

TERMS OF ATTACHING OPTIONS (“Options”)

Each Option shall entitle the holder, when exercised, to one fully paid ordinary share in the Company (“Share”).

- (a) The Options are exercisable wholly or in part at any time prior to 5.00 pm (WST) on 31 March 2014 (“Expiry Date”). Options not exercised by that date shall lapse.
- (b) Each Option may be exercised by notice in writing to the Company, together with the payment for the number of Shares in respect of which the Options are exercised, at any time before the Expiry Date. Any notice of exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (c) The Option exercise price is \$0.25 per Option.
- (d) An Option does not confer the right to a change in exercise price or a change in the number of the underlying Shares over which the Option can be exercised.
- (e) Shares issued upon exercise of the Options will be issued following receipt of all the relevant documents and payments and will:
 - i. rank equally in all respect with the then issued Shares; and
 - ii. be free from all encumbrances, other than those provided for in the constitution of the Company
- (f) The Company will apply for quotation on ASX of all Options, and all Shares issued upon exercise of the Options.
- (g) There are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced so as to give Option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.
- (h) If at any time the issued capital of the Company is reorganised, the rights of an Option holder are to be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.