ANNEXURE B – TERMS AND CONDITIONS OF THE PERFORMANCE RIGHTS

The terms and conditions of the Performance Rights are as follows:

(a) Each Performance Right entitles the holder to subscribe for one fully paid ordinary Share in the Company.

(b) No consideration is payable for the grant of the Performance Rights.

(c) The Performance Rights are not transferable.

(d) The Performance Rights will vest at the time the Company's share price first exceeds $0.60.

(e) Unless and until the Performance Rights vest and have been exercised and the relevant Shares issued to the holder as a result of that exercise, the holder has no interest in those Shares.

(f) In the event the Performance Rights vest, the exercise of the Performance Rights will be effected in a form and manner prescribed by the Board and no amount is payable by the holder to exercise the Performance Rights.

(g) Performance Rights which have not vested will automatically lapse:

    (i) On their expiry date being 12 December 2014; or

    (ii) If, in the opinion of the Board, the holder has acted fraudulently, dishonestly or has wilfully breached his/her duties.

(h) The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation by ASX of all Shares allotted pursuant to the exercise of the Performance Rights.

(i) All Shares issued pursuant to the exercise of Performance Rights will rank pari passu in all respects with the existing Shares.

(j) There are no participating rights or entitlements inherent in the Performance Rights and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights.

(k) In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, the Performance Rights will be reorganised in a manner required by the Listing Rules on a reorganisation of capital at the time of the reorganisation.

(l) Any unvested Performance Rights will be deemed to automatically vest upon the occurrence of one of the following events (Trigger Event):

    (i) Upon a takeover bid (as defined in the Corporations Act) to acquire any Shares in the Company becoming, or being declared to be, unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid;

    (ii) Upon approval of a merger by way of scheme of arrangement under the Corporations Act by the Court under section 411(4)(b) of the Corporations Act; or

    (iii) The date upon which a person or group of associated persons becomes entitled to sufficient shares to give it or them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such ability was not already held by the person or associated group of persons.

Upon a Trigger Event occurring, the Company shall notify each holder of Performance Rights in writing of the automatic vesting of his/her Performance Rights and that if the holder wishes to exercise any Performance Rights, he/she must do so within the period specified in the notice.