Terms of Options – Martin Place Securities Pty Limited

Terms of 1,500,000 options (**Options**) to acquire fully paid ordinary shares (**Shares**) to be issued to Martin Place Securities Pty Limited.

(a) (**Conditions**) Issue of the Options is conditional upon the Offer proceeding, Elementos Limited (**Company**) being admitted to the Official List of ASX and its Shares being quoted on ASX, in accordance with the **Underwriting Agreement** between Martin Place Securities Pty Limited (**MPS**) and the Company dated 6 November 2009.

(b) (**Vesting**) The Options vest upon issue by the Company.

(c) (**Date of issue**) The Options will be issued in accordance with the Underwriting Agreement.

(d) (**Nature of Options**) Each Option entitles MPS to subscribe for one Share in the Company upon exercise of the Option before the Expiry Date and subject to payment by MPS of the Exercise Price.

(e) (**Exercise Price**) The Exercise Price of each Option, is $0.30.

(f) (**Shares to rank *parri-passu***) Shares issued on exercise of the Options will rank *pari passu* with all existing Shares of the Company on issue.

(g) (**Transferability**) Subject to the Company's Constitution, the *Corporations Act 2001 (Cth)*, the ASX Listing Rules and the ASTC Settlement Rules, the Options will be freely transferable.

(h) The Directors may decline to register any transfer of Options where permitted to do so under its Constitution or the ASX Listing Rules of the ASTC Settlement Rules including where:

   (i) The registration of the transfer would result in a contravention of or failure to observe the provisions of a law of a State or Territory of the Commonwealth; or

   (ii) The Company has a lien on the Options the subject of the transfer.

(i) (**Exercise procedure**) The Options may be exercised wholly or in part by notice in writing (**Exercise Notice**) by MPS to the Company at any time on or before the later of:

   (i) 31 December 2011; or

   (ii) 2 years after the expiry of any ASX restriction (escrow) on the Options,

   (**Expiry Date**), together with payment of the Exercise Price per Option and provision to the Company of any Option certificate (if any) for those Options for cancellation by the Company.

(j) (**No quotation**) The Options will not be quoted on the ASX.

(k) (**Exercise**) Upon exercise of the Options, the Company will allot and issue the number of Shares the subject of any valid Exercise Notice and apply at its cost for quotation of those Shares on ASX.

(l) (**New Issues**) The Option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the Options, in which case MPS will be afforded the period of at least 14 days' notice prior to and inclusive of the books closing date (to determine entitlements to the issue) to exercise the Options.

(m) (**Reconstructions**) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:

(i) the number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on holders of the Options which are not conferred on shareholders of the Company; and

(ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects, the terms for the exercise of the Options will remain unchanged.

(n) (**Pro-rata issues**) If there is a pro rata issue to shareholders (except a bonus issue), the Exercise Price of any Option may be reduced according to the following formula:

$$O^2 = O - E \frac{[P - (S + D)]}{N + 1}$$

Where:

O^2 = the new exercise price of the Option;

O = the old exercise price of the Option;

E = the number of underlying securities into which 1 Option is exercisable;

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;

S = the subscription price for a security under the pro rata issue;

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

N = the number of securities with rights or entitlements that must be held to receive a right to 1 new security.

(o) (**Bonus Issues**) If there is a bonus issue to holders of Shares in the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

(p) (**Changes to Terms**) The terms of the Options will only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options will not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.