

Terms and Conditions of Attaching Options

(a) **Entitlement**

The Attaching Options entitle the holder to subscribe for one Share upon the exercise of each Attaching Option.

(b) **Exercise price**

The exercise price of each Attaching Option is \$0.25.

(c) **Expiry date**

18 months from the date of Official Quotation.

(d) **Exercise period**

The Attaching Options are exercisable at any time from the date of issue to the Expiry Date.

(e) **Notice of exercise**

The Attaching Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Attaching Option being exercised. Any notice of exercise of an Attaching Option received by the Company will be deemed to be a notice of the exercise of that Attaching Option as at the date of receipt.

(f) **Shares issued on exercise**

Shares issued on exercise of the Attaching Options rank equally with the Shares of the Company.

(g) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Attaching Options.

(h) **Timing of issue of Shares**

After an Attaching Option is validly exercised the Company must as soon as possible following receipt of cleared funds equal to the sum payable on the exercise of the Attaching Options:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 days from the date of exercise of the Attaching Option.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Attaching Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Attaching Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Attaching Options the opportunity to exercise their

Attaching Options prior to the date for determining entitlements to participate in any such issue.

(j) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Attaching Option will be increased by the number of Shares which the Attaching Option holder would have received if the Attaching Option holder had exercised the Attaching Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Attaching Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-S+D]}{N+1}$$

O = the old Exercise Price of the Attaching Option.

E = the number of underlying Shares into which one (1) Attaching Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(l) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Attaching Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(m) **Quotation of Attaching Options**

Application has been made to ASX for Official Quotation of the Attaching Options.

(n) **Attaching Options transferable**

The Attaching Options are transferable subject to compliance with the Corporations Act.

(o) **Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Attaching Options with the appropriate remittance should be lodged with the Company's Share Registry.

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Terms and Conditions of \$0.18 Options

(a) **Entitlement**

The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.

(b) **Exercise Price**

The exercise price of each Option is \$0.18. (**Exercise Price**).

(c) **Expiry Date**

Each Option expires 27 May 2018 (**Expiry Date**).

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date.

(e) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. 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.

(f) **Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with the Shares of the Company.

(g) **Quotation of Shares on Exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain
 - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and
 - (B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(i) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(j) **Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for Rights Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

- O = the old Exercise Price of the Attaching Option.
- E = the number of underlying Shares into which one (1) Attaching Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(l) **Quotation of Options**

The Options will be unlisted Options. No application for quotation of the Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for quotation of the Options and the ASX accepts the application for quotation of the options then the options will be listed Options from time to time that the ASX accepts such application.

(m) **Options transferable**

The Options are transferable.

(n) **Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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Terms and Conditions of Incentive Options

(a) **Entitlement**

The Incentive Options entitle the holder to subscribe for one (1) Share upon the exercise of each Incentive Option.

(b) **Exercise Price**

The exercise price of each Incentive Option is \$0.25 (**Exercise Price**).

(c) **Vesting**

Incentive Options will vest in 3 equal tranches as follows:

- Tranche 1 Incentive Options vest upon the successful listing of the Company on ASX.
- Tranche 2 Incentive Options vest upon the delivery of a feasibility study, the necessary funding and the decision to mine.
- Tranche 3 Incentive Options vest upon the first gold production

(d) **Vesting on change of control**

Any Incentive Options that have been issued but have not yet vested will automatically vest upon one or more of the following events occurring:

- (i) the despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act 2001;
- (ii) the service of a bidder's statement or a like document on the Company by any party to acquire shares in the Company;
- (iii) the date upon which a person or a group of associated person becomes entitled, subsequent to the date of issue of the Incentive Incentive Options, to sufficient Shares to give it or them the ability, in general meeting to replace all, or allow a majority, of Directors in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

(e) **Expiry Date**

Each Incentive Option expires 3 years from the date of Official Quotation (**Expiry Date**).

(f) **Exercise Period**

The Incentive Options are exercisable at any time on or prior to the Expiry Date.

(g) **Notice of Exercise**

The Incentive Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Incentive Option being exercised. Any notice of exercise of an Incentive Option received by the Company will be deemed to be a notice of the exercise of that Incentive Option as at the date of receipt.

(h) **Shares Issued on Exercise**

Shares issued on exercise of the Incentive Options rank equally with the Shares of the Company.

(i) **Quotation of Shares on Exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Incentive Options.

(j) **Timing of issue of Shares**

After an Incentive Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Incentive Option.

(k) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Incentive Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Incentive Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Incentive Options the opportunity to exercise their Incentive Options prior to the date for determining entitlements to participate in any such issue.

(l) **Adjustment for Bonus Issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Incentive Option will be increased by the number of Shares which the Incentive Option holder would have received if the Incentive Option holder had exercised the Incentive Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(m) **Adjustment for Rights Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Incentive Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Attaching Option.

E = the number of underlying Shares into which one (1) Attaching Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

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- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(n) **Adjustments for Reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Incentive Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(o) **Quotation of Incentive Options**

The Incentive Options will be unlisted Incentive Options. No application for quotation of the Incentive Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for quotation of the Incentive Options and the ASX accepts the application for quotation of the Incentive Options then the Incentive Options will be listed Incentive Options from time to time that the ASX accepts such application.

(p) **Incentive Options transferable**

The Incentive Options are transferable subject to compliance with the Corporations Act.

(q) **Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Incentive Options with the appropriate remittance should be lodged at the Company's share registry.

Terms and Conditions of \$1.00 Options

(a) **Entitlement**

The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.

(b) **Exercise Price**

The exercise price of each Option is \$1.00. (**Exercise Price**).

(c) **Expiry Date**

Each Option expires 2 years from the date of Official Quotation on ASX (**Expiry Date**).

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date.

(e) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Option being exercised. 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.

(f) **Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with the Shares of the Company.

(g) **Quotation of Shares on Exercise**

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

(h) **Timing of issue of Shares**

After an Option is validly exercised, the Company must as soon as possible:

- (i) issue the Share; and
- (ii) do all such acts matters and things to obtain
 - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and
 - (B) receipt of cleared funds equal to the sum payable on the exercise of the Options.

(i) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holder of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

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The Options are transferable.

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