

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

13.3 Terms of Performance Shares

The terms and conditions of the Class A, Class B and Class C Performance Shares are as follows:

Rights attaching to the Performance Shares

- (a) **(Performance Shares)** Each Performance Share is a share in the capital of the Company (**Share**).
- (b) **(General Meetings)** The Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Company.
- (c) **(No Voting Rights)** The Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights)** The Performance Shares do not entitle the Holder to any dividends.
- (e) **(Rights on Winding Up)** Upon winding up of the Company, the Performance Shares may not participate in the surplus profits or assets of the Company, unless and only to the extent that each Performance Share has converted into a Share.
- (f) **(Transfer of Performance Shares)** The Performance Shares are not transferrable.
- (g) **(Reorganisation of Capital)** In the event the issued capital of the Company is reorganised or reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation or reconstructions (as the case may be).
- (h) **(Application to ASX)** The Performance Shares will not be quoted on ASX. In the event that the Company is admitted to the official list of the ASX, upon conversion of the Performance Shares into Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for the official quotation on ASX of the Shares arising from the conversion.
- (i) **(Participation in Entitlements and Bonus Issues)** Holders of Performance Shares will not be entitled to participate in new issues of capital offered to holders of the Shares such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX)** The terms of the Performance Shares may be amended as necessary by the directors of the Company in order to

comply with the ASX Listing Rules, or any directions of ASX regarding the terms.

- (k) **(No Other Rights)** The Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Conversion of the Performance Shares

- (l) **(Milestone)** Each Performance Share in the relevant class will convert into one (1) Share upon satisfaction of the following milestones:

(i) **Class A Performance Shares:**

- (A) **(Conversion if milestone achieved)** Each Class A Performance Share will convert into one (1) Share on attainment of a "Net Cumulative Player" (**NCP**) position of greater than 25,000 and the achievement of a Share price of A\$0.04 based on a 10 day volume weighted average price (**VWAP**) for Shares calculated over the last 10 days on which sales in Shares were recorded.
- (B) **(Conversion if milestone not achieved)** If the milestone set out in paragraph (A) above is not satisfied by 18 months from official re-listing, all of the Class A Performance Shares held by each holder will automatically convert into one (1) Share (in total).

(ii) **Class B Performance Shares:**

- (A) **(Conversion if milestone achieved)** Each Class B Performance Share will convert into one (1) Share on the attainment of an NCP position of 50,000 and achievement of a Share price of A\$0.06 based on a 10 day VWAP for Shares calculated over the last 10 days on which sales in Shares were recorded.
- (B) **(Conversion if milestone not achieved)** If the milestone set out in paragraph (A) above is not satisfied by 24 months from official re-listing, all of the Class B Performance Shares held by each holder will automatically convert into one (1) Share (in total).

(iii) **Class C Performance Shares:**

- (A) **(Conversion if milestone achieved)** Each Class C Performance Share will convert into one (1) Share on the attainment of a NCP Position of 75,000 and achievement of a Share price of A\$0.08 based on a 10 day VWAP for Shares calculated over the last 10 days on which sales in Shares were recorded.
- (B) **(Conversion not achieved)** If the milestone set out in paragraph (A) above is not satisfied by 24 months from official re-listing, all of the Class C Performance Shares held by each holder will automatically convert into one (1) Share (in total).

- (m) **(Change of Control):** Upon:
- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) been declared unconditional by the bidder; or
 - (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent the Performance Shares have not vested due to satisfaction of the milestones set out in (l) above, the Performance Shares automatically vest to that number of Shares which when issued together with all Shares issued under any other class of Performance Shares then on issue, is equal to the lesser of one Share per Performance Share and 10% of the total Shares on issue in the Company at that time. Performance Shares that are not vested and converted into Shares will continue to be held by the holder on the same terms and conditions.

- (n) **(After Conversion)** The Shares issued on conversion of the Performance Shares will, as and from 5.00pm (WST) on the date of allotment, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (o) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Performance Shares into the Shares.
- (p) **(Ranking of Shares)** The Shares into which the Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.