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Option Terms

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Options

1. Terms of Options

The terms of the Options, are as follows:

1.1 Definitions

ASX means ASX Limited and where appropriate, the Australian Securities Exchange operated by it.

Exercise Date is defined in clause 1.9.

Exercise Period is defined in clause 1.6.

Exercise Price is defined in clause 1.4.

Notice of Exercise is defined in clause 1.8.

Share is defined in clause 1.3.

Vesting Condition is defined in clause 1.7.

1.2 Subscription Price

The Options are issued for nil consideration.

1.3 Entitlement

Each Option entitles the holder to subscribe for one fully paid ordinary share (**Share**) upon exercise of the Option, subject tosatisfaction of the Vesting Condition during the Exercise Period.

1.4 Exercise Price

The amount payable upon exercise of each Option will be $0.30 (**Exercise Price**).

1.5 Expiry Date

Each Option will expire 36 months from the date of issue (Expiry Date), in accordance with Section (f) below. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

1.6 Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**), subject to satisfaction of the Vesting Condition during the Exercise Period.

1.7 Vesting Conditions

The Options vest in three equal tranches during the Exercise Period (each a **Vesting Condition**), as follows:

(a) after 12 months, one–third of the Options vest and are exercisable;

(b) after 24 months, one–third of the Options vest and are exercisable; and

(c) after 33 months, the remaining one–third of the Options vest and are exercisable up to the Expiry Date.

1.8 Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

1.9 Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

1.10 Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

(a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act; and

(c) do all such things necessary to ensure that there are not secondary trading restrictions on the Shares issued upon exercise of Options.

1.11 Shares issued on exercise

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

1.12 Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time and subject to any ASX escrow applying to the Shares, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options as required by the Listing Rules.

1.13 Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

1.14 Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options, subject to the Listing Rules.

1.15 Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

1.16 Not Quoted

The Options will not be quoted on ASX.

1.17 Transferability

The Options are not transferable, but may be issued to an entity or family member nominated by the Director.