sphalerite and galena – with copper in bornite, chalcocite, and chalcopyrite. The ore generally has a high silver content and ore-grade vanadium can be found in supergene zones above the ore body. Important examples of this style of deposit within the Pan-African Belt are the Kipushi deposit in the DRC (16.9 million tonnes at 2.2% Cu and 16.7% Zn http://au.advfn.com/news_Update-re-Kipushi_8496889.html) and the Tsumeb deposit (historic production of 27 million tonnes at 4.3% Cu, 10% Pb, 3.5% Zn, 95g/t Ag <http://www.portergeo.com.au/database/mineinfo.asp?mineid=mn290>).

6 MINERALISATION

There are no recorded mineral deposits or mineral occurrences within the tenement applications. Numerous small base metal and vanadium occurrences and several medium-sized deposits occur in the outcrop areas to the north of the Otavi project (Otavi 1:100,000 sheet) within the Otavi Mountainland (Boni et al, 2007). These include the Tsumeb Pb-Cu-Zn-Ag, Kombat Cu-Pb-Ag and Berg Aukas Zn-Pb deposits hosted within platform calcareous sediments of the Otavi Group.

The nearest mineral occurrences to the Otjinene project lie in the outcropping Sinclair Group and Nosib Group approximately 150 km to the south. Most of these occurrences are stratabound redox copper and volcanic hosted copper occurrences. The Ghanzi (Hana Mining) and Boseto (Discovery Metals) projects, located between 200 and 300 km east and north east of the Otjinene project within the Kalahari Copper Belt of western Botswana, host large low-grade stratabound copper deposits (**Figure 2**). They are broadly within the same structural trend as the Otjinene project area and may well be hosted within stratigraphy that is equivalent to the Nosib Group in north eastern Namibia.

7 EXPLORATION

7.1 Previous Exploration

Bondi has yet to undertake any in-depth research to determine whether the project areas have been the subject of any previous mineral exploration activity. Bondi is aware that some base metal exploration has been undertaken to the south west of the town of Grootfontein in the vicinity of the western tenement applications of the Otavi project but the details of this work are not presently available to the company or the author. The Geological Survey of Namibia is the repository of exploration reports and results submitted by companies but these data are not available in a digital format that can be accessed via the internet. Bondi plans to undertake the necessary research as part of its initial work on the projects.

However it is assumed that the presence of an extensive cover of Kalahari Sand throughout all of the Otjinene project area and the eastern part of the Otavi project area has restricted historical exploration. Examination of satellite and other images over the project areas do not appear to show evidence of drill pads at the time the images were acquired. This does not eliminate the possibility that geochemical and geophysical data may have been collected by exploration companies and that some drilling may have been undertaken.

Previous and current exploration in the region for sediment hosted, stratabound redox Cu deposits has mainly been concentrated to the south, along the exposed southern edge of the Kalahari Belt which extends into Botswana. To the north, where the Otavi Group is exposed – in particular the Tsumeb Subgroup – exploration has focused on breccia-hosted Cu-Pb-Zn deposits (Boni et al., 2007). Exploration for massive sulphide Cu-Zn (Ag-Au) deposit types associated with the Matchless Pyritic Shale (Breitkopf and Maiden, 1988) has also occurred in the outcrop areas to the south west of the Otjinene project.

7.2 Work Undertaken by Bondi Mining

As part of nationwide surveys both project areas have been flown with detailed aeromagnetics by the Geological Survey of Namibia and private companies. Two merged aeromagnetic data sets were acquired by Bondi from the Namibian government. The Otavi data comprise eight individual surveys and the Otjinene data is from one private source. The survey details are shown in **Table 3**. Bondi has also acquired regional gravity survey data.

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The aeromagnetic and gravity data covering both project areas have been interpreted in detail by Douglas Haynes Discovery Pty Ltd (2010a, 2010b) with the aim of defining exploration targets by applying deposit modelling criteria to the resulting stratigraphic and structural interpretation. This work provided the rationale for the tenement applications.

The results of this work have highlighted an interpreted, concealed evaporite basin in the Otjinene project area (**Figure 5**). The basin is characterised by complexly deformed stratigraphy, basement highs with diapiric features, obvious redox boundaries and regionally-extensive extensional structures that are interpreted to have been re-activated. Areas of prospective stratigraphy for stratabound redox copper have been highlighted for focussed exploration programs. In addition a number of specific targets have been identified that have the potential to host Cu-Pb-Zn breccia mineralisation.

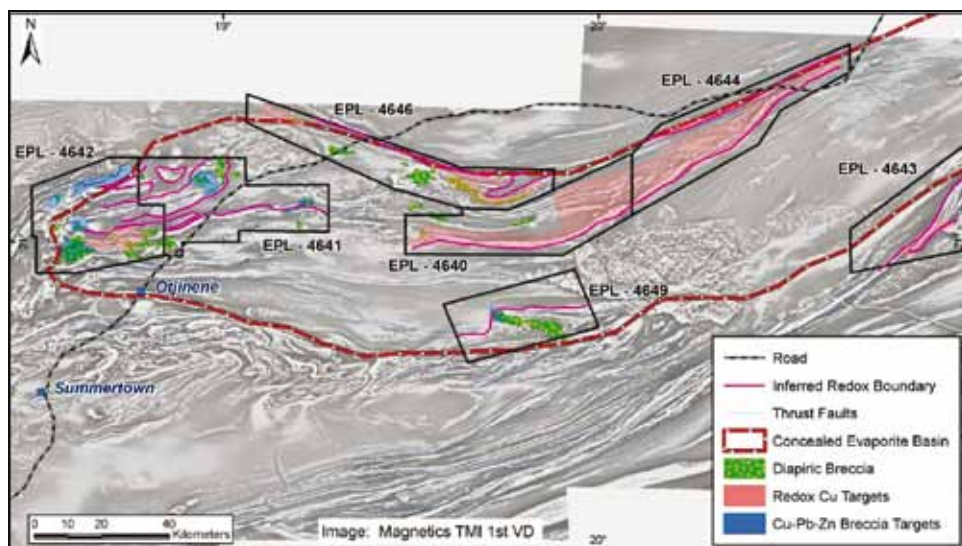


Figure 5. Geological interpretation of the Otjinene project area showing prospective targets for stratabound Cu and breccia-hosted Cu-Pb-Zn mineralisation (Haynes, 2010a).

In the Otavi project area an interpretation of the aeromagnetic data has highlighted a number of stratabound redox Cu targets associated with redox boundaries within interpreted Nosib Group and associated with major basement-bounding structures (**Figure 6**). Stratigraphy,

deemed prospective for breccia-hosted Cu-Pb-Zn mineralisation, has also been identified in the easternmost tenement application (EPL 4645).

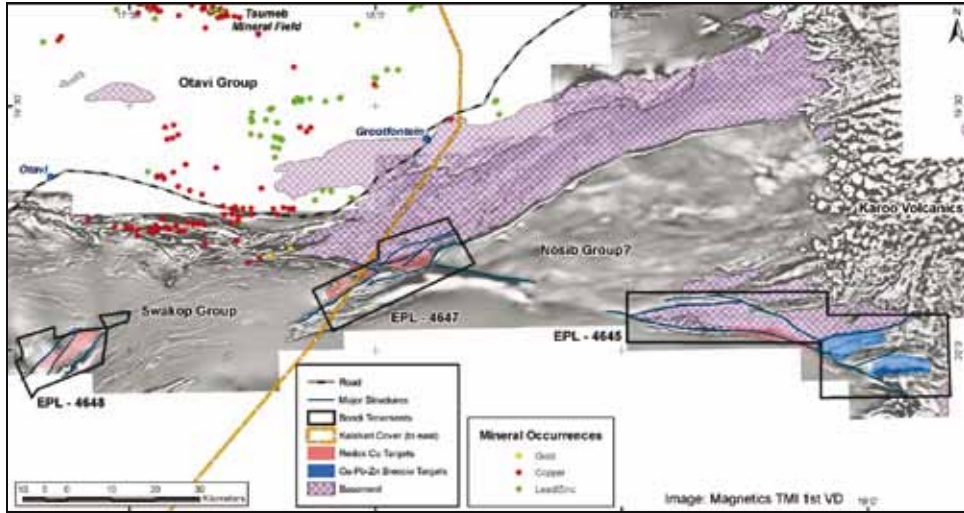


Figure 6. Geological interpretation of the Otavi project area showing prospective targets for stratabound Cu and breccia-hosted Cu-Pb-Zn mineralisation (Haynes, 2010b).

Table 3: Geophysical Surveys

Project area	Survey name	Customer	Flown by	Spacing (m) & Direction	Data Flown
Otavi	Geoterrex	GSN	Geoterrex	200m N-S	1994/95
Otavi	MMAJ	GSN	Geodass	200m, N-S	1995
Otavi	Khorixas	GSN	Geodass	200m, N-S	1997
Otavi	Otavi	GSN	GPX	200m, N-S	2008
Otavi	Grootfontein		World Geosciences	200m, N-S	1999/2000
Otavi	Omusati	GSN	World Geosciences	200m, N-S	1999/2000
Otavi	South Etosha	GSN	World Geosciences	200m, N-S	1999/2000
Otavi	Tsumkwe	GSN	World Geosciences	200m, N-S	1999/2000
Otjinene	Avmin	Avdale Namibia Pty Ltd	Geodass	?	1997

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8 PROPOSED WORK PROGRAM AND BUDGET

Bondi has proposed the following work programs for the project areas to commence following grant of the exclusive prospecting licences. In year one work will consist of:

- Search for historic exploration data and subsequent documentation, review and interpretation.
- Detailed processing and interpretation of existing aeromagnetic data over target areas delineated by Haynes (2010a, 2010b).
- Orientation geochemical soil sampling to determine the optimum medium, depth, spacing and analytical method for an initial reconnaissance sampling programs over the broadly defined target areas. This work will likely involve pitting and auger sampling.
- Wide-spaced reconnaissance soil sampling based on the findings of the orientation sampling program.

An amount of **A\$144,300** has been budgeted for the Otavi project and **A\$336,700** for the Otjinene project for the first year.

In year two Bondi envisages the following work program:

- Completion of an airborne electromagnetic (EM) survey over the broad target areas to assist in mapping stratigraphy and identifying conductive targets.
- In-fill and follow-up geochemical soil sampling to delineate and define geochemical anomalies generated during the initial phase of reconnaissance sampling.
- First-phase Reverse Circulation (RC) drilling of anomalies generated from geochemical soil sampling and EM surveys.

Bondi has proposed a budget of **A\$410,490** for the Otavi project and **A\$957,810** for the Otjinene project for year two.

Given encouraging results from the preceding work programs Bondi has proposed a budget for year three of **A\$621,950** at the Otavi project and **A\$1,451,200** to fund additional RC and diamond drilling.

The aforementioned budget figures are provisional and are contingent upon successful results at each stage of exploration. The budget figures, and the extent of the proposed

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exploration programs, may also vary upon receipt of firm quotations from suppliers and contractors and from any changes in the exchange rate between the Australian and Namibian currencies.

9 INTERPRETATION AND CONCLUSIONS

Following an in-depth interpretation of Namibian government and other publicly available aeromagnetic and gravity data (Haynes, 2010a and 2010b) Bondi applied for a number of exclusive prospecting licences (EPLs) to cover targets deemed prospective for sediment-hosted, stratabound redox Cu and breccia-hosted Cu-Pb-Zn deposits within the Damaran Supergroup. These deposit types are well represented within the Pan-African Belt with world-class stratabound Cu deposits occurring in the Zambian Copper Belt in Zambia and the DRC as well as more moderate-sized examples in western Botswana, and moderate-sized breccia-hosted Cu-Pb-Zn deposits in the Otavi Mountainland in northern Namibia.

Kalahari Sands cover part of the Otavi and all of Otjinene projects obscuring the prospective Damaran Supergroup stratigraphy that is interpreted, from the aeromagnetic data, to be present in the area. This has likely had the effect of limiting any previous exploration activity; a situation that needs to be confirmed by Bondi.

The aeromagnetic data suggest that the thickness of the Kalahari Sand cover is such that it would likely not be an impediment for the application of geophysical techniques and geochemical soil surveys, although the latter would need to be confirmed with an orientation survey.

In conclusion the project areas present Bondi with an opportunity to undertake modern and systematic exploration within a covered, to partly covered, under-explored terrain deemed prospective for moderate to large-sized sediment-hosted, redox Cu deposits and moderate-sized breccia-hosted Cu-Pb-Zn deposits.

10 REFERENCES

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APPENDIX 1
Glossary of Technical Terms

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Glossary of Technical Terms

Anomaly; Anomalous:	Describing a zone or point in geochemical and geophysical sample data that is different from its general surroundings.
Anticline:	A fold with strata sloping downward on both sides from a common crest.
Archean:	A geological eon that is older than 2500 million years.
Basement:	Generally refers to older rocks, often metamorphosed, underlying younger sedimentary and volcanic rocks.
Basalt:	A fine-grained basic volcanic rock.
Bornite:	A copper iron sulphide mineral.
Breccia:	A rock composed of angular fragments of rock embedded in a finer-grained matrix.
Calcareous:	Containing calcium carbonate minerals.
Carbonate rock:	A sedimentary rock composed primarily of calcium, magnesium or iron and CO ₃ .
Chalcocite:	A copper sulfide mineral.
Chalcopyrite:	A copper iron sulphide mineral.
Conglomerate:	A sedimentary rock consisting of cemented, rounded fragments of water-worn rocks or pebbles.
Core:	Cylinder of rock recovered from diamond drilling.
Diamond drilling:	A drilling technique that cuts rock using a diamond-impregnated bit and results in core being obtained.
Diapir:	An anticlinal fold in which a mobile core, such as salt or gypsum, has pierced through the more brittle overlying rock.
Disseminated:	Mineralisation distributed throughout a rock.

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Dolomite:	A sedimentary rock formed chiefly of dolomite, a calcium carbonate mineral.
Electromagnetic (EM) survey:	A geophysical exploration method based on electrical properties which can detect moderate to high levels of sulfide mineralisation.
Evaporite:	A sedimentary salt precipitated from aqueous solution and concentrated by evaporation.
Fault:	A fracture in rocks along which rocks on one side have been moved relative to the rocks on the other.
Felsic:	Used to describe rocks whose dominant constituents are the light-coloured silicate minerals such as quartz and feldspar.
Fold:	Bent or deformed arrangement of stratified rocks.
Galena:	A lead sulphide mineral.
Geochemical:	Prospecting techniques which measure the content of certain metals and elements in soils and rocks and define anomalies for further testing.
Geophysical:	Prospecting techniques which measure the physical properties (magnetism, conductivity, density etc) of rocks and define anomalies for further testing.
Gravity survey:	An exploration technique in which measurements are made of the relative density of the underlying rocks.
Greywacke:	An impure sandstone consisting of rock fragments and grains of quartz and feldspar in a matrix of clay-sized particles.
Hematite:	An iron oxide mineral.
Jurassic:	A period in the Mesozoic era from 205 million years to 141 million years ago.
Karst:	An area of irregular limestone in which erosion has produced fissures, sinkholes, underground streams, and caverns.
Magnetic survey:	A geophysical technique which measures variations in the earth's magnetic field.

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Mesoproterozoic:	An era of the Proterozoic eon from 1600 million years to 1000 million years ago.
Mafic:	Description of an igneous rock that mainly consists of dark coloured ferromagnesian minerals.
Metamorphic:	Term applied to pre-existing sedimentary and igneous rocks which have been altered in composition, texture, or internal structure by processes involving pressure, heat and/or introduction of new chemical substances.
Mineralisation:	The process by which minerals are introduced into a rock. More generally a term applied to accumulations of economic or related minerals in quantities varying from anomalous to economically recoverable.
Neoproterozoic:	An era of the Proterozoic eon from 1000 million years to 542 million years ago.
Outcrop:	Expression of a rock unit at surface.
Permian:	A period in the Palaeozoic era from 298 million years to 251 million years ago.
Phyllite:	A fine-grained metamorphic rock with a well-developed laminar structure, intermediate between slate and schist.
Proterozoic:	A geological eon that extended from 2500 million years to 542 million years ago.
Pyrite:	An iron sulphide mineral.
Quaternary:	A period in the Cenozoic era from 1.6 million years to present.
Reconnaissance:	Descriptive of the earliest stage of exploration in which brief field inspections and sampling programs are undertaken.
Redbed:	Continently deposited sediment composed principally of sandstone, siltstone, and shale; red in color due to the presence of hematite.

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Redox:	Boundary between sedimentary rocks that are composed predominantly of reduced and oxidized mineralogies.
Reverse Circulation (RC) drilling:	Variant of percussion drilling in which cuttings are raised to the surface by a stream of compressed air inside a metal tube.
Sandstone:	A sedimentary rock consisting of sand or quartz grains cemented together.
Sedimentary:	Rocks formed by particles deposited from suspension in water, wind or ice.
Sphalerite:	A zinc iron sulfide mineral.
Stratabound:	Descriptive of mineralisation and alteration that is confined within particular sedimentary strata.
Stratigraphy:	Refers to the classification of a series of layered rock or strata.
Structural:	Descriptive of the deformational history of rocks.
Sulphides:	Minerals consisting of a chemical combination of sulphur with metals.
Tectonic:	Pertaining to the forces involved in movement in the Earth's crust.
Tenement:	General term for an area in which a license has been granted by a governing authority to allow for exploration activities.
Tertiary:	A period in the Cainozoic era from 65 million years to 1.6 million years ago.
Volcanic:	Rocks formed from the solidification of lava extruded on or erupted at the Earth's surface.

6. INVESTIGATING ACCOUNTANT'S REPORT



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The Directors
 Bondi Mining Limited
 96 Stephens Road
 South Brisbane Qld 4101

1 November 2011

Dear Sirs,

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

- 1.1 This report has been prepared at the request of the Directors of Bondi Mining Limited ("Bondi" or "the Company") for inclusion in a Prospectus to be dated on or about 4 November 2011.
- 1.2 The Prospectus seeks to raise \$3,000,000 (before the costs of the issue) through the issue of 11,111,112 shares at \$0.27 per share.
- 1.3 The primary purpose of the offer is to provide sufficient working capital to fund the exploration and development of the tenements held by the Company.
- 1.4 Expressions defined in the Prospectus have the same meaning in this report.

2. Background Information

- 2.1 The Company is an ASX listed copper and uranium exploration company. The Company was admitted to the ASX on 28 December 2006. On 29 August 2011, the Company announced that it had executed an Implementation Deed with World Titanium Resources Ltd ("WTR") via a scheme of arrangement under Section 411 of the Corporations Act 2001.
- 2.2 WTR is an unlisted Australian public company which was incorporated on 8 March 1994 and has 84 shareholders. WTR holds permits for the Toliara Sand Project in Madagascar through its Malagasy subsidiaries Toliara Sands SARL and Madagascar Resources SARL.
- 2.3 Under the Implementation Deed, WTR has proposed a scheme of arrangement with its eligible shareholders under which WTR's shares will be transferred to the Company in consideration for which the Company will issue 3.5 ordinary Bondi shares and 3.5 Bondi options (on a post consolidation basis) for each WTR share and option held by an eligible WTR shareholder / option holder. The terms and conditions applicable to the replacement Bondi options are similar to the existing WTR terms and conditions.
- 2.4 By separate private agreement, Bondi will offer 3.5 Bondi warrants for each WTR warrant currently held. The terms and conditions applicable to the replacement Bondi warrants are similar to the existing WTR terms and conditions.

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- 2.5 Therefore, the consideration payable by Bondi to the WTR shareholders is to be satisfied by the issue of:
- 257,144,545 fully paid Bondi ordinary shares;
 - 16,275,000 unlisted Bondi options; and
 - 1,492,050 unlisted Bondi warrants.
- 2.6 The unlisted options are exercisable for fully paid Bondi ordinary shares (at an exercise price of \$0.285) anytime from their date of issue until 31 March 2015.
- 2.7 The unlisted warrants are exercisable for fully paid Bondi ordinary shares (at an exercise price of US\$0.285) anytime from their date of issue until 21 June 2013.
- 2.8 Bondi shares and options will be consolidated on a 1 (one) new share and option for every 4 (four) share and option currently held prior to the merger with WTR.
- 2.9 A summary of the pre and post merger capital structure of Bondi and WTR is as follows:

	Existing Bondi	Bondi Post Consolidation	Existing WTR (i)	Scheme Offer	Post Implementation
Ordinary shares	120,412,807	30,103,202	73,469,870	257,144,545	287,247,747
Unlisted options	5,235,000	1,308,750	4,650,000	16,275,000	17,583,750
Unlisted warrants	-	-	426,300	1,492,050	1,492,050

(i) Numbers presented are post the exercise of 250,000 options for ordinary shares

	Ordinary Shares	Ownership Percentage	Options & Warrants	Total ordinary shares (assuming all exercised)	Ownership Percentage (fully diluted)
Bondi share / option holders	30,103,202	10.48%	1,308,750	31,411,952	10.25%
WTR share / option / warrant holders	257,144,545	89.52%	17,767,050	274,911,595	89.75%
Total	287,247,747	100.00%	19,075,800	306,323,547	100.00%

- 2.10 Prior to the merger with WTR, Bondi will transfer its existing Australian uranium and copper explorations assets to a separate company, Lyell Resources Ltd ("Lyell") by way of a demerger. Bondi's current shareholders and option holders will have shares and options in Lyell in the same proportion as their existing share and option holdings in Bondi.
- 2.11 Bondi's African exploration assets will remain in Bondi.
- 2.12 As part of the re-listing process, this prospectus seeks to raise \$3,000,000 net of anticipated transaction costs of \$390,000 through the issue of 11,111,112 ordinary shares at \$0.27 per share.
- 2.13 The pro-forma financial information presented in Section 6 of the Prospectus has been presented on the basis of a reverse acquisition in accordance with Australian Accounting Standard AASB 3 *Business Combinations*. This standard requires that an accounting acquirer to be identified, based on a number of factors including relative voting rights in the combined entity after the business combination, and the composition of the Board of Directors and senior management of the combined entity. On the basis that the WTR shareholders will control approximately 89% of the combined entity, and will appoint 4 (four) existing WTR directors and 1 (one) new independent director to the board of the combined entity (Bondi will appoint 1 (one) existing Bondi director), it has been determined that WTR is the accounting acquirer.

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- 2.14 As the proposed acquisition will result in a significant change in the nature and scale of activities of the Company, the ASX has indicated that the Company is required to obtain shareholder approval and in accordance with ASX Listing Rule 11.1.3, re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules as if the Company were applying for admission to the official list of the ASX. Bondi intends to change its name to World Titanium Resources Limited following the merger.

3. Basis of Preparation

- 3.1 This report has been prepared to provide investors with information in respect of the financial information set out in Section 6 of the Prospectus.
- 3.2 This report does not address the rights attaching to the shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an expert's opinion with respect to a valuation of the Company or a valuation of the share issue price of \$0.27 per share.
- 3.3 J.R. Securities Ltd has not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly have not done so, nor purports to do so. J.R. Securities Ltd accordingly takes no responsibility for those matters nor for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in the Prospectus.

4. Scope of Report

- 4.1 We have been requested to prepare an Investigating Accountant's Report covering the following financial information:
- Bondi's audited historical balance sheet as at 30 June 2011;
 - WTR's audited historical balance sheet as at 30 June 2011;
 - a Pro-Forma Group balance sheet reflecting the actual financial position as at the above date, the merger of Bondi and WTR and the proposed capital raising under the Prospectus; and
 - the accounting policies applied by Bondi in preparing the financial information set out in Section 6 of the Prospectus.
- 4.2 The directors have prepared and are responsible for the historical financial information. We disclaim any responsibility for any reliance on this report or on the financial information to which it relates for any purposes other than that for which it was prepared. This report should be read in conjunction with the entire Prospectus.
- 4.3 The actual historical financial information set out in Section 6 of the Prospectus has been extracted from the audited financial reports of the Company and WTR as at 30 June 2011.

5. Scope of Review

5.1 Historical Financial Information

We have conducted a review of the historical financial information in accordance with Australian Auditing Standard ASRE 2405 'Review of Historical Financial Information Other than a Financial Report'. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- (i) a review of the work papers, accounting records and other documents;

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- (ii) analytical procedures on the historical information;
- (iii) a comparison of the consistency in the application of the recognition and measurement requirements (but not the disclosure requirements) of the Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company; and
- (iv) Enquiry of directors and management.

5.2 Pro-forma Financial Information

We have conducted a review of the pro-forma financial information in accordance with Australian Auditing Standard ASRE 2405 'Review of Historical Financial Information Other than a Financial Report' by conducting:

- (i) a review of the assumptions used to compile the pro-forma balance sheet and the supporting notes; and
- (ii) a review of the adjustments made to the historical financial information.

5.3 The review procedures conducted were substantially less in scope than would be required in an audit, thus the level of assurance provided is less than would be given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the historical and Pro-Forma financial information included in Section 6 of the Prospectus. In relation to the information presented in Section 6 of the Prospectus:

- (i) support by another person, corporation or an unrelated entity has not been assumed;
- (ii) the amounts shown in respect of assets do not purport to be the amounts that would have been realised if the assets were sold at the date of this report; and
- (iii) the going concern basis of accounting has been adopted.

6. Statements

6.1 Statement on Historical Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the actual historical financial information, as set out in Section 6 of the Prospectus, does not present fairly the financial position of the Company and WTR, in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by the Company.

6.2 Statement on the Pro-Forma Financial Information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the Pro-Forma financial information, as set out in Section 6 of the Prospectus, does not present fairly the financial position of the Group, in accordance with the basis of preparation and the assumptions set out in Section 6 of the Prospectus and with the measurement and recognition requirements (but not all of the disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements in Australia as if the pro-forma transactions had occurred on that date.



7. Subsequent Events

- 7.1 Apart from the matters dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our report or that would cause such information to be misleading or deceptive.

8. General Advice Warning

- 8.1 This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

9. Declarations

- 9.1 J.R. Securities Ltd does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in this matter. The directors of J.R. Securities Ltd do not hold nor have any interest in any ordinary shares or options of the Company.
- 9.2 The Company has agreed to indemnify J.R. Securities Ltd and its staff from any claims arising out of any misstatement or omission in any material supplied by the Company.
- 9.3 J.R. Securities Ltd consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully
J.R. SECURITIES LTD.

JASON EVANS
Director

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7. FINANCIAL INFORMATION

This section contains a summary of the historical and pro forma financial information regarding Bondi Mining Ltd ("Bondi") and World Titanium Resources Ltd ("World Titanium") and the pro-forma Group (being the combined Bondi and World Titanium Group). The financial information should be read in conjunction with the summary of significant accounting policies below and other information contained in this Explanatory Statement.

- the audited balance sheet of Bondi as a single entity as at 30 June 2011.
- the audited balance sheet of World Titanium as at 30 June 2011.
- Pro-forma balance sheets of the combined Group (Bondi and World Titanium) based on the audited balance sheet of Bondi at 30 June 2011 and the audited balance sheet of World Titanium at 30 June 2011, adjusted to include the demerger of the Lyell Resources Ltd Group, acquisition of World Titanium, capital raised and other adjustments as summarised below at note (a).

The financial information has been prepared in accordance with the measurement and recognition principles of the applicable Accounting Standards and other mandatory professional reporting requirements in Australia. It is presented in an abbreviated format and does not comply with all the presentation and disclosure requirements of Australian Accounting Standards applicable to annual reports that are prepared in accordance with the Corporations Act.

Actual and Pro-forma Balance Sheets

The audited balance sheet of Bondi at 30 June 2011 and the audited balance sheet of World Titanium at 30 June 2011 and the pro forma balance sheet of the combined Group (Bondi and World Titanium) are set out below. The pro-forma balance sheet assumes completion of the acquisition and certain other transactions referred to in this Prospectus. Selected notes supporting this information are also included below.

UNAUDITED PRO FORMA BALANCE SHEET

	Notes	Actual		Pro-forma Group
		30-Jun-11	30-Jun-11	(Unaudited)
		(Audited)	(Audited)	Merged
		Bondi	World Titanium	Bondi / World Titanium
		\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	b	113,151	6,950,729	9,682,414
Trade and other receivables	c	181,949	303,347	416,920
Other financial assets - term deposit		3,786,978	-	3,786,978
Other current assets		29,578	-	29,578
Total Current Assets		4,111,656	7,254,076	13,915,890
Non-Current Assets				
Trade & other receivables	c	38,000	-	-
Property, plant and equipment		123,186	39,186	162,372
Other investments		-	390,000	390,000
Other receivables		-	528,151	528,151
Exploration & evaluation assets	d	11,954,578	-	720,539
Goodwill	e	-	-	500,000
Total Non-Current Assets		12,115,764	957,337	2,301,062
Total Assets		16,227,420	8,211,413	16,216,952
LIABILITIES				
Current Liabilities				
Trade and other payables	f	73,598	289,524	361,362
Provisions		14,145	-	14,145
Total Current Liabilities		87,743	289,524	375,507
Non- Current Liabilities				
Trade and other payables	f	110,650	-	-
Total Non- Current Liabilities		110,650	-	-
Total Liabilities		198,393	289,524	375,507
Net Assets		16,029,027	7,921,889	15,841,445
EQUITY				
Issued capital	g	22,284,114	12,018,469	19,938,025
Reserves	h	1,098,948	473,071	2,133,121
Accumulated losses	i	(7,354,035)	(4,569,651)	(6,229,701)
Total Equity		16,029,027	7,921,889	15,841,445

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Notes to Actual and Pro-Forma Balance Sheets

(a) Pro forma Adjustments

- (1) *Demerger of Non-African Assets* - Bondi Mining Limited disposes of the wholly owned subsidiaries, Murphy Uranium Pty Ltd and Mount Owen Resources Pty Ltd to a new wholly owned subsidiary, Lyell Resources Ltd by net asset and share transfers and then demerges the Lyell Resources Ltd Group by an in-specie capital distribution of issued capital (\$11,435,010) and reserves (\$530,000) to pre-consolidation Bondi Mining Ltd shareholders.
- (2) *Exercise of World Titanium Resources Ltd Options* - World Titanium Resources Ltd Option holders exercise of 250,000 World Titanium Resources Ltd Options for 250,000 World Titanium Resources Ltd Ordinary Shares for cash consideration of \$25,000, exercise date 12 October 2011.
- (3) *World Titanium issue of options* – World Titanium issues 4,650,000 options to Directors and key contractors on 12 October 2011, resulting in a share based payment expense of \$1,660,050.
- (4) *Share consolidation* – The restructure of Bondi's share capital by way of a consolidation of the issued capital on a 1 for 4 basis. This transaction has no impact on the Pro-forma Balance Sheet.
- (5) *Acquisition of World Titanium Resources Ltd* – The acquisition of World Titanium Resources Ltd by the issue of 257,144,545 ordinary shares in Bondi Mining Ltd and the granting of 16,275,000 Unlisted Options in Bondi Mining Ltd to Option holders in accordance with the Implementation Deed and 1,492,050 unlisted Warrants in Bondi Mining Ltd in accordance with the Implementation Deed and the Warrant Offer.

For accounting purposes, the acquirer has been identified as World Titanium Resources Ltd and the business combination referred to as a reverse acquisition. Accordingly, the pro-forma Group incorporates the assets and liabilities of Bondi Mining Ltd and of World Titanium Resources Ltd as if the Group was headed by World Titanium Resources Ltd. At acquisition date the assets and liabilities of World Titanium Resources Ltd (being the acquirer for accounting purposes) are recorded at their book value and the assets and liabilities of Bondi Mining Ltd (being the acquiree for accounting purposes) are recorded at fair value. Furthermore, for pro-forma purposes, the 16,275,000 Unlisted Options and 1,492,050 Warrants in Bondi Mining Ltd have been treated as issued capital for the purpose of determining the notional purchase price of Bondi Mining Ltd.

- (6) *Shares issued under the Prospectus* - As part of Bondi Mining Ltd's re-compliance with Chapters 1 and 2 of the ASX Listing rules, the Company is seeking shareholder approval to conduct a capital raising by offering under a Prospectus 11,111,112 Shares at a price of \$0.27 per Share to no less than the number of new investors in the Company required by ASX, to raise \$3,000,000.

The Directors estimate that costs for the preparation and implementation of the Prospectus will be \$390,000 and this estimated cost has been deducted from the capital raising of \$3,000,000.

- (7) *Costs associated with the acquisition of World Titanium Resources Ltd* – For pro-forma purposes the costs of acquisition for due diligence, preparation of the explanatory memorandum, etc are assumed to have been incurred and expensed in the pro forma Group balance sheets.
- (8) No pro-forma adjustment has been made for any capital raised as a result of the exercise of any options or warrants.

(b) Cash and cash equivalents

The movement in cash as reflected in the pro-forma balance sheets at 30 June 2011 is shown as follows:

	Notes	\$
Cash at 30 June 2011 – Actual		7,063,880
Pro-forma adjustments:		
- Demerger of Non-African assets		(16,466)
- Proceeds from exercise of unlisted options in World Titanium		25,000
- Net proceeds from Prospectus		2,610,000
		9,682,414

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(c) Trade and other receivables - current

	Notes	\$
Trade and other receivables at 30 June 2011 – Actual		485,296
Pro-forma adjustments:		
- Demerger of Non-African assets		(68,376)
		<u>416,920</u>

Trade and other receivables–non current

	Notes	\$
Trade and other receivables at 30 June 2011 – Actual		38,000
Pro-forma adjustments:		
- Demerger of Non-African assets		(38,000)
		<u>-</u>

(d) Exploration and evaluation assets

	Notes	\$
<hr/>		
Exploration and evaluation assets at 30 June 2011 – Actual		11,954,578
Pro-forma adjustments:		
- Demerger of Non-African assets		(11,954,578)
- Acquisition of Bondi Mining (accounted for as a reverse acquisition)	(i)	720,539
		<hr/>
		720,539
		<hr/>
(i) Represents the estimated fair value of Bondi Mining Ltd's Namibian exploration & evaluation assets.		

(e) Goodwill

	Notes	\$
<hr/>		
Goodwill at 30 June 2011 – Actual		-
Pro-forma adjustments:		
- Acquisition of Bondi Mining (accounted for as reverse acquisition)	(ii)	500,000
		<hr/>
		500,000
		<hr/>
(ii) Goodwill represents the estimated fair value of the ASX Listing status of Bondi Mining Ltd		

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(f) Trade and other payables - current

	Notes	\$
<hr/>		
Trade and other payables at 30 June 2011 – Actual		363,122
Pro Form adjustments:		
- Demerger of Non-African assets		(1,760)
		<hr/>
		361,362
		<hr/>

Trade and other payables –non current

	Notes	\$
<hr/>		
Trade and other payables at 30 June 2011 – Actual		110,650
Pro-forma adjustments:		
- Demerger of Non-African assets		(110,650)
		<hr/>
		-
		<hr/>

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(g) Issued capital

The movement in issued capital as reflected in the pro-forma balance sheets at 30 June 2011 is shown below:

	Notes	Issued ordinary shares Number	Options and Warrants over Shares Number	Group \$'000
Actual – 30 June 2011 - Bondi	(g)(1)	120,412,807	5,235,000	22,284,114
- Share and option reconstruction	(g)(1)	30,103,202	1,308,750	-
- Exercise of options in World Titanium		-	-	25,000
- World Titanium	(g)(2)	257,144,545	17,767,050	12,018,469
- Reverse acquisition – Bondi	(g)(3)	-	-	5,284,556
- Prospectus		11,111,112	-	3,000,000
- Transaction costs		-	-	(390,000)
		298,358,859	19,075,800	19,938,025

Notes – Issued capital

- (1) Bondi Issued Capital – As at 30 June 2011, Bondi had on issue 120,412,807 fully paid ordinary shares and 5,235,000 unlisted options. The shares and options are to be consolidated on a 1 for 4 basis, resulting in Bondi having 30,103,202 shares and 1,308,750 options on issue immediately prior to the acquisition of World Titanium.
- (2) World Titanium – Bondi is to acquire World Titanium in exchange for the issue of 257,144,545 ordinary shares and the granting of 16,275,000 Unlisted Options and 1,492,050 unlisted Warrants. The acquisition has been accounted for as a reverse acquisition in accordance with ASSB3 *Business Combinations*.
- (3) Reverse Acquisition – Bondi – The pro-forma adjustment reflects the deemed issue of shares to acquire Bondi. The fair value of Bondi's net assets at 30 June 2011, per the audited balance sheet, and after the demerger of the Non-African assets, was \$4,064,017 and the fair value of the deemed consideration was assessed at \$5,284,556. The difference between the deemed purchase price (\$5,284,556) and fair value of net assets acquired (\$4,064,017) represents \$720,539 as the estimated fair value of exploration and evaluation assets and the balance of \$500,000 as goodwill for the estimated fair value of the listing status.

(h) Reserves

The movement in reserves as reflected in the pro forma balance sheets at 30 June 2011 is shown below:

	Notes	\$
Reserves at 30 June 2011 – Actual		1,572,019
Pro-forma adjustments:		
- Demerger Non-African assets		(530,000)
- Share-based payment on issue of 4,650,000 options in World Titanium		1,660,050
- Reverse acquisition – Bondi		(568,948)
		2,133,121

(i) Accumulated losses

The movement in accumulated losses as reflected in the pro forma balance sheets at 30 June 2011 is shown below:

	Notes	\$
Accumulated losses at 30 June 2011 – Actual		(11,923,686)
Pro-forma adjustments:		
- Share-based expense on issue of 4,650,000 option in World Titanium		(1,660,050)
- Reverse acquisition – Bondi		7,354,035
		(6,229,701)

Summary of significant accounting policies

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The significant accounting policies that have been adopted in the preparation of the financial information are summarised below.

(a) Basis of preparation

The financial information has been prepared in accordance with the recognition and measurement (but not all the disclosure) requirement of applicable Australian Accounting Standards and other mandatory financial reporting requirements in Australia, using the accrual basis of accounting including the historical cost convention and the going concern assumption.

The financial information is presented in Australian dollars.

As noted the financial information has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets.

(b) Principles of consolidation and reverse acquisition accounting

The acquisition method of accounting is used to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill.

For all business combinations an acquirer is identified as the entity that obtains control of the combining entities. The acquirer for accounting purposes need not be the legal parent entity. In certain situations, the subsidiary can be the acquirer where the relevant factors include that its shareholders (pre-acquisition) have control post-acquisition. This is referred to as a reverse acquisition. The Group has identified a reverse acquisition, such that Bondi is the legal parent entity of the Group and presents consolidated financial information but World Titanium, which is a legal subsidiary of Bondi, is deemed to be the accounting parent of the Group.

Accordingly, the pro-forma group financial information incorporates the assets and liabilities of Bondi and World titanium as if the Group were headed by World Titanium. At acquisition date, the assets and liabilities of Bondi (the acquiree for accounting purposes) are recorded at fair value while assets and liabilities of World Titanium (the acquirer for accounting purposes) are recorded at their book value.

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(c) **Exploration and evaluation expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(d) **Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and value its use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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8. LEGAL REPORT ON TENEMENTS - MADAGASCAR



Antananarivo, 3rd November 2011

The Directors
Bondi Mining Limited
96 Stephens Road
South Brisbane
Queensland 4101
Australia

Re: Legal Opinion regarding World Titanium Resources Ltd

Dear Sirs,

We have been requested to provide you with a legal opinion on the mining tenements held by the Malagasy subsidiaries of World Titanium Resources Ltd ("WTR"), as well as relevant legal matters such as land rights and environmental obligations relating to these permits.

We understand that this opinion will be included in a prospectus dated on or about the 2nd November 2011 issued by Bondi Mining Limited for the offer of 11, 111, 112 ordinary shares at an offer price of AU\$0.27 each to raise AU\$3,000,000.

In order to deliver this opinion, we have examined the pertinent legal texts in force in Madagascar, particularly those governing mining permits and immoveable property in Madagascar, as well as other documents – whether official or issued by the permit holders – that we felt was necessary to deliver this opinion.

The aim of examining the aforementioned documents was to enable us to verify and assess the validity of the mining permits held by the Malagasy subsidiaries of WTR – Toliara Sands SARL and Malagasy Resources SARL – as well as the fulfilment of all obligations of these companies towards the mining administration (timely payment of all mining taxes and fees) and in relation to protecting their rights against third parties.

After having reviewed the relevant documents and in light of Malagasy laws, we hereby opine as follows:

1. Mining Permits – granting, renewal and extension

Procedure for the granting of mining permits

The application for the granting of a mining permit is submitted and processed in accordance with the

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CIF N° 0005292DGI-A du 01/12/10

provisions of articles 100 et seq of Decree n° 2006-910 of 19/12/2006 (hereinafter “the Application Decree”) which sets out the conditions of application of the Law n° 99-022 of 19/08/1999 related to the Mining Code (hereinafter “the Mining Code”). The procedure to be followed is as follows:

- Submission of the application file at the BCMM and payment of 25% of the mining administration fees payable for the first year¹
- If, after verifications, the file is seen to be complete, the BCMM issues a temporary receipt evidencing submission of the file
- Transcription of the application for a new permit in the register of mining permit applications at the BCMM
- Confirmation of the applicant’s eligibility, verification of the number of squares applied for and whether the squares are adjacent or joined
- Preparation of the final receipt evidencing submission of the file
- Transcription of the relevant information on the mining permits map, as the case may be
- Drawing up of the payment order for three quarters (3/4) of the remaining 75% of the mining administration fees payable for the first year
- Drafting of the granting Arrêté to be submitted to the Minister of Mines
- Decision of the Minister of Mines to grant the research or exploitation permit
- Transfer of the signed Arrêté and file to the BCMM
- The applicant is informed of the granting decision by the BCMM and the latter sends to the applicant the payment notice for the remaining quarter (1/4) of the 75% of the mining administration fees
- Temporary recording of the granting decision in the mining permits register at the BCMM
- Amendment of the mining permit map
- Upon production of the receipt evidencing the payment of the remaining quarter of mining administration fees, the new permit is drawn up
- Final recording of the new permit in the mining permits register
- The new permit is indicated on the mining permit map

The list of documents which need to be submitted as part of the application file for the granting of a new permit is set out in article 103 of the Application Decree.

The legal deadline (as per article 107-a of the Application Decree) for the decision by the Minister of Mines is thirty (30) days as from the date on which the admissibility of the file has been confirmed by the BCMM.

Renewal of permits

According to article 51 of the Mining Code, “an application for the renewal of a mining permit is

¹ Article 101 of the Application Decree provides that: “In order for an application for mining permit to be admissible, the applicant must pay the file processing fees, which represent the equivalent of twenty-five per cent (25%) of the mining administration fees payable with respect to the number of mining squares requested and according to the type of permit applied for. The amount paid with respect to the file processing fees is imputable on the amount of mining administration fees actually due.”

registered by the BCMM upon the payment of the relevant renewal fee, whose value and payment procedures are set out in a regulation”.

Pursuant to article 116-a) of the Application Decree, the application for the renewal of a mining permit needs to be submitted to the BCMM at least forty-five (45) business days before the expiry date of the said permit.

The application file for the renewal of a mining permit should consist of the following documents:

- The duly completed and signed application form;
- Copies of all receipts evidencing the payment of the annual mining administration fees for the previous year;
- Copies of receipts or invoices evidencing the payment of mining royalties and duties for the previous year, as the case may be;
- Copies of the receipt evidencing the payment of the renewal fee;
- The mining permit which is the object of the renewal application;
- The signed and certified research and/or exploitation programme plan;
- The true certified copy of the document evidencing the identity of the applicant;
- The copy of the environmental authorisation related to the activities performed under the initial mining permit;
- A description of the works carried out during the previous validity period of the permit;
- The results of the environmental audit or evaluation of the works undertaken towards the rehabilitation and the protection of the environment, in conformity with the environmental obligations and undertakings under the initial mining permit;
- As the case may be, a true and certified copy of any pledge or mortgage deed affecting the mining permit.

The application file for the renewal of a research or exploitation permit is, after the first processing step by the BCMM, transferred to the Ministry of Mines; in principle, the latter should take a decision within 30 business days from the date of admissibility of the application for renewal at the BCMM. As for the granting of a new permit, the decision to renew a mining permit is published in the Government Gazette after the Ministry of Mines has sent its decision to the BCMM.

A person who wishes to renew a mining permit must be in a position to prove that he is still eligible to be maintained as the permit holder and that there has been an effective commencement of research or exploitation activities. In addition, the holder of an exploitation permit must pay the mining royalties and duties due with respect to the year preceding the expiry date of the permit which is being renewed.

Extensions to existing permits

When a permit is granted, it allows the permit holder to carry out mining research or exploitation works – depending on whether it is a research or exploitation permit – on a given area and with respect to specific mineral substances listed in a limitative way on the permit.

However, article 30 of the Mining Code provides that: “A mining permit covers the mining substance(s) present in the perimeter and for which the permit has been granted. In the event that indications of other mineral substances which are not covered by the mining permit are found, and which the permit holder proposes to research and/or exploit, the latter must, prior to any work relating to the new substances, submit a declaration before the Bureau du Cadastre Minier and obtain an extension of the permit and, as the case may be, an environmental authorisation from the competent authority”.

Moreover, in accordance with the provisions of article 105-B of the Application Decree, the BCMM first carries out a verification of the availability, as at the date of the initial submission of the application, of the requested mining squares, especially in order to ensure that the request does not impede on mining areas

which are already the object of previous applications in process. If one or more of the requested mining squares are no longer available for a new permit, the application is rejected by the BCMM by way of a rejection letter.

A study of the above legal provisions leads us to conclude that no new mining right can be granted with respect to a mining area which is already covered by a permit granted to a person or company, even with respect to the exploration or exploitation of substances which are not included in that permit, but which are found within the mining area covered by the permit in question. The applicant for or holder of a mining permit therefore has the exclusive right on all substances present within the mining area covered by the permit.

Hence, in the event that new substances are found within a mining perimeter, the permit holder can make an application before the BCMM for the extension of the substances covered by the permit.

On the basis of articles 112 and 113 of the Application Decree, the procedure for the extension of a mining permit is as follows:

- Submission of the application file at the BCMM and payment of the fixed fee provided at article 84 of the Application Decree
- The BCMM issues a receipt evidencing submission of the file
- Drafting of the Arrêté granting the extension
- Decision of the Minister of Mines to grant the extension, which is materialised by the signing of the Arrêté
- Transfer of the signed Arrêté and file to the BCMM
- The new mineral substances are added to the initial permit

The list of documents which need to be submitted as part of the application file for the extension of a mining permit is set out in article 111 of the Application Decree.

2. Status of mining permits held by Toliara Sands SARL and Madagascar Resources SARL

The details of the mining permits held by Toliara Sands SARL and Madagascar Resources SARL are set out in the attached Schedule.

The exploration permits for which the initial term expired on 11th January 2011 have had applications lodged for the first three year extension on 17th September 2010, meeting the requirement that application be made at least forty-five (45) business days prior to the expiry date.

Exploration permits for which no expiry date is shown are applications for new areas which have not yet been granted.

Permits no. 3314, 30250, 35822 and 3315 (part)

With respect to each of the abovementioned four research permits, the Bureau du Cadastre Minier de Madagascar ("BCMM") has, on 17/09/2010, issued two acknowledgement receipts which, in each case, confirm that:

- 1) the application files have been submitted at the BCMM; and
- 2) the applications for renewal are admissible.

The abovementioned receipts also indirectly evidence that at the time of submission of the application to

renew these permits, 25% of the mining administration fees due with respect to the permit have been duly paid in order for the application file to be admissible at the level of the BCMM. In accordance with article 101 of the Application Decree, the remaining quarter of the 75% balance is payable within 5 business days from the date on which the BCMM informs the company of the decision to grant the permit.

In addition, the acknowledgement of receipt of the application files for the renewal of permits no. 30250, 35822 and part of 3315 and the payment receipts with respect to all four applications indicate that the file processing fees have been duly paid in a timely manner. Finally, a notice of payment from the BCMM, requesting the payment of the mining administration fees for the "eleventh year" of research permit no. 3315, is, in our opinion, a clear indication that the BCMM considers the renewal of the said permit to be under way.

Once the applications for renewal of the permits have been filed and received by the BCMM (as evidenced by an acknowledgement of confirmation of the admissibility of the application for renewal), and the relevant fees paid (as evidenced in the abovementioned acknowledgement and/or relevant receipts), there is no legal obstacle for the granting of the renewal. There is also no further step that needs to be carried out by the permit holder in order for the permit to be renewed. Therefore, at this stage and in our opinion, there is no element which would prevent the BCMM from issuing a grant attestation with respect to the said permits, indicating that the process of the applications for their renewal is in due course.

The end of the renewal application process is evidenced by a ministerial "Arrête", which, according to article 44 of the Mining Code, should not take more than 30 business days following the submission of the application. However, during the last year, the BCMM and the Ministry of Mines have significantly slowed down, and sometimes completely stopped, their activities relating to any application other than the partial abandonment of permits. Indeed, since November 2010, the BCMM has not been receiving any new application – whether for new permits, renewals or for conversion of PR into PE. It is therefore difficult to predict the dates on which the abovementioned renewed permits will be granted although all the conditions for such renewals have been met.

Based on the above provisions of the mining legislation and especially the fact that the thirty-day period, as provided by article 44 of the Mining Code, has already elapsed without any opposition or refusal from the Ministry of Mines or other factions of the State, we consider that the holders of permits no. 3314, 30250, 35822 and 3315 have acquired an irrevocable right for the renewal of the said permits.

3. Conversion of a research permit into an exploitation permit

Articles 162 and 164 of the Application Decree provide for the possibility of converting:

- A permit reserved for small operators (PRE) into a research permit or exploitation permit,
- A research permit into an exploitation permit,

provided that:

- The applicant is eligible for holding a mining permit in accordance with the provisions of articles 9 et seq of the Mining Code; and
- In the case of a conversion into a exploitation permit, the applicant shows that research works have started on the relevant mining perimeter.

Pursuant to article 162 al. 3 of the Application Decree, the application for the conversion of a mining permit is submitted and processed in accordance with the provisions of articles 100 et seq of the said Application Decree. The procedure for the conversion of a mining permit is as follows:

- Submission of the application file at the BCMM
- If, after verifications, the file is seen to be complete, the BCMM issues a temporary receipt evidencing submission of the file
- The application for conversion is recorded in the register of applications of mining permits at the BCMM
- Verifications of the applicant's eligibility, of the number of squares applied for and confirming whether the squares are adjacent or joined
- Preparation of the final receipt evidencing submission of the file
- Transcription of the relevant information on the mining permits map
- Drawing up of the payment order for three quarters (3/4) of 75% of the mining administration fees payable with respect to the first year of the permit
- Drafting of the granting Arrêté to be submitted to the Minister of Mines
- Decision of the Minister of Mines to grant the research or exploitation permit
- Transfer of the signed Arrêté and file to the BCMM
- The applicant is informed of the granting decision by the BCMM and the latter sends to the applicant the payment notice for the remaining quarter (1/4) of the 75% of the mining administration fees
- Temporary recording of the granting decision in the mining permits register at the BCMM
- Amendment of the mining permit map
- Upon production of the receipt evidencing the payment of the remaining quarter of mining administration fees, the new permit is drawn up
- Final recording of the new permit in the mining permits register
- The new permit is indicated on the mining permit map

The list of documents which need to be submitted as part of the application file for the conversion of a permit is set out in article 103 of the Application Decree.

Pursuant to article 36 of the Law n° 99-022 of 19/08/1999 related to the Mining Code, the holder of a research permit has a priority right to apply for its conversion into an exploitation permit.

Conversion of research permit no. 3315 into exploitation permits

As regards the conversion of research permit no. 3315 into exploitation permits, it should be noted that applications have been lodged for the conversion of two portions of this permit, covering each 24 mining squares, into exploitation permits numbered 37242 and 39130. In respect of these applications, we have received:

- 1) Copies of the final receipts relating to the two applications for conversion, issued by the BCMM on 15/09/2010 and 30/09/2010;
- 2) With respect to permit 37242, a grant attestation ("*attestation d'octroi*") issued by the BCMM on 12/04/2011 indicating that the application for the conversion of that permit is in due course;
- 3) A registration certificate for permit no. 3315 mentioning the applications made for the partial conversion into exploitation permits received by the BCMM; and

- 4) Two registration certificates bearing permits no. 37242 and 39130 respectively, which mention the application for conversion of research permit no. 3315 into these.

The abovementioned receipts evidence that at the time of submission of the application to convert permit no. 3315 from research to exploitation permit, 25% of the mining administration fees due with respect to the permit have been paid in order for the application file to be receivable at the level of the BCMM. Thereafter, three quarters of the 75% balance have been paid following the submission of the application. Hence, with respect to the two exploitation permits applied for, a total payment of 2 448 000 MGA (approximately 1 163 USD) has been made and a balance of 792 000 MGA (approximately 376 USD) is left to be paid when the permit holder is notified by the BCMM that the decision granting the permit has been taken. This is in accordance with article 101 of the Application Decree which sets out the conditions of application of the Mining Code, which provides that the remaining quarter of the 75% balance is payable within 5 business days from the date on which the BCMM informs the company of the decision to grant the permit.

In the case of permit no. 37242, the grant attestation issued by the BCMM is also proof that the mining administration fees have been paid with respect to that permit and that the process for the granting of the permit is underway. Indeed, the issuance of a grant attestation by the BCMM with respect to a mining permit which has been applied for means that the application file is in good order and is receivable by the BCMM, that the formalities for granting the permit are in process, and that therefore no other person will be able to obtain mining rights over the area covered by the mining permit.

At this stage and in our opinion, there is no element which would prevent the BCMM from issuing a grant attestation with respect to permit no. 39130, indicating the due process of the granting of this exploitation permit.

In the case of permit no. 37242, the grant attestation issued by the BCMM indicates that these payments have been made with respect to that permit. Indeed, the issuance of a grant attestation by the BCMM with respect to a mining permit which has been applied for means that the application file is in good order and is receivable by the BCMM, that the formalities for granting the permit are in process, and that therefore no other person will be able to obtain mining rights over the area covered by the mining permit.

Pursuant to article 37 of the Mining Code, the validity period of an exploitation permit is forty years and it is renewable for one or more subsequent periods of 20 years.

Once the applications for conversion into exploitation permits have been filed and received by the BCMM, the process of granting, which is evidenced by a ministerial "*Arrêté*", should, not take more than 30 business days. As noted above, however, it is difficult to predict the dates on which the exploitation permits will be granted to Toliara Sands although all the conditions for such granting are met.

4. Environmental Obligations

In addition to obtaining the exploitation permits, Toliara Sands also needs to be issued an environmental authorisation before being entitled to exercise its rights under the said permits, that is, before starting to exploit the authorised mineral resources on the corresponding mining areas.

Hence, in parallel with the application for the conversion of the research permits into exploitation permits, the company shall be required to prepare and submit an environmental impact study ("EIE"). Indeed, article 104 of the Application Decree specifies that the procedure for the granting of a mining permit is carried out independently from the processing of the EIE. This EIE is submitted to the

National Environment Office (“ONE”), for assessment by an ad hoc Technical Assessment Committee (“CTE”). A favourable assessment of the EIE results in the granting, by the ONE, of an environmental authorisation, which, together with the exploitation permits, would allow Toliara Sands to start exploitation of mineral resources.

To date, we have been informed that:

- as regards mining works to be undertaken in areas located between the rural communes of Manombo and Morombe, the permit holder has submitted to the ONE amended environmental Terms of Reference for phase 2 of the Ilmenite exploration project; and
- an application has been lodged before the ONE in relation to the project’s drilling works to be carried out in Ranobe and the ONE’s authorisation is being processed.

5. Timeline for Procedures

The proposed timeline for conversion of research permit no. 3315 into exploitation permits (no. 37242 and 39130), which is hereby given in light of the provisions of the Malagasy mining and environmental legislation, is as follows:

- 1) Submission of the application for conversion into exploitation permits;
- 2) Submission of the EIE at the ONE² and payment of the assessment costs³;
- 3) Processing of the EIR by the CTE;
- 4) Issue of a signed “Arrête” from the Ministry of Mines regarding the granting of exploitation permits no. 37242 and 39130 to Toliara Sands;
- 5) Information, by the BCMM, of the decision to grant the exploitation permits;
- 6) Payment of the remaining balance of mining administration fees within 5 working days of the said information;
- 7) Granting of the exploitation permits by the BCMM to Toliara Sands;
- 8) Application for eligibility to the LGIM - submission of the application file, including an investment plan⁴;
- 9) Approval of the EIE by the CTE;
- 10) Granting of an environmental authorization by the ONE;
- 11) Filing at the BCMM of a copy of the approved EIE and environmental authorization;
- 12) Beginning of exploitation activities under permits no. 37242 and 39130.

6. Securing land rights over the project areas

Under the provisions of article 13 of the Mining Code, the mines and fossil deposits are separated from land ownership. In other words, the holder of a mining permit does not automatically become the owner

² Please note that the issuance of the exploitation permits could occur before or after the submission of the EIE.

³ As set out in schedule III of Decree n° 2004-167 amending certain provisions of decree n° 99-954 of 15/12/1999.

⁴ Please note that Toliara Sands may not begin exploitation activities until it receives the exploitation permits and the corresponding environmental authorisation; however, it can, in the meantime and pending these documents, file the application for eligibility to the LGIM.

of the land representing the mining perimeters within which the mineral substances, whose exploration/exploitation is authorised by the permits, are found.

Articles 307, 311 and 316 of the Application Decree of the Mining Code provide, in addition to obtaining a mining permit, the need for the permit holder, before starting mining exploration or exploitation:

- to enter into a lease agreement with the owner or owners of the land, and
- to inform them of the permit holder's right to occupy the plots covered by its permit(s).

From the information that we have been given in relation to the land covered by the permits held by Toliara Sands SARL and Madagascar Resources SARL, most of it is State-owned. In such a case, as provided by article 307 of the abovementioned Application Decree, the permit holder needs to enter into an agreement with the authority in charge of the management of State land (currently the "Ministre de l'Aménagement du Territoire et de la Décentralisation"). Pursuant to Article 19 of Law No. 2008-014 dated 23/07/2008, the contract with the State may take the form of an ordinary lease for a maximum period of 18 years or a long term lease ("bail emphytéotique") agreement for a period which cannot exceed 99 years.

In order to enter into a lease agreement, the permit holder must identify the owner of the land. Under the article 316 al.2 of the abovementioned Application Decree, in case that the owners of the parcels covered by the mining permit exist, but their identity and/or address unknown, the permit holder, in collaboration with the Mayor of the "Commune" in which the land is found, conducts a diligent research in order to identify and find the land owners, according to a research and identification procedure set out in the same Decree.

The terms of the lease agreement are freely negotiable between the permit holder and the landowner, whether a private or public entity. However, there are procedures relating to the request for and granting of a lease over land that belongs to the State as follows:

- Public posting of the applicant's request and possibility for opposition by third parties;
- Request, to the ministry in charge of land, for the drawing up of land titles over the required plot of land in the name of the State;
- Drawing up of formal land titles in the name of the State with respect to the plot of land in question;
- Registration and transcription of the land title at the land registry having jurisdiction over the area in which the land is located;
- Application for the granting of a long term lease by the State;
- Signing of the lease agreement between the permit holder and the State, represented by the minister in charge of land; and
- In the case of a long term lease ("bail emphytéotique") - which is recommended for mining activities - registration and transcription of the rights of the leasee at the land registry, which results in the issuing of a land title in the name of the leasee which reflects its leasehold rights.

The procedure described above usually takes several months to complete and also involves, in parallel, discussions with various local players such as the members and head of the "Commune" and "Region". As regards the rent, there are schedules of prices; however these vary depending on the regions concerned and, to our knowledge, the common practice is that the State negotiates the rent with the applicant on a case by case basis.

In addition to the above, we are not aware of any other prescribed procedures required or preconditions to be satisfied prior to the permit holder and the landowner entering into a lease agreement.

Pursuant to article 318 of the Application Decree, in the event that the private landowner refuses to agree on the terms of the lease agreement, the mining holder shall submit the dispute to the Mayor of the "Commune" of the concerned area, and the latter, in case of a failure to achieve a conciliation between the parties, shall submit the case to the Provincial Mining Committee ("Comité Provincial des Mines") which will initiate an amicable settlement procedure. If the amicable settlement procedure fails, the terms of the standard lease agreement template set out by an Order ("Arrêté") of the Ministry of Mines shall be taken as reference by the jurisdiction to which the dispute has been referred for its final settlement.

The abovementioned provisions of article 318, along with those of article 126 of the Mining Code – which are backed by article 316 of the Application Decree – which states that "the permit holder has the obligation to inform the landowner of its right to occupy the portion of the property covered by its mining permit..." tend to show that the permit holder has a right to occupy the land covered by its permit, although the said occupation needs to be formalised by the signing of a lease with the landowner, and that only the terms and conditions of the lease agreement can be subject to negotiation and approval by the landowner. Article 318 of the Application Decree, in particular, comforts us into thinking that there is no real possibility for the private landowner to refuse outright to grant the lease. Indeed, at the end of the dispute resolution procedure provided by that article, the outcome seems the imposition of certain terms and conditions of a template lease agreement, without the possibility of a scenario where no agreement is signed.

However, this is not provided for clearly in the law and, in the case of a private landowner that has a land title, the above reasoning – if such is the spirit of this section of the Mining Code – would be against the more fundamental principle that a person's rights in his land are protected (the exception being expropriation by the State on the ground of public utility and following a specific process). Hence, we believe that in all cases the owners of the land covered by the permits of the WTR project be approached and an agreement reached with respect to the occupation of the land.

It should also be noted that the abovementioned provisions of article 318 would not apply in the case of an application for a lease agreement over State-owned land.

Article 125 al.2 of the Mining Code specifically provides that: "If there is no lease agreement, and if the permit holder has carried some works on a parcel of land with respect to which the landowner would subsequently require the enjoyment, the permit holder is only entitled to the reimbursement, by the landowner, of the expenses incurred and made useless by the eviction, as well as compensation, if any, of the benefits that it could have obtained therefrom." In case that there is no lease agreement, the permit holder would also have, under article 129 of the Mining Code, the obligation to repair any damage that these works might have caused to private or public property.

Most of the land covered by the mining squares which are the object of permits no. 3315, 37242 and 39130 belongs to the State. Representatives of the project in Madagascar have already established contact and started discussions with the heads of "Communes" and "Regions" as part of the steps required toward securing long term leases ("*baux emphytéotiques*") on the land covered by the mining areas. A Regional Coordination Committee, comprised of the Head of the Region as well as representatives of the various players of the Project (Toliara Sands, the Ministries in charge of Mines, Management of the Territory, the Environment and Water, the national police, the Chamber of Commerce and Industry, etc), has also been set up and, in the framework of the development of the south-west region, will be in charge of the coordination of large mining projects.

The abovementioned long term leases shall be registered at the land office in order to make them opposable to third parties, and can also be mortgaged to secure a loan; they therefore give to the lessee land rights which are of comparable significance to freehold rights in the land.

Moreover, an access road has already been built through the area covered by the permits for the purpose of improving communication between the different Communes involved; part of this road network will thereafter be developed and adapted to the needs of the project, namely for the transportation, by trucks, of the mineral sands to the storage area, which is about forty kilometres away from the mine site.

As regards the mineral separation plant, negotiations have begun with the private landowner regarding the leasing of a plot of land of about three hectares, by way of a "*bail emphytéotique*"⁵.

7. Validity of Permits

As noted above, a mining permit is granted by way of an Arrêté which is signed by the Minister of Mines. A question has been raised as to the validity of mining permits granted by the current Minister of Mines and the risks of such a permit being invalidated by a subsequent Minister.

Two principles need to be taken into consideration:

- First, in our opinion, the principle of continuity of government acts and decisions prevails. Indeed, irrespective of the circumstances of the formation of the current government and hence appointment of the Minister of Mines, administrative and governmental decisions are taken, enforceable and acted upon. This principle of the continuity of the public service is a fundamental rule of public law which has been constantly acknowledged by the "*Conseil d'Etat*" (administrative Supreme Court) in Madagascar.
- Further, inasmuch as the procedures, as set out by the Mining Code and Application Decree as well as any other relevant regulation, are scrupulously followed for the application for a new permit or conversion of an existing permit, and that the permit is granted by way of an Arrêté duly signed by the Minister of Mines, we are of opinion that the validity of the said permit cannot thereafter be challenged.

We remain at your disposal should you require further information or advice in relation to the matters treated herein.

Yours truly,
for LEXEL Juridique & Fiscal



Olivier RIBOT
Legal and tax adviser
Partner



Hansina VALAYDON
Legal adviser
Associate Manager

⁵ A long term lease of a maximum duration of 99 years



SCHEDULE

PERMIT NUMBER	REGISTERED HOLDERS/APP LICANT	PERMIT TYPE	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	TERM	TOTAL AREA SIZE km ²	SMALL CASES	TENEMENT FEES \$A	TENEMENT FEES (MGA) (2011)	SUBSTANCES UNDER TITLE	NOTES
3314	MRSARL (b)	R	12/01/2001	11/01/2011	10	75.00	192	16,209.64	32,697,600.00	Ilmenite Zircon- Leucoxene- Rutile- Basalte- Calcate Guano	(1)(2)(4)
30250	MRSARL (b)	R	12/01/2001	11/01/2011	10	206.25	528	44,576.51	89,918,400.00	Ilmenite Zircon- Leucoxene- Rutile- Basalte- Calcate Guano	(1)(2)(4)
35822	MRSARL (b)	R	12/01/2001	11/01/2011	10	81.25	208	17,560.44	35,422,100.00	Ilmenite Zircon- Leucoxene- Rutile- Basalte- Calcate Guano	(1)(2)(4)
36876	MRSARL (b)	R	22/11/2011	21/11/2014	10	12.50	32	2027.39	4,089,000.00	Ilmenite	(1)(4)
36182	MRSARL (b)	R	22/10/2009				160			Ilmenite- Rutile- Zircon- Magnetite	
36183	MRSARL (b)	R	22/10/2009				22			Ilmenite- Rutile- Zircon-	

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CIF N° 0005292DGI-A dtu 01/12/10

LEXEL Juridique & Fiscal

PERMIT NUMBER	REGISTERED HOLDER(S)/APP LICANT	PERMIT TYPE	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	TERM	TOTAL AREA SIZE KM ²	SMALL CASES	TENEMENT FEES \$A	TENEMENT FEES (MGA) (2011)	SUBSTANCES UNDER TITLE	NOTES
36648/36650	MRSARL (b)	R	30/10/2009				16			Magnetite Calcate	(6)
38091	MRSARL (b)	R	23/09/2010				78			Ilmenite- Grenat- Zircon	
3315	TSSARL(a)	R	12/01/2001	11/01/2011	10	106.23	272	22,963.66	46,321,600.00	Ilmenite Zircon- Leucoxene- Rutile- Guano Basalte- Calcate	(1)(2)(3)
12026	TSSARL(a)	R	15/09/2004	14/09/2014	10	6.25	16	1013.70	2,044,800.00	Ilmenite	(1)
17388	TSSARL(b)	R	28/07/2005	27/07/2015	10	18.75	48	3041.09	6,134,400.00	Ilmenite	(1)(3)
37242	TSSARL(b)	E	12/05/10				24			Zircon- Leucoxene- Rutile- Guano Basalte- Calcate	
39130	TSSARL(b)	E	17/09/10				24			Ilmenite Zircon- Leucoxene- Rutile- Guano Basalte- Calcate	

Key to Permit Schedule

- R Research Permit
- E Exploitation Permit

References to numbers in the "Notes" column refers to the notes following this table.

Notes:

1. Renewable twice for a three year period per renewal
2. Renewal application introduced on 17th September 2010 for a three year period
3. A PE application is pending processing at the BCMM on part of the permit n°3315 since 17th September 2010
4. Permits presently registered in the name of Exploitation Madagascar (TSSARL) and for which a transfer towards MRSARL is pending processing at the BCMM
5. Permit presently registered in the name of Mada Aust and for which a transfer towards TSSARL is pending processing at the BCMM
6. We have been informed that Permit 36648 has been split into two permits (36648 and 36650) but that to date the company has not yet received any grant attestation evidencing same

9. SOLICITORS' REPORT ON TENEMENTS - NAMIBIA

IN RE

BONDI MINING NAMIBIA (PROPRIETARY) LIMITED

BONDI MINING LIMITED

SOLICITOR'S REPORT AND LEGAL OPINION



LorentzAngula Inc.

ATTORNEYS, NOTARIES & CONVEYANCERS

3rd Floor, LA Chambers, Ausspann Plaza, Dr Agostinho Neto Street, Windhoek, Namibia
Tel: +264 61 379 700 | Fax: +264 61 379 701
info@lorenzangula.com

To:

- (1) **BONDI MINING NAMIBIA (PROPRIETARY) LIMITED**, registration number 2009 / 0724, a private company incorporated under the laws of Namibia, having its registered office at 3rd Floor, 344 Independence Avenue, Windhoek, Namibia; and
- (2) **BONDI MINING LIMITED**, registration number ABN 21 120 723 426, a company incorporated under the laws of Australia, having its principal place of business at 96 Stephens Road, South Brisbane, Queensland 4101, Australia.

Dear Sirs,

SOLICITOR'S REPORT AND LEGAL OPINION

1. GENERAL

- 1.1 We, **Lorentz Angula Inc.**, Attorneys, Notaries & Conveyancers of 3rd Floor, LA Chambers, Unit 4, Ausspann Plaza, Dr Agostinho Neto Road, Windhoek, Republic of Namibia ("**Lorentz Angula Inc.**" or "**we**") have been requested to provide a Solicitor's Report and Legal Opinion (this "**Opinion**") to Bondi Mining Namibia (Proprietary) Limited (the "**Company**") and Bondi Mining Limited (jointly herein referred to as the "**Addressees**"), for inclusion in a prospectus to be dated on or about 2nd November 2011 issued by Bondi Mining Limited for the offer of 11.111.112 (eleven million one hundred eleven thousand one hundred and twelve) ordinary shares at an offer price of AU\$ 0,27 (twenty seven Australian cents) each to raise AU\$ 3.000.000 (three million Australian Dollar) (the "**Prospectus**").
- 1.2 The writer of this Opinion is an Attorney and Notary Public admitted to legal practice in the Republic of Namibia ("**Namibia**") in terms of the *Legal Practitioners Act, 1995*, is in good standing with the Law Society of Namibia and is a member and director of Lorentz Angula Inc.
- 1.3 Lorentz Angula Inc. is a company incorporated in Namibia in terms of the provisions of the *Companies Act, 1973* and the *Legal Practitioners Act, 1995*, conducting a legal practice in Namibia.
- 1.4 We provide this Opinion as independent legal counsel instructed by the Company through Wolfstar Group Pty Ltd of Level 4, 66 Kings Park Road, West Perth, WA 6005, Australia.
- 1.5 We have been requested to address this Opinion to the Addressees in connection with a public offering for the issue of 11.111.112 (eleven million one hundred eleven thousand one hundred and twelve) shares in Bondi Mining Limited at AU\$ 0,27 (twenty seven Australian cents) each (the "**Transaction**"). We have, however, not been briefed with any specific documents or details in relation to the Transaction and make no comment or opinion on the contents, terms and conditions of the Transaction.

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- 1.6 We provide, as part of this Opinion:
- 1.6.1 a high level summary of the mineral licensing regime in force in the Republic of Namibia;
 - 1.6.2 an opinion on the corporate status of the Company;
 - 1.6.3 an opinion on the validity and status of various applications for exclusive prospecting licences submitted by the Company to the Ministry of Mines and Energy pursuant to the provisions of the *Minerals (Prospecting and Mining) Act, 1992* (the "*Minerals Act, 1992*"), which have not yet been granted or been issued to the Company.

2. METHODOLOGY AND BACKGROUND

Methodology

- 2.1 For the purposes of providing this Opinion, we employed the following methodology:
- 2.1.1 We examined originals or copies, as respectively stated, of the following records and documents (hereinafter referred to as the "**documents**") of the Company, that we have deemed necessary for the purposes of this Opinion:

Documents of the Company

- (1) copy of the Memorandum and Articles of Association of the Company, collated by a Namibian Notary Public to be a true and correct copy of the signed originals;
- (2) copy of the Certificate of Incorporation of the Company dated 7th October 2009;
- (3) copy of the Certificate to Commence Business of the Company dated 7th October 2009;
- (4) copy of Certificate of Change of Name of the Company from its former name *Starting Right Investments One Seven Five (Proprietary) Limited* to its current name *Bondi Mining Namibia (Proprietary) Limited*, dated 31st August 2010;
- (5) a printout of the following registers, kept by PricewaterhouseCoopers Tax and Advisory Services (Proprietary) Limited as an electronic database, obtained on and dated 20th October 2011, consisting of:
 - (a) Combined Company Register;

- (b) Register of Members Share Transfers;
- (c) Register of Members Share Accounts;
- (d) Register of Allotments;
- (e) Register of Directors;
- (f) Register of Officers;
- (6) copies of the CM 27 forms Consent to Act as Director of the Company for:
- (a) Richard Karel Valenta dated 16th July 2010;
- (b) David Murray Esser dated 19th July 2010;
- (7) copy of the CM 29 return of Contents of Register of Directors, Auditors and Officers of the Company, dated 4th August 2010, stamped by the Registrar of Companies on 9th August 2010;
- (8) copy of the Company's Share Certificate No. 1, issued on 7th October 2009 to Jacolene Eagleton, endorsed as "cancelled";
- (9) copy of the Transfer of Shares, Stock, Debentures or Options Form, executed by the original shareholder of the Company, Jacolene Eagleton (as transferor) and the current shareholder Bondi Mining Limited (as transferee) on 25th June 2010;
- (10) copy of the Company's Share Certificate No. 2, issued on 25th June 2010 to Bondi Mining Limited;
- (11) copy of a special resolution dated 25th August 2010, adopting the change of name of the Company to Bondi Mining Namibia (Proprietary) Limited and the change of the main business of the Company;
- (12) copy of the CM 31 Form, dated 29th September 2009, indicating the consent to appointment by the Company's auditors;
- (13) copy of the CM 22 Form of Registered Office and Postal Address of the Company, dated 15th September 2010;

Applications for Mineral Licences

- (14) copies of applications by the Company for various exclusive prospecting licences, being:
- (a) an application for an exclusive prospecting licence for base and rare metals, industrial

2.

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minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4640;

- (b) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4641;
- (c) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4642;
- (d) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4643;
- (e) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4644;
- (f) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4645;
- (g) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4646;
- (h) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4647;
- (i) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the Ministry on 22nd December 2010 under reference number EPL 4648; and
- (j) an application for an exclusive prospecting licence for base and rare metals, industrial minerals and precious metals, accepted by the

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Ministry on 22nd December 2010 under reference number EPL 4649.

(15) Copies of receipts number 7720662 and 7720666 dated 22nd December 2010, issued by the Ministry of Finance in relation to the payment of application fees for the aforesaid exclusive prospecting licences.

- 2.1.2 Between the 20th October 2011 and the 28th October 2011, we attended on the offices of the Registrar of Companies to conduct a company search on the Company and requested a Certificate of Good Standing from the Registrar of Companies. We obtained a Certificate of Good Standing on 28th October 2011.
- 2.1.3 On the 20th October 2011, we attended on the company secretaries of the Company, PricewaterhouseCoopers Tax and Advisory Services (Proprietary) Limited, and conducted requisite searches and inspections of the Company's corporate registers.
- 2.1.4 On the 25th October 2011, we conducted a search of the Insolvencies Register at the offices of the Master of the High Court, and examined its entries for the years 2009, 2010 and 2011 for any record of the Company having been placed into liquidation.
- 2.1.5 On the 25th October 2011, we conducted a search of the Applications Register (the register of motion proceedings) with the Registrar of the High Court of Namibia, and examined its entries for the year 2011 for any record of any liquidation or related motion proceedings brought against the Company in the High Court of Namibia.
- 2.1.6 On the 21st October 2011, we attended on the offices of the Mining Commissioner to obtain a confirmation on the existence of the further applications for the exclusive prospecting licences referred to in paragraph 2.1.1 (14).

3. ASSUMPTIONS AND QUALIFICATIONS

Assumptions

- 3.1 In providing this Opinion, we have assumed:
- 3.1.1 the genuineness of all signatures on all documents (the "Documents") considered by us for the purposes of this Opinion;
- 3.1.2 all signatures on the Documents referred to in this Opinion are signatures of the persons they purport to be;



- 3.1.3 the authenticity, completeness and conformity to originals of all Documents submitted to us in copy;
- 3.1.4 the accuracy and completeness of official records maintained by various Government Ministries, more specifically, the Ministry, the Ministry of Trade and Industry, the Master of the High Court of Namibia and the Registrar of the High Court of Namibia;
- 3.1.5 the accuracy and completeness of Documents provided to us by the Company for the purposes of this Opinion;
- 3.1.6 there are no documents other than those referred to in this Opinion, which have a bearing on or affect the matters to which this Opinion relates;
- 3.1.7 that each party to the Documents provided has duly complied with the provisions, terms and conditions of the relevant Documents.

Limitations and Qualifications

- 3.2 This Opinion is provided subject to the following limitations and qualifications:
 - 3.2.1 This Opinion has been prepared by us in accordance with instructions by the Addressees solely for the purpose of inclusion in or as part of the Prospectus. This Opinion was not prepared by us with the intention of addressing any other issues or matters which may be of interest to anyone else. Accordingly, this Opinion is prepared solely for the benefit of the Addressees and the directors of the Addressees in connection with the issue of the Prospectus, and is not to be relied upon or disclosed to any person or used for any other purpose or quoted or referred to in any public document, or to be filed with any Government agency or other person without our prior consent. We do not accept a duty of care to any person other than the Addressees in connection with the subject matter of this Opinion.
 - 3.2.2 This Opinion may not be quoted or referred to, or used or relied upon by any person other than the Addressees, and then only in connection with the Transaction.
 - 3.2.3 This Opinion may not be reproduced, copied, circulated or quoted without our prior written consent. If any person other than the Addressees obtain a copy of this Opinion (or any part of it) they do so on the basis that they acknowledge and accept that (i) they may not rely on it for any purpose whatsoever, (ii) Lorentz Angula Inc. has a duty of care only to the Addressees.
 - 3.2.4 This Opinion is to be construed in accordance with Namibian law and our liability in respect of this Opinion is



to be governed by Namibian law to the exclusion of any other laws.

- 3.2.5 We have no duty to the Addressees to update this Opinion following its date of issue.
- 3.2.6 We express no opinion with respect to the laws of any jurisdiction other than Namibian law, or in relation to any documents which may be subject to or governed by the law of any other jurisdiction. Therefore our review of documents not governed by Namibian law has been from a common sense perspective and has assumed the applicability of general legal principles similar to those of Namibian law.
- 3.2.7 By accepting receipt of this Opinion, the Addressees acknowledge and agree to all assumptions, limitations and qualifications contained and set out herein, and agree to be bound by and observe and comply therewith.

4. THE MINERAL LICENSING REGIME IN NAMIBIA

General

- 4.1 In terms of Article 100 of the *Constitution of the Republic of Namibia, 1990* (the “**Constitution**”) all natural resources below and above the surface of the land and in the continental shelf and within the territorial waters and the exclusive economic zone of Namibia shall belong to the State if they are not otherwise owned. Pursuant to the position in the Constitution, the Namibian legislator has enacted the *Minerals Act, 1992*, which provides for the exploration and mining of minerals, which is administered by the Ministry under the Minister of Mines and Energy (the “**Minister**”).

Mineral Licensing Regime

- 4.2 In terms of section 2 of the *Minerals Act, 1992*, all rights in relation to the reconnaissance, prospecting for or mining and sale or disposal, and the exercise of control over any mineral or group of minerals vests in the State, notwithstanding any right of ownership of any person in relation to any land in, on or under which such minerals are found.
- 4.3 In terms of section 3 (1) (a) of the *Minerals Act, 1992*, no person shall carry out any reconnaissance operations, prospecting operations or mining operations in, on or under any land in Namibia, except under and in accordance with a mining claim or a mineral licence.
- 4.4 Under section 3 (1) (b) of the *Minerals Act, 1992*, no person shall transfer a mining claim or a mineral licence, or grant, cede or assign any interest to any other person, or be joined as a joint holder of such mining claim or mineral licence otherwise than in writing and with the approval in writing of the Minister.

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- 4.5 Under section 1 of the *Minerals Act, 1992*, a mineral is any substance, whether in solid or gaseous form, occurring naturally in, on or under any land and having been formed by, or subjected to, a geological process, but excludes water, petroleum, and also clay, gravel or stone when used for certain described purposes.
- 4.6 The holder of a mineral licence granted in terms of the *Minerals Act, 1992* essentially holds a bundle of rights against and obligations towards the State.

Types of Licences

- 4.7 Under the *Minerals Act, 1992*, there are two main categories of licences relating to minerals:

Category 1

- 4.7.1 Non-exclusive prospecting licences and mining claims, which are reserved for Namibian citizens or corporate entities in which only Namibian citizens may hold an interest. These licences are issued by the Mining Commissioner.

Category 2

- 4.7.2 The so-called “mineral licences”, under which category fall the following licences:
- (a) exclusive prospecting licences (“EPLs”);
 - (b) reconnaissance licences (“RLs”);
 - (c) exclusive reconnaissance licences (“ERLs”);
 - (d) mining licences (“MLs”); and
 - (e) mineral deposit retention licences (“MDRLs”).
- 4.8 The licences referred to in paragraph 4.7 are granted and issued by the Minister.

Eligible Licence Holders

- 4.9 Pursuant to section 46 of the *Minerals Act, 1992*, mineral licences and interests in mineral licences may only be granted to:
- 4.9.1 a Namibian citizen who has reached the age of 18 (eighteen) years; or
 - 4.9.2 a company incorporated under the laws of Namibia, including an external company.
- 4.10 There is no restriction on the percentage of foreign shareholding in a company holding a mineral licence.

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Exclusive Prospecting Licences

General

4.11 EPLs are granted and issued under Part X of the *Minerals Act, 1992*.

Rights of an EPL Holder

4.12 In terms of section 67 (1) of the *Minerals Act, 1992*, the rights of the holder of an EPL comprise *inter alia* the entitlements to:

- 4.12.1 carry on prospecting operations in the prospecting area and in relation to the specific minerals to which the EPL relates;
- 4.12.2 remove, with the permission of the Mining Commissioner, minerals or groups of minerals for various purposes (for example sampling, sale or disposal) from Namibia;
- 4.12.3 sell or dispose of minerals or groups of minerals with the permission of the Mining Commissioner; and
- 4.12.4 construct accessory works.

Limited Exclusivity

4.13 In terms of section 67 (2) of the *Minerals Act, 1992*, the holder of an EPL does not obtain any preferential right to any other mineral licence, mineral or group of minerals other than those included in his licence. It is therefore possible for more than one person to hold an EPL over the same area, but then only in respect of different minerals.

Duration of EPLs

- 4.14 Under section 71 of the *Minerals Act, 1992*, EPLs may be granted and issued for an original period not exceeding three years, and may subsequently be renewed for not more than two periods of two years each. No further renewals are possible unless the Minister deems this desirable in the interests of the development of the mineral resources of Namibia.
- 4.15 Sections 72 (3) and 72 (4) of the *Minerals Act, 1992* limit the Minister's powers to refuse renewal of an EPL. By way of a generalized summary, the Minister may not refuse the renewal of an EPL if the licence holder has complied with all the terms and conditions of the EPL, has complied with the prospecting program, and expended the agreed expenditure.
- 4.16 Under section 71 (3) of the *Minerals Act, 1992*, EPLs shall not expire during a period during which an application for the renewal of such licence is being considered, until such application is refused, is withdrawn or lapses.

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- 4.17 Pursuant to section 72 of the *Minerals Act, 1992*, the licence holder shall on the first renewal application be required to relinquish 25% (twenty five percent) of the original licence area, and shall on any subsequent renewal application be required to relinquish a further 50% (fifty percent) of the licence area existing on the date of such application.

EPL Conditions

- 4.18 Various conditions attach to an EPL, the principal sources of which are as follows:
- 4.18.1 The general provisions of the *Minerals Act, 1992* applicable to all EPLs.
- 4.18.2 The general statutory licence conditions contained in section 50 of the *Minerals Act, 1992*, applicable to all EPLs. They include, *inter alia*, the principal obligations to:
- (a) exercise all rights under the licence reasonably and in such a manner that the interests of the owner of the land are not adversely affected;
 - (b) give preference to Namibian citizens in employing employees;
 - (c) carry out training programmes to encourage and promote development of Namibian citizens;
 - (d) with due regard to technical and economic efficiency, make use of products or equipment manufactured or produced and services available in Namibia; and
 - (e) prepare environmental impact assessments and environmental management plans.
- 4.18.3 The individual licence conditions contained in the licence documents (more specifically the “*Notice of Preparedness to Grant*”), also known as the Supplementary Terms and Conditions.

Mining Licences - General

- 4.19 Mining licences are granted and issued under Part XII of the *Minerals Act, 1992*.

Rights of a Mining Licence Holder

- 4.20 In terms of section 90 (1) of the *Minerals Act, 1992*, the rights of the holder of a mining licence comprise *inter alia* the entitlements to:
- 4.20.1 carry on, within the mining licence area, mining operations in respect of the mineral to which the mining licence relates;

- 4.20.2 carry on, within the mining licence area, prospecting operations in relation to any mineral or group of minerals;
- 4.20.3 remove minerals (other than controlled minerals (such as nuclear fuels)) for any purpose other than the sale or disposal, to any other place within Namibia;
- 4.20.4 with the permission in writing of the Mining Commissioner, remove within or from Namibia any minerals for various purposes, such as for sale or disposal;
- 4.20.5 with the permission in writing of the Mining Commissioner, sell or dispose of any such minerals; and
- 4.20.6 erect, with the prior permission in writing by the Mining Commissioner, accessory works reasonably necessary for or in connection with the mining operations, removal, selling or disposal of minerals.

Duration of Mining Licences

- 4.21 In terms of section 94 of the *Minerals Act, 1992*, mining licences may be granted and issued for a period of 25 (twenty five) years or such shorter period which in the opinion of the Minister represents the estimated life of the mine, or for such further periods not exceeding 15 (fifteen) years which in the opinion of the Minister represents the remaining period of the estimated life of the mine at the time of the renewal.

Application for a Mining Licence

- 4.22 Applications for mining licences are brought under section 91 of the *Minerals Act, 1992*. In summary, an application for a mining licence shall:
 - 4.22.1 contain the prescribed details of the applicant;
 - 4.22.2 state the period for which such mining licence is required;
 - 4.22.3 be accompanied by a detailed plan of the area to which the application relates, drawn according to scale of such area indicating
 - (a) its location with reference to magisterial districts;
 - (b) the name and number of any farm situated therein; and
 - (c) the extent of such area defined by reference to identifiable physical features or co-ordinate reference points;

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- 4.22.4 contain a detailed geological description of the area of land to which the application relates –
- (a) in which the mineral or group of minerals to which such application relates is set out;
 - (b) which includes an estimate, substantiated by documentary proof or such other proof as may be required by the Mining Commissioner, of the mineral reserves in such mining area and properly illustrated by way of plans and maps drawn according to scale;
- 4.22.5 contain particulars of –
- (a) any licence held, whether alone or jointly with any other person, and the mineral or group of minerals to which such licence or mining claim relates; and
 - (b) any prospecting operations and mining operations carried on by such person alone or jointly with any other person outside Namibia;
- on date of such application and during a period of 10 years immediately preceding such date;
- 4.22.6 contain particulars of –
- (a) the condition of, and any existing damage to, the environment in the area to which the application relates;
 - (b) an estimate of the effect which the proposed prospecting operations and mining operations may have on the environment and the proposed steps to be taken in order to minimize or prevent any such effect; and
 - (c) the manner in which it is intended to prevent pollution, to deal with any waste, to safeguard the mineral resources, to reclaim and rehabilitate land disturbed by way of the prospecting operations and mining operations and to minimize the effect of such operations on land adjoining the mining area;
- 4.22.7 be accompanied by a complete technical report on the proposed development, mining and ore treatment activities; including –
- (a) the dates of commencement of development, mining and ore treatment activities;

- (b) the capacity of production and scale of operations; and
 - (c) the overall mining of ore and minerals or groups of minerals and the nature thereof;
- 4.22.8 contain particulars, substantiated by documentary proof or such other proof as may be required by the Mining Commissioner, of the technical and financial resources of, or available to, such person to carry on the prospecting operations to which the application relates;
- 4.22.9 contain particulars of the programme of such mining operations, the estimated expenditure in respect thereof, the period within which such operations will be carried on and such expenditure will be made;
- 4.22.10 be accompanied by a detailed forecast of capital investment, operating cost, income and profits and particulars of the means of financing;
- 4.22.11 be accompanied by such documents as the Minister may require in relation to any particulars referred to in this section;
- 4.22.12 may contain any other matter which in the opinion of the person concerned is relevant to the application; and
- 4.22.13 be accompanied by the prescribed application fee.

Granting of Mining Licences

- 4.23 Pursuant to section 92 (1) of the *Minerals Act, 1992*, the Minister is required to grant an application for a mining licence to the holder of an EPL, and there are limited reasons on the basis of which he may refuse such grant, which, simplified, substantively relate to:-
- 4.23.1 the failure by the applicant to comply with the provisions of the *Minerals Act, 1992* and the terms and conditions of the EPL; and
 - 4.23.2 the non-availability of financial resources or technical know-how to develop a mine.

Mining Licence Conditions

- 4.24 Various conditions attach to a mining licence, the principal sources of which are as follows:
- 4.24.1 The general provisions of the *Minerals Act, 1992* applicable to all mining licences.
 - 4.24.2 The general statutory licence conditions contained in section 50 of the *Minerals Act, 1992* as already reported on under paragraph 4.18.2.

4.24.3 The general statutory licence conditions contained in section 40 of the *Minerals Act, 1992*, as made applicable to mining licences pursuant to section 98 of the *Minerals Act, 1992*. The obligations of the mining licence holder are, *inter alia*, to:

- (a) exercise its rights under the licence reasonably and in such a manner that the interests of the owner of the land are not adversely affected;
- (b) carry on its operations in accordance with good mining and good prospecting practices;
- (c) maintain beacons and point them out at the request of certain persons;
- (d) secure the safety, welfare and health of persons employed in the licence area;
- (e) maintain all accessory work in the licence area in good condition and repair;
- (f) remove from the licence area all structures and equipment not used for the operations; and
- (g) take, in accordance with any applicable law, reasonable steps to warn persons of possible hazards.

4.24.4 The individual licence conditions contained in the licence documents (more specifically the “*Notice of Preparedness to Grant*”), known as the “Supplementary Terms and Conditions”.

Cancellation of Mineral Licences

4.25 Pursuant to section 55 of the *Minerals Act, 1992* the Minister may by notice in writing addressed to a licence holder cancel a mineral licence in the case of:

4.25.1 the non-compliance by the licence holder with the terms and conditions of the mineral licence or the provisions of the *Minerals Act, 1992*; or

4.25.2 the winding-up of the licence holder if it is a company.

4.26 The Minister may, however, in the case of non-compliance, not cancel the mineral licence until such time as the Minister has addressed a written notice to the licence holder, specifying the particulars of the alleged non-compliance, and calling on the licence holder to make representations, and has taken into account any steps taken by the holder to remedy the non-compliance.

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Mineral Agreements

- 4.27 For the sake of completeness, we wish to point out that the Minister may, before a mineral licence is issued, enter into what is referred to in section 50 of the *Minerals Act, 1992* as a mineral agreement, under which the Minister is empowered to regulate various matters with a licence holder.
- 4.28 We wish to point out that the Government has invoked this section only in exceptional cases, and that there is no regular practice on behalf of the Government to enter into mineral agreements.

Register of Mineral Licences and Evidence

- 4.29 In terms of section 51 of the *Minerals Act, 1992*, the Mining Commissioner is required to keep a register of mineral licences (the “**Register of Mineral Licences**”). The Register of Mineral Licences exists only as a computer database, which can be inspected and from which printouts can be obtained. In practice, searches conducted on the Register of Mineral Licences are effected by the officials in charge printing extracts thereof in relation to specific holders of mineral licences.
- 4.30 Past experience has shown that the Register of Mineral Licences is not always in all respects accurate. In this regard, and in terms of section 123 of the *Minerals Act, 1992*, an extract from the Register of Mineral Licences, certified by the Mining Commissioner to be true and correct, shall, unless the contrary is proved, be conclusive evidence of the facts mentioned therein. It follows that the *Minerals Act, 1992* does not warrant the correctness of the register of mineral licences, as contrary proof is allowed and admissible. The Mining Commissioner, unfortunately, does not make use of the provisions of section 123 of the *Minerals Act, 1992*, and does not, in terms of the current practice, regularly certify an extract from the Register of Mineral Licences. However, the Mining Commissioner regards the Register of Mineral Licences as self-validating.

Incidental Matters

Companies Registration Office

- 4.31 In terms of section 4 of the *Companies Act, 2004*, there is established a Companies Registration Office and the office of the Registrar of Companies. The Companies Registration Office is tasked with registering and keeping certain records of companies registered in Namibia, and such records are by law accessible by the public. In terms of section 6 of the *Companies Act, 2004*, the Registrar of Companies is responsible for the administration of the Companies Registration Office.

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Insolvency Register

- 4.32 The Master of the High Court of Namibia keeps a register recording all provisional, ongoing or final liquidations of companies in Namibia.

5. OPINION

As on the date hereof, based on our examinations, inspections and methodology, but subject to (1) the general assumptions, limitations and qualifications set out hereinbefore, and (2) any specific qualifications and further comments set out hereinafter, we advise and opine as follows:

Corporate Status of CompanyIncorporation

- 5.1 The incorporation details of the Company, as reflected in the various Documents, are as follows:
- 5.1.1 Name of Company: Bondi Mining Namibia (Proprietary) Limited;
 - 5.1.2 Registration Number: 2009 / 0724;
 - 5.1.3 Date of Incorporation: 7th October 2009;
 - 5.1.4 Registered Office: 3rd Floor, 344 Independence Avenue, Windhoek;
 - 5.1.5 Postal Address: P.O. Box 1571, Windhoek, Namibia.
- 5.2 In our opinion, the Company is duly incorporated and validly existing as a private company with limited liability under the laws of Namibia (more specifically, it was incorporated under the *Companies Act, 1973*). On 28th October 2011, the Registrar issued a Certificate of Good Standing annexed hereto marked “**Annexure A**”.
- 5.3 Neither have we found any records indicating that the Company has been placed in provisional or final liquidation, nor have we found any records indicating that there are legal proceedings for the provisional or final liquidation of the Company pending before the High Court of Namibia.

Memorandum and Articles of Association

- 5.4 The main business of the Company is described in its memorandum of association (as amended by a special resolution) as mineral exploration, import, export and any related business, and accordingly the Company has the necessary corporate powers to undertake exploration operations.

- 5.5 The Company has not adopted the standard articles of association provided for in Table B of Schedule 1 to the *Companies Act, 1973*, but has adopted its own set of articles of association. Having reviewed the articles of association of the Company, we are of the opinion that their contents are fairly standard, and that there is nothing contained in them that would warrant any particular concern or comment for the purposes of the Prospectus.

Directors and Auditors

- 5.6 The directors of The Company are reflected in the Company's latest CM 29 Return dated 4th August 2010 as being:-
- 5.6.1 Richard Karel Valenta, an Australian national and geologist born 22nd March 1961, residing at 44 Kingsley Parade Yeronga, Queensland 4104, Australia, who was appointed on 25th June 2010;
- 5.6.2 David Murray Esser, an Australian national and geologist, born 30th January 1963, residing at 47 Regent Street, Eight Mile Plains, Australia, who was appointed on 25th June 2010;
- 5.7 The auditors of the Company are reflected in the Company's latest CM 29 as PricewaterhouseCoopers, appointed on 7th October 2009.

Share Capital Structure and Shareholding

- 5.8 The Company has an authorised share capital of 4,000 (four thousand) ordinary par value shares of N\$ 1 (one) Namibian Dollar each.
- 5.9 Of the authorised share capital referred to in paragraph 5.8 only 100 (one hundred) ordinary par value shares of N\$ 1 (one) Namibian Dollar each have been issued.
- 5.10 The current shareholder of the Company is reflected as Bondi Mining Limited of P.O. Box 8012, Woolloongabba, Queensland, 4102, Australia, reported to hold 100 (one hundred) ordinary par value shares of N\$ 1 (one) Namibian Dollar each under share certificate number 2 (two).

Status of Exclusive Prospecting Licence Applications

- 5.11 The Company has provided us with relevant documents, and we were able to confirm in the records of the Ministry, that the Company has applied for the following exclusive prospecting licences, all of which applications are still pending a decision by the Minister of Mines and Energy whether to grant and issue them in terms of the *Minerals Act, 1992*. These applications have, in our opinion, been validly made, and they are the following:
- 5.11.1 Application for EPL 4640 for base and rare metals, industrial minerals and precious metals;

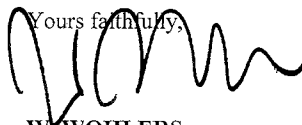
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- 5.11.2 Application for EPL 4641 for base and rare metals, industrial minerals and precious metals;
- 5.11.3 Application for EPL 4642 for base and rare metals, industrial minerals and precious metals;
- 5.11.4 Application for EPL 4643 for base and rare metals, industrial minerals and precious metals;
- 5.11.5 Application for EPL 4644 for base and rare metals, industrial minerals and precious metals;
- 5.11.6 Application for EPL 4645 for base and rare metals, industrial minerals and precious metals;
- 5.11.7 Application for EPL 4646 for base and rare metals, industrial minerals and precious metals;
- 5.11.8 Application for EPL 4647 for base and rare metals, industrial minerals and precious metals;
- 5.11.9 Application for EPL 4648 for base and rare metals, industrial minerals and precious metals;
- 5.11.10 Application for EPL 4649 for base and rare metals, industrial minerals and precious metals.
- 5.12 A search of the Register of Mineral Licences revealed that all the aforesaid licence applications have been duly recorded in the Register of Mineral Licences as pending applications. In this regard, we annex hereto a copy from the excerpt of the Register of Mineral Licences marked “**Annexure B**”.

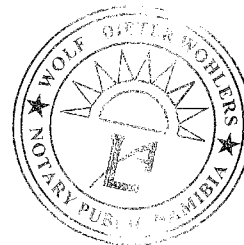
Annexures

- 5.13 We annex hereto the following documents:
- 5.13.1 **Annexure A** – Certificate of Good Standing;
- 5.13.2 **Annexure B** – Excerpt from Register of Mineral Licences.

Dated Windhoek this 31st October 2011.

Yours faithfully,


W. WOHLERS
Attorney and Notary Public
LORENTZ ANGULA INC.
Attorneys, Notaries & Conveyancers
3rd Floor, LA Chambers, Unit 4, Ausspann Plaza
Dr Agostinho Neto Road
Windhoek
REPUBLIC OF NAMIBIA



Annexure A



REPUBLIC OF NAMIBIA

MINISTRY OF TRADE AND INDUSTRY

Tel: (092 64 61) 2837111
Fax: (092 64 61) 222576
Telex: 808

Department: Trade and Commerce

Private Bag 13340
WINDHOEK

Enquiries

A Husselmann

Our Ref: Your Ref:

2009/0724

28 October 2011

TO WHOM IT MAY CONCERN

It is hereby certified that **BONDI MINING NAMIBIA (PROPRIETARY) LIMITED**.
(Registration No 2009/0724) was incorporated on 7 October 2009 and that the said
company is in good standing at the date hereof.

A handwritten signature in black ink, appearing to be 'A Husselmann', written over a horizontal line.

REGISTRAR OF COMPANIES

All official correspondence must be addressed to the Permanent Secretary

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Licences held by: Bondi Mining Namibia (Pty) Ltd

Type Number	Mineral	Status	Share	Issue	Expiry	Region	Div.	District
EPL 14/2/1/4/2/4640	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Omaheke	L	Otjinene
EPL 14/2/1/4/2/4641	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Omaheke	L	Otjinene
EPL 14/2/1/4/2/4642	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Otjonzondjupa/ Omaheke	B/L	Grootfontain/ Otjine
EPL 14/2/1/4/2/4643	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Omaheke	L	Otjinene
EPL 14/2/1/4/2/4644	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Omaheke	L	Otjinene
EPL 14/2/1/4/2/4645	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Otjonzondjupa	B/D	Okakar/Tsumk/Gro otf
EPL 14/2/1/4/2/4646	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Omaheke	L	Otjinene
EPL 14/2/1/4/2/4647	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Otjonzondjupa	B	Grootfontain
EPL 14/2/1/4/2/4648	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Otjonzondjupa	B	Grootfontain
EPL 14/2/1/4/2/4649	Base and rare metals, Industrial minerals and Precious metals	Pending	100.00%			Omaheke	L	Otjinene

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10. MATERIAL CONTRACTS

Set out below are summaries of the more important provisions of contracts to which the Company is a party and which are or may be material in terms of the Offer or the operations of the Company or otherwise are or may be relevant to an investor who is contemplating the Offer.

To fully understand all rights and obligations in the material contracts it is necessary to read them in full.

A copy of each of these contracts may be inspected during normal business hours at the registered office of the Company.

10.1 Implementation Deed – Material terms of the Acquisition

A copy of the Implementation Deed is attached to the Company's ASX announcement on 29 August 2011. The material terms of the Implementation Deed (as amended by Deeds of Amendment dated 6 October 2011 and 27 October 2011) are as follows:

- (i) **Conditions precedent:** The Proposed Transaction is conditional on satisfaction or waiver of the following conditions precedent:
- 1 no Court or other order restraining or prohibiting the completion of any aspect of the Proposed Transaction shall be in effect;
 - 2 the Scheme being approved by World Titanium shareholders at the Scheme meeting;
 - 3 ASIC stating in writing that it has no objection to the Scheme pursuant to section 411(17) of the Corporations Act;
 - 4 the Court approving the Scheme pursuant to section 411(4)(b) of the Corporations Act with or without modification;
 - 5 the Options are issued and the holder agrees to the issue of the Options Consideration in consideration for the acquisition or cancellation of their World Titanium Options on implementation of the Scheme;
 - 6 the Company and the holder of the World Titanium Warrants agree that the Warrant Offers Consideration will be issued in consideration for the acquisition or cancellation of the World Titanium Warrants on implementation of the Scheme not otherwise exercised prior to the Record Date;
 - 7 no World Titanium Prescribed Occurrence occurs other than as required or contemplated by the Implementation Deed;
 - 8 the Company conducting due diligence in respect of World Titanium and being satisfied in all respects with such due diligence;
 - 9 the Company's shareholders approving the consolidation of its capital on a 1:4 basis;
 - 10 the Company obtaining all shareholder approvals required for the Proposed Transaction, a change of name to World Titanium Resources Limited and the matters referred to in subparagraphs 9, 11 and 12;
 - 11 the Company obtaining all necessary approvals for the disposal of its nonAfrican uranium and copper assets by in specie distribution to holders of Bondi Shares at a record date to be set by Bondi but prior to the Second Court Date and completing all other steps required to effect such a disposal prior to the Second Court Date other than the transfer of shares held by Bondi in the subsidiary entities holding the nonAfrican assets to the holders of Bondi Shares at the record date set for the in specie distribution which shall occur immediately following Court approval of the Scheme pursuant to section 411(4)(b) of the Corporations Act;
 - 12 the Company meeting the requirements in Chapters 1 and 2 of the Listing Rules as if it were applying for admission to the official list (including completing the Capital Raising);
 - 13 the Company receiving in principle approval from ASX of the escrow to be applied to securities in the Company to be issued to holders of securities in World Titanium on terms acceptable to World Titanium;
 - 14 the Company being satisfied that it is lawful to issue each Scheme Participant whose address in the Register as at the Record Date is in Mauritius, the UK, the USA, Canada, Switzerland, Ireland, Belgium, Jersey, Hong Kong, Luxembourg or Monaco with Scheme Consideration when the Scheme becomes Effective;
 - 15 the Company receiving a letter from ASX confirming that ASX will grant conditional re-quotation of the Company shares on the official list of ASX (including those to be issued to World Titanium Shareholders under the Scheme) on terms acceptable to World Titanium, including in respect to escrow relief for Scheme participants;

16 World Titanium conducting due diligence in respect of the Company and being satisfied in all respects with such due diligence; and

17 no Bondi Prescribed Occurrence occurs other than as required or contemplated by the Implementation Deed or the Scheme.

(ii) **Scheme:** World Titanium must propose a scheme of arrangement under Part 5.1 of the Corporations Act under which, subject to the scheme becoming Effective, all of World Titanium's shares on issue at the Effective Date will be transferred to the Company and eligible World Titanium shareholders will be entitled to receive 3.5 Shares for each World Titanium Share held at the Record Date.

(iii) **Options Consideration:** The Company has covenanted in favour of each World Titanium Optionholder that in consideration for the acquisition or cancellation of a World Titanium Option held by a World Titanium Optionholder under the terms of the World Titanium Options, the Company will grant to the World Titanium Optionholder 3.5 Bondi New Options for each World Titanium Option on or about the date that the consideration under the Scheme is payable to World Titanium Shareholders, subject to the Scheme becoming effective.

(iv) **Warrant Offer:** The Company has covenanted in favour of the World Titanium Warrantheadholder that in consideration for the acquisition or cancellation of a World Titanium Warrant held by the World Titanium Warrantheadholder under the terms of the World Titanium Warrant, the Company will grant to the World Titanium Warrantheadholder 3.5 Bondi Warrants for each World Titanium Warrant on or about the date that the consideration under the Scheme is payable to World Titanium Shareholders subject to the Scheme becoming effective.

(v) **Consolidation of capital:** The Company will consolidate its existing issued capital on a 1:4 basis.

(vi) **Prospectus Issue:** The Company will undertake the Capital Raising by offering under a Prospectus up to 15,000,000 Shares at a price of no less than \$0.27 per Share to no less than the number of new investors in the Company required by ASX, to raise \$3,000,000.

(vii) **Change of name:** The Company will change its name from 'Bondi Mining Limited' to 'World Titanium Resources Limited', and World Titanium will change its name from 'World Titanium Resources Limited' to a name to be determined in its sole discretion.

(viii) **Appointment and resignation of directors (Company Board):** Immediately upon implementation of the Scheme, the Company will ensure that its Board (and the boards of each of its subsidiaries) is comprised of:

- 1 up to eight nominees of World Titanium;
- 2 one nominee of the Company; and
- 3 the Chairman (who will be nominated by World Titanium).

The Company directors serving immediately prior to the Implementation Date shall resign immediately upon appointment of the World Titanium nominees.

(ix) **Appointment of directors (World Titanium Board):** As soon as practicable after implementation of the Scheme, World Titanium will use its reasonable endeavours to cause the appointment to the World Titanium Board of one director nominated by the Company subject to that person being appointed having provided a consent to act as a director and to any necessary consents from Australian Government Authorities to their appointments having been obtained.

(x) **Termination by World Titanium:** World Titanium may, by notice in writing to the Company, terminate the Implementation Deed without further obligation to the Company if:

- 1 the Company is in material breach of its obligations under the Implementation Deed and has failed to remedy that breach within five Business Days after receipt by it of a notice in writing from World Titanium;
- 2 any of the Conditions Precedent which are for the benefit of World Titanium become incapable of being satisfied (other than due to the failure of World Titanium to comply with clause 3.4 of the Implementation Deed) and are not otherwise waived;
- 3 any Court or regulatory authority has taken any action permanently restraining or otherwise prohibiting the Scheme or has refused to do anything necessary to permit the Scheme and such action or refusal has become final and unable to be appealed;
- 4 it decides not to proceed after completing due diligence;
- 5 the Proposed Transaction is not completed by 15 April 2012; or
- 6 subject to the obligations in clause 9.3 of the Implementation Deed, without reason at its sole discretion.

(xi) **Termination by Bondi:** The Company may, by notice in writing to World Titanium, terminate the Implementation Deed if:

- 1 World Titanium is in material breach of its obligations under the Implementation Deed and World Titanium has failed to remedy that breach within five Business Days after receipt by it of notice in writing from the Company setting out details of the relevant circumstances and requesting World Titanium to remedy that breach;
- 2 any of the Conditions Precedent in clause 3.1 of the Implementation Deed becomes incapable of being satisfied and, in respect only of the Conditions Precedent which are for the benefit of the Company are not otherwise waived, including because of the occurrence of a Prescribed Occurrence;
- 3 any Court or regulatory authority has taken any action permanently restraining or otherwise prohibiting the Scheme or has refused to do anything necessary to permit the Scheme and such action or refusal has become final and unable to be appealed;
- 4 it decides not to proceed after completing due diligence; or
- 5 the Proposed Transaction is not completed by 15 April 2012.

(xii) **Break Fee:** Upon completion of their respective due diligence, the Company and World Titanium shall notify the other in writing whether it wishes to complete the Proposed Transaction. If each party confirms that it wishes to complete and thereafter World Titanium terminates the Proposed Transaction without cause and then, within six months after such termination World Titanium:

- 1 enters into a merger or similar arrangement with a third party and completes the same (whether or not completion is within the said six months after termination without cause);
- 2 sells its Madagascar assets or any subsidiary containing such assets at the time of sale to a third party; or
- 3 is acquired by a third party,

then World Titanium shall reimburse the Company for its reasonable out-of-pocket expenses incurred in connection with the Proposed Transaction up to \$500,000 subject to reasonable supporting documentation.

10.2 Advisory Mandate

On 28 September 2011, the Company engaged Wolfstar Group Pty Ltd (**Wolfstar Group**) as Prospectus Manager to prepare a Prospectus that meets the requirements for compliance with Chapters 1 and 2 of the ASX Listing Rules.

In consideration for the services provided, Wolfstar Group is entitled to fees of \$40,000 (plus GST) payable upon lodgement of the Prospectus with ASIC.

The Company will reimburse Wolfstar Group for all reasonable out-of-pocket expenses incurred.

Either party may terminate the Agreement by giving seven days' notice.

11. ADDITIONAL INFORMATION

11.1 Tax Status and Financial Year

The Company is taxed in Australia as a public company. The financial year of the Company ends on 30 June annually.

11.2 Corporate Governance

The Board of Directors will be responsible for the corporate governance of the Company including its strategic development. The format of this Section is guided by the ASX Corporate Governance Council's best practice recommendations.

As at the date of the Prospectus, and except as detailed below, the Company's corporate governance practices are compliant with the Council's best practice recommendations. Detailed below is a summary of the Company's Corporate Governance practices.

ASX Guidelines	Summary of Bondi Mining's position
PRINCIPLE ONE Lay solid foundations for management and oversight	The Company has three non-executive directors (including the Chairman). As a whole, the Board consists of experienced public directors.
PRINCIPLE TWO Structure Board to Add Value	A majority of non-executive Directors in place with an independent Chairman.
PRINCIPLE THREE Promote Ethical and Responsible Decision Making	The Company has adopted a code of conduct and securities trading policy for Directors and senior executives regulating the duties of directors and their dealings with the Company (and Shares).
PRINCIPLE FOUR Safeguard Integrity in Financial Reporting	The Company has established an audit committee whose primary responsibilities are to oversee the management of, and the existence and maintenance of, internal controls and accounting systems. Two non-executive Directors and the Company Secretary act as the Audit Committee.
PRINCIPLE FIVE Make Timely and Balanced Disclosure	The Company has defined, under its ASX Disclosure strategy, an internal protocol for the reporting of material information to Shareholders and ASX. The Company Secretary will act as disclosure officer for ASX purposes.
PRINCIPLE SIX Respect the Rights of Shareholders	The Company is committed to Shareholder communication and providing equal access to material information regarding the operations and results. The Company expects to make regular ASX announcements and make these available on its website.
PRINCIPLE SEVEN Recognise and Manage Risk	The Board has responsibility for identifying, monitoring and, where appropriate, the reduction of significant risk to the Company.
PRINCIPLE EIGHT Remunerate Fairly and Responsibly	The Board has not established a remuneration committee or disclosed a remuneration committee charter and therefore the Company has not complied with recommendation 8.1 and 8.3 respectively of the Corporate Governance Council. Given the size of the Company, the Board does not consider a separate committee appropriate. The Board takes ultimate responsibility for these matters. This Prospectus discloses the entitlements of Directors.
Director's Share Trading Policy	The Company's securities trading policy covers Directors, employees and contractors ('restricted persons') and aims to ensure that trading in the Company's shares is fair and appropriate and maintains the reputation of the Company. Trading windows may be opened by approval of the Board, and will generally be opened for 60 days. Additionally, the Board may determine that the market is fully informed and notify the restricted persons that a trading window is open. All transactions in securities of the Company are disclosed to the ASX.

11.3 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company or World Titanium, other than in relation to Exaro's termination of the Option Agreement with World Titanium referred to in the Investment Overview.

11.4 Rights Attaching To Shares

The Shares to be issued under this Prospectus will rank equally with the issued fully paid ordinary shares in the Company. The rights attaching to Shares are set out in the Company's Constitution and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and general law.

The following is a summary of the more significant rights of the holders of Shares of the Company. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's members.

- **General Meeting**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

- **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every holder of fully paid ordinary shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per share on a poll. A person who holds an ordinary share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of shares in the Company have been paid. Where there are two or more joint holders of the share and more than one of them is present at a meeting and tenders a vote in respect of the share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

- **Issues of Further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

- **Variation of Rights**

At present, the Company has on issue one class of shares only, namely ordinary shares. The rights attached to the shares in any class may be altered only by a special resolution of the Company and a special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

- **Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act, the ASX Settlement Operating Rules and the Listing Rules, ordinary shares are freely transferable.

Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act. The Company may decline to register a transfer of Shares in the circumstances described in the Company's Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

- **Partly Paid Shares**

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

- **Dividends**

The Company in general meeting may declare a dividend if the Directors have recommended a dividend, and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends.

Subject to the rights of members entitled to shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionally to the amount paid up or credited as paid up on the shares.

- **Winding Up**

Subject to the rights of holders of shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary shares) will be entitled to participate in any surplus assets of the Company in proportion to the shares held by them respectively irrespective of the amount paid up or credited as paid up on the shares.

- **Dividend Plans**

The Directors or the members of the Company, in general meeting, may establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company or a member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of shares.

- **Directors**

The Company's Constitution states that the minimum number of directors is three.

- **Powers of the Board**

The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Company's Constitution.

11.5 Terms and Conditions of Options and Warrants

11.5(a) Options to Current Directors

- As at the date of this Prospectus, the Company has granted a total of 1,900,000 Options to its Directors Dr Valenta and Messrs O'Loughlin, O'Connor and Morcombe on the following terms and conditions:
 1. Each Option entitles the holder to one ordinary share in the Company.
 2. Each Option has an exercise price of \$0.20.
 3. Each Option is exercisable at any time during the period commencing on the date of grant and expiring on 8 May 2015, being the date four years after the date of grant (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
 4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per Option in cleared funds.
 5. The Company will not apply to ASX for official quotation of the Options.
 6. The Company will make application for official quotation on ASX of new shares allotted on exercise of the Options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.
 7. Options may be transferred in the form commonly used for the transfer of Options at any time until the expiry of the Exercise Period, subject to any restrictions that may be imposed by ASX.
 8. An Optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give prior notice to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
 9. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

10. If the Company makes a rights issue (other than a bonus issue), the exercise price of Options on issue will be reduced according to the following formula:

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

Where:

- A = the new exercise price of the Option;
- O = the old exercise price of the Option;
- E = the number of underlying ordinary shares into which one Option is exercisable;
- P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stockmarket of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded Option exercises);
- 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); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

11. If, during the currency of the Options the issued capital of the Company is reorganised, those Options will be reorganised to the extent necessary to comply with ASX Listing Rules.

- As at the date of this Prospectus, the Company has granted an additional 1,500,000 Options to its Managing Director Dr Valenta on the above terms and conditions except that:
 - each Option is exercisable at any time during the period commencing on the date of grant and expiring on 12 November 2011, being the date four years after the date of grant;
 - 500,000 of those Options have an exercise price of \$0.30 each;
 - 500,000 of those Options have an exercise price of \$0.35 each;
 - 500,000 of those Options have an exercise price of \$0.40 each; and
 - Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the Optionholder dies, the legal personal representative of the deceased Optionholder may:
 - elect to be registered as the new holder of the Options;
 - whether or not he becomes so registered, exercise those Options in accordance with the terms and conditions on which they were granted, and
 - if the deceased has already exercised Options, pay the exercise price in respect of those Options.

11.5(b) Options to Blackswan Corporate Pty Ltd and Taycol Nominees Pty Ltd

As at the date of this Prospectus, the Company has granted a total of 1,500,000 Options to Blackswan Corporate Pty Ltd and Taycol Nominees Pty Ltd on the terms and conditions set out in Section 11.5(a) of this Prospectus except with an exercise period expiry date of 8 May 2013.

11.5(c) Options to Incoming Directors

If the Merger is implemented, the Company will grant 12,250,000 Options to the incoming Directors on the following terms and conditions:

1. Subject to paragraph 8 each option gives the optionholder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
2. The options held by the option holder are exercisable in whole or in part at any time during the period from the date of issue until 31 March 2015 (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
3. Subject to paragraphs 9 and 10 the amount payable upon exercise of each Option will be \$0.285 (**Exercise Price**).

4. Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the Exercise Price in cleared funds, following which the Company will, within 10 Business Days, allot the number of Shares in respect of the number of options specified in the notice.
5. The Company will not apply for official quotation on ASX of the options. The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
6. Options can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the option holder dies, the legal personal representative of the deceased option holder may:
 - (a) elect to be registered as the new holder of the options;
 - (b) whether or not he becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
 - (c) if the deceased has already exercised options, pay the Exercise Price in respect of those options.
7. A option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
9. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Options, the Exercise Price of the Options may be reduced in accordance with the formula set out in Listing Rule 6.22.2.
10. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

11.5(d) Options to World Titanium Optionholders

If the Merger is implemented, the Company will grant 4,025,000 Options to World Titanium Optionholders on the terms and conditions set out in Section 11.5(c) of this Prospectus.

11.5(e) Warrants to GMP Securities Europe LLP

If the Merger is implemented, the Company will grant 1,492,050 warrants to GMP Securities Europe LLP on the following terms and conditions:

1. Subject to paragraph 8 each warrant gives the warrant holder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
2. The warrants held by the warrant holder are exercisable in whole or in part at any time during the period from the date of issue until 21 June 2013 (**Exercise Period**). Warrants not exercised before the expiry of the Exercise Period will lapse.
3. Subject to paragraphs 9 and 10 the amount payable upon exercise of each Warrant will be US\$0.285 (**Exercise Price**).
4. Warrants are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the Exercise Price in cleared funds, following which the Company will, within 10 Business Days, allot the number of Shares in respect of the number of warrants specified in the notice.
5. The Company will not apply for official quotation on ASX of the warrants. The Company will make application for official quotation on ASX of new shares allotted on exercise of the warrants. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the warrants will qualify for dividends declared after the date of their allotment.

6. Warrants can only be transferred with Board approval, except that if at any time before expiry of the Exercise Period the warrant holder dies, the legal personal representative of the deceased warrant holder may:
 - (a) elect to be registered as the new holder of the warrants;
 - (b) whether or not he becomes so registered, exercise those warrants in accordance with the terms and conditions on which they were granted; and
 - (c) if the deceased has already exercised warrants, pay the Exercise Price in respect of those warrants.
7. A warrant holder may only participate in new issues of securities to holders of ordinary shares in the Company if the warrant has been exercised and shares allotted in respect of the warrant before the record date for determining entitlements to the issue. The Company must give prior notice to the warrant holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the warrant is exercisable will be increased by the number of ordinary shares which the holder of the warrant would have received if the warrant had been exercised before the record date for the bonus issue.
9. In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Warrants, the Exercise Price of the Warrants may be reduced in accordance with the formula set out in Listing Rule 6.22.2.
10. If, during the currency of the warrants the issued capital of the Company is reorganised, those warrants will be reorganised to the extent necessary to comply with ASX Listing Rules.

11.6 Employee Share Option Plan

The Company has established an Employee Share Option Plan (**Plan**) to assist in the attraction, retention and motivation of employees of the Company. As at the date of this Prospectus and prior to the consolidation, the Company has granted 3,735,000 Options (which includes the Options to current Directors referred to in Section 11.5(a) of this Prospectus) under the Plan.

The summary of the Plan is set out below for the information of potential investors in the Company. The detailed terms and conditions of the Plan may be obtained free of charge by contacting the Company.

All full time employees will be eligible to participate in the Plan. The allocation of options to each employee is in the discretion of the Board. If permitted by the Board, Options may be issued to an employee's nominee.

Each option is to subscribe for one fully paid ordinary Share in the Company and will expire 5 years from its date of issue. An Option is exercisable at any time from its date of issue.

Options will be issued free. The exercise price of Options will be determined by the Board. The total number of Shares the subject of options issued under the Plan, when aggregated with issues during the previous 5 years pursuant to the Plan and any other employee share plan, must not exceed 5% of the Company's issued share capital.

If, prior to the expiry date of Options, a person voluntarily ceases to be an employee of the Company, the Options held by that person must be exercised within 30 days thereafter otherwise they will automatically lapse.

Options cannot be transferred other than in the Directors' discretion.

The Company will not apply for official quotation of any Options.

Shares issued as a result of the exercise of options will rank equally with the Company's previously issued Shares.

If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will increase by the number of shares which the optionholder would have received if the option had been exercised before the record date for the bonus issue.

If there is a rights issue to the holders of shares, the exercise price of an Option will be reduced to take account of the effect of the pro rata issue as per the formula in Section 11.5(a) of this Prospectus.

If there is a reconstruction of the issued capital of the Company, the unexercised Options will be reorganised in accordance with the Listing Rules.

11.7 Directors' Interests

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any Director or to any company or firm with which a Director is associated to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her or any company or firm with which the Director is associated in connection with:

- the formation or promotion of the Company; or
- the Offer of the Shares.

11.8 Interests of Named Persons

Except as disclosed in this Prospectus, no promoter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of the Shares; or
- the Offer of the Shares.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or given or agreed to be paid or given to any promoter, expert or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

GEOCrafft Pty Ltd will receive professional fees of \$5,000 (exclusive of GST) for the provision of the Independent Geologist's Report on World Titanium's Malagasy projects.

Geo Discovery Group Pty Ltd will receive professional fees of \$5,000 (exclusive of GST) for the provision of the Independent Geologist's Report on the Company's Namibian projects.

J.R. Securities Ltd has acted as the investigating accountant in relation to the Offer. As investigating accountant, J.R. Securities Ltd has been involved in undertaking due diligence in relation to financial and taxation matters and preparing pro-forma financial accounts, and has prepared the Investigating Accountant's Report which has been included in this Prospectus. In respect of this work the Company has agreed to pay J.R. Securities Ltd a total of \$10,000 (exclusive of GST) for these services.

O'Loughlins Lawyers have acted as the solicitors to the Company in relation to the Offer, and in that capacity and otherwise assisting the Company with the preparation of this Prospectus, O'Loughlins Lawyers have been involved in undertaking certain due diligence enquiries in relation to legal matters and providing legal advice to the Company in relation to the Offer. In respect of this work, the Company has agreed to pay O'Loughlins Lawyers \$40,000 (exclusive of GST) for these services up to the date of this Prospectus. O'Loughlins Lawyers have been paid \$66,051.50 (exclusive of GST) for professional fees from the Company during the last 24 months.

LEXEL Juridique & Fiscal have prepared the Legal Report on Tenements (Madagascar) which has been included in this Prospectus. In respect of this work, the Company has agreed to pay \$2,000 (exclusive of GST) for these services up to the date of this Prospectus.

Lorentz Angula Inc has prepared the Solicitors' Report on Tenements (Namibia) which has been included in this Prospectus. In respect of this work, the Company has agreed to pay Lorentz Angula Inc \$4,000 (exclusive of GST) for these services up to the date of this Prospectus.

Wolfstar Group Pty Ltd has acted as Prospectus Manager to the Company in relation to this Prospectus. In respect of this work, Wolfstar Group Pty Ltd is estimated to receive fees of \$40,000 (exclusive of GST).

Computershare Investor Services Pty Limited has agreed to provide share registry services to the Company in accordance with a detailed schedule of fees listed in its "Proposal to Bondi Mining Limited for Share Registry Services" dated 12 January 2011.

11.9 Consents

Each of the parties referred to in this Section:

- a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section; and
- b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

GEOCrafft Pty Ltd has given its written consent to the inclusion in Section 4 of this Prospectus of its Independent Geologist's Report and to all statements in the Prospectus referring to that report in the form and context in which they appear, and to being named as an Independent Geologist, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Geo Discovery Group Pty Ltd has given its written consent to the inclusion in Section 5 of this Prospectus of its Independent Geologist's Report and to all statements in the Prospectus referring to that report in the form and context in which they appear, and to being named as an Independent Geologist, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

J.R. Securities Ltd has given its written consent to the inclusion in Section 6 of this Prospectus of its Investigating Accountant's Report and to all statements referring to that report in the form and context in which they appear, and to being named as Investigating Accountant, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

O'Loughlins Lawyers have given their written consent to being named as Solicitors to the Company and have not withdrawn such consent before lodgement of this Prospectus with ASIC.

LEXEL Juridique & Fiscal have given their written consent for the inclusion in Section 8 of this Prospectus of their Legal Report on Tenements and to all statements referring to that report in the form and context in which they appear, and to being named as Lawyers – Madagascar, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Lorentz Angula Inc has given its written consent for the inclusion in Section 9 of this Prospectus of its Solicitors' Report on Tenements and to all statements referring to that report in the form and context in which they appear, and to being named as Solicitors – Namibia, and has not withdrawn such consent before lodgement of this Prospectus with ASIC.

Wolfstar Group Pty Ltd has given, and as at the date hereof has not withdrawn, its written consent before lodgement of this Prospectus with ASIC, to be named in this Prospectus as Prospectus Manager in the form and context in which it is named.

Computershare Investor Services Pty Limited (**Computershare**) has given and, as at the date hereof, has not withdrawn its written consent to be named as Share Registrar in the form and context in which it is named. Computershare has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registrar to the Company. Computershare has not authorised or caused the issue of any part of this Prospectus.

Copies of the consents to the issue of this Prospectus are available for inspection, without charge, at the registered office of the Company.

There are a number of other persons referred to in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause this issue of the Prospectus.

11.10 Electronic Prospectus

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC and the issue of securities in response to an electronic application form subject to compliance with certain provisions.

If you have received this Prospectus as an electronic prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company at info@bondimining.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

11.11 Documents Available for Inspection

Copies of the following documents may be inspected free of charge at the registered office of the Company during normal business hours:

- the material contracts referred to in Section 10 of this Prospectus;
- the Constitution of the Company; and
- the consents referred to in Section 11.9 of this Prospectus.

12. DIRECTORS' CONSENTS

Each of the Directors and Proposed Directors has consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 7 November 2011

Signed for and on behalf of the Company



SIMON O'LOUGHLIN

Chairman

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13. DEFINITIONS

In this Prospectus unless the context otherwise requires:

\$ or A\$ means the lawful currency of Australia.

Applicant means a person who submits an Application Form under this Prospectus.

Application Form means the application form contained in this Prospectus or a copy of the application form contained in this Prospectus or a direct derivative of the application form which is contained in this Prospectus.

Application Money means 27 cents being the amount payable in respect of each Share under the Offer.

Application means a valid application to subscribe for Shares.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, as the context requires, the financial market conducted by it.

ASX Listing Rules means the official listing rules of ASX.

ASX Settlement means ASX Settlement Pty Ltd (ACN 008 504 532).

ASX Settlement Operating Rules mean the operating rules of ASX Settlement.

Board of Directors and **Board** means the Board of Directors of the Company as constituted from time to time.

Bondi Mining Limited, Bondi Mining or **Bondi** means Bondi Mining Ltd (ACN 120 723 426).

Bondi Board means the board of directors of Bondi.

Bondi Director means a director of Bondi.

Bondi New Options means the new Bondi Options to be issued to World Titanium Option Holders in consideration for their World Titanium Options.

Bondi New Shares means the new Bondi Shares to be issued to Scheme Participants or the Nominee as Scheme consideration.

Bondi Option means an option to acquire a Bondi Share.

Bondi Securities means Bondi Shares, Bondi New Shares, Bondi Options, Bondi New Options and Bondi Warrants.

Bondi Share means a fully paid ordinary share in the capital of Bondi.

Bondi Shareholder means the holder of a Bondi Share.

Bondi Warrant means a warrant to acquire a Bondi Share.

Bondi Warrant Holder means the holder of a Bondi Warrant.

Business Day means a business day as defined in the ASX Listing Rules.

Capital Raising means the capital raising to be completed by Bondi of A\$3,000,000 at an issue price of no less than A\$0.27 per Bondi Share to no less than that number of new investors in Bondi required by ASX.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date on which the Offer closes.

Company means Bondi Mining Limited (ACN 120 723 426).

Completion of the Offer means the allotment of at least 11,111,112 Shares offered under this Prospectus.

Constitution means the constitution of the Company.

Consolidation means the consolidation of the issued securities of the Company, existing at 14 December 2011 on a one-for-four basis (rounded up to the nearest whole number), which consolidation is proposed to become effective on the date of, and immediately prior to, completion of the Merger.

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

Corporations Regulations means *Corporations Regulations 2001* (Cth).

Court means the Federal Court of Australia.

CST means Central Standard Time as applicable in Adelaide, South Australia.

Deed means the Implementation Deed dated 26 August 2011 between World Titanium and Bondi (as amended by Deeds of Amendment dated 6 October 2011 and 27 October 2011) to give effect to the Merger.

Demerger means the disposal of the Company's shareholding in each of Murphy Uranium and Mount Owen Resources to Lyell Resources and the in specie distribution of the Company's shares in Lyell Resources.

Directors means the directors of the Company.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) (and if applicable section 411(6) of the Corporations Act) in relation to the Scheme.

Effective Date means the date on which an office copy of the relevant Scheme Orders are lodged with ASIC pursuant to section 411(10) of the Corporations Act or, if an earlier date is specified in the Scheme Order for the coming into effect of the Scheme, that earlier date.

EL and Exploration Licence means an area granted in respect to mineral exploration.

ELA and Application for Exploration Licence means an Exploration Licence application.

Foreign Scheme Participant means a Scheme Participant whose address in the Register as at the Record Date is a place outside Australia, New Zealand, Mauritius, the United Kingdom, the United States of America, Canada, Switzerland, Ireland, Belgium, Jersey, Hong Kong, Luxembourg and Monaco unless otherwise agreed in writing by the parties.

Geocraft means GEOcraft Pty Ltd (ACN 073 225 117).

Geo Discovery means Geo Discovery Group Pty Ltd (ACN 087 256 853).

HIN means holder identification number.

Implementation means implementation of the Scheme.

Indicated Resource or **Indicated Mineral Resource** has the meaning given to Indicated Mineral Resource in the JORC Code.

Inferred Resource or **Inferred Mineral Resource** has the meaning given to Inferred Mineral Resource in the JORC Code.

Inspecie Distribution means the in specie distribution of the Company's shares in Lyell Resources.

Issue means the issue of Shares pursuant to this Prospectus.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHES.

JORC means the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

JORC Code means the 2004 Edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*, which is available at www.jorc.org.

Listing Rules means the listing rules of ASX.

Lyell Resources Ltd or **Lyell Resources** means Lyell Resources Ltd (ACN 153 969 861).

Measured Resource or **Measured Mineral Resource** has the meaning given to Measured Mineral Resource in the JORC Code.

Merged Group means the merged group entities comprising Bondi and its Namibian subsidiary and World Titanium and all of its subsidiaries following implementation of the Scheme.

Merger means the merger of World Titanium and Bondi pursuant to the terms of the Scheme.

Mount Owen Resources means Mount Owen Resources Pty Ltd ACN 147 466 975.

Murphy Uranium means Murphy Uranium Pty Ltd ACN 126 180 818.

Nominee means a nominee for prohibited Foreign Scheme Participants to be approved by World Titanium and Bondi pursuant to the Implementation Deed.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offer Price means 27 cents being the amount payable in respect of each Share under the Offer.

Offer means the invitation to apply for Shares pursuant to this Prospectus.

Official List means the Official List of ASX.

Opening Date means the date immediately following the lodgement of this Prospectus at ASIC.

Option means a right to subscribe for a Share.

Optionholder means a holder of an Option.

Proposed Directors means Bruce Griffin, Tristan Davenport, Edward Wayne Malouf, Goroodeo Sookun and Ian Ransome.

Prospectus means this disclosure document.

Quotation means quotation of the Shares on the Official List.

Record Date means the date which is five Business Days after the Effective Date.

Register means the register of members of World Titanium maintained in accordance with the Corporations Act.

Resource or **Mineral Resource** has the meaning given to 'Mineral Resource' in the JORC Code.

Scheme or **Scheme of Arrangement** means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act to be made between World Titanium and the Scheme Participants.

Scheme Consideration means the consideration payable by Bondi to Scheme Participants in accordance with the Scheme, as described in Section 10.1 of this Prospectus.

Scheme Orders means the orders of the Court approving the Scheme pursuant to section 411(4)(b) of the Corporations Act.

Scheme Participant means a World Titanium Shareholder registered in the Register as a holder of World Titanium Shares as at 10:00 pm (WST) on the Record Date.

Second Court Hearing means the hearing of the application to the Court for an order under Section 411(4)(b) of the Corporations Act approving the Scheme.

Share Registrar means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

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

Shareholder means a holder of a Share.

Spin Out means the Demerger.

Subscription means \$3,000,000 or 11,111,112 Shares.

Tenement means an EL, ELA or any other form of mineral licence or title held or applied for by the Company or in which the Company has an interest.

Tenement Application means an application to be granted a Tenement.

THM means total heavy mineral.

US\$ means the lawful currency of the United States of America.

World Titanium means World Titanium Resources Ltd (ACN 061 662 011).

World Titanium Board means the board of directors of World Titanium.

World Titanium Director means a director of World Titanium.

World Titanium Companies means Madagascar Mineral Fields Ltd (Mauritius), Malagasy Sands No 2 Ltd (Mauritius) and their respective wholly owned Malagasy subsidiaries being Toliara Sands SARL and Madagascar Resources SARL.

World Titanium Option means an option to acquire a World Titanium Share at an exercise price of \$1.00 on or before 31 March 2015.

World Titanium Option Holder means the holder of a World Titanium Option.

World Titanium Securities means World Titanium Shares, World Titanium Options, and World Titanium Warrants.

World Titanium Share means a fully paid ordinary share in the capital of World Titanium.

World Titanium Shareholder means a holder of a World Titanium Share.

World Titanium Warrant means a warrant to acquire a World Titanium Share.

World Titanium Warrant Holder means a holder of a World Titanium Warrant.

WST means Western Standard Time, as observed in Perth, Western Australia.

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APPLICATION FORM

Bondi Mining Limited

ACN 120 723 426

Application Form

This Application Form is important. If you are in doubt as to how to deal with it, please contact your stockbroker or professional adviser without delay. You should read the entire prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the prospectus.

Registry Use Only

Broker Code

Adviser Code

A I/we apply for

@ \$0.27

B I/we lodge full Application Money

A\$

Number of Shares subscribed in Bondi Mining Limited at A\$0.27 per Share or such lesser number of Shares which may be allocated to me/us.

C Individual/Joint applications - refer to naming standards overleaf for correct forms of registrable title(s)

Title or Company Name Given Name(s) Surname

Joint Applicant 2 or Account Designation

Joint Applicant 3 or Account Designation

D Enter your postal address - include State and Postcode

Unit Street Number Street Name or PO Box /Other Information

City / Suburb / Town

State

Postcode

E Enter your contact details

Contact Name

Telephone Number - Business Hours / After Hours

F CHESSE Participant

Holder Identification Number (HIN)

Please note that if you supply a CHESSE HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESSE, your application will be deemed to be made without the CHESSE HIN, and any securities issued as a result of the IPO will be held on the Issuer Sponsored subregister.

G Payment details - Please note that funds are unable to be directly debited from your bank account

Drawer

Cheque Number

BSB Number

Account Number

Amount of cheque

Make your cheque or bank draft payable to Bondi Mining Limited Application Account

By submitting this Application Form, I/we declare that this application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the Constitution of the Company.

How to complete this form

A Shares Applied for

Enter the number of Shares you wish to apply for. The application must be for a minimum of 7,407 Shares (A\$2,000.00) and thereafter in multiples of 1,000 Shares (A\$270.00).

B Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by A\$0.27 per Share applied for.

C Applicant Name(s)

Enter the full name you wish to appear on the statement of share holding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D Postal Address

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

F CHES

Bondi Mining Limited (the Company) participates in CHES, operated by ASX Settlement Pty Ltd, a wholly owned subsidiary of Australian Securities Exchange Limited. In CHES, the company operates an electronic CHES Subregister of security holdings and an electronic Issuer Sponsored Subregister of security holdings. Together the two Subregisters make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of Shares allotted. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

Payment

Make your cheque or bank draft payable to Bondi Mining Limited Application Account in Australian currency and cross it Not Negotiable. Your cheque or bank draft must be drawn on an Australian Bank.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Please note that funds are unable to be directly debited from your bank account.**

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the applicant(s) should read this prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Bondi Mining Limited is upon and subject to the terms of the prospectus and the Constitution of Bondi Mining Limited and agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited Adelaide by no later than 5.00pm Adelaide time on 2 December 2011. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Computershare Investor Services Pty Limited, GPO Box 1903, ADELAIDE SA 5001, AUSTRALIA

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited ("CIS"), as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au

If you have any enquiries concerning your application, please contact Computershare Investor Services Pty Limited on 1300 652 186 or +61 3 9415 4148.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold Shares. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the following.

the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficial owner or any other registrable name may included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	J A Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

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