Terms and Conditions of Options on Issue

The terms and conditions applying to the Class A Options and Class B Options on issue in Berkut Minerals Limited are as follows:

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Option will be in accordance with below:

(i) at $0.25 per Class A Option; and

(ii) at $0.20 per Class B Option,

(**Exercise Price**).

(c) Expiry Date

The Options are exercisable at any time on or prior to 5:00pm (WST) on 31 December 2019 (**Expiry Date**).

(d) Notice of Exercise

The Options may be exercised in whole or in part in parcels. The Options are exercisable on delivery to the registered office of the Company of a notice in writing specifying the number of Options being exercised and accompanied by payment of the Exercise Price (**Notice of Exercise**).

(e) 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**).

(f) Timing of issue of Shares on exercise

Within 10 Business Days after the Exercise Date, the Company will allot and issue the resultant Shares and deliver the holding statements.

(g) Shares issued on exercise

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

(h) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) Reconstruction of capital

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

(j) Bonus Issues

If there is a bonus Share issue, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised prior to the record date for the bonus issue.

(k) 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 or distributions of dividends offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

Subject to paragraph (j), 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.

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

The Options are transferable with Board approval and may be exercised into Shares to be held in the name of a nominee of the Optionholder.

(o) Lapse of Options

Options will lapse on the earlier of:

(i) the Expiry Date; and

(ii) 28 days after the resignation or termination of employment by the Company of the Optionholder as an employee of the Company (subject to no change of control event having occurred prior).