11.2 TERMS OF OPTIONS

As at the date of this Prospectus, the Company has the following Options on issue:

i) 4,000,000 options issued under an officers and employees share option scheme exercisable at 20 cents each prior to 30 June 2010

ii) Subcontractor for services will be issued 2,800,000 Options exercisable at $0.16 after the exploration of 12 months of the date the Company is admitted to the Official List of the ASX and expiring 48 months from that date.

iii) Sponsoring Broker will be issued 1,500,000 Options exercisable at $0.16 on or before 20 June 2010.

Details of the terms of the Options are as follows:

(a) i) The exercise price of each of 4,000,000 Options is 20 cents per share ('the scheme Exercise Price").

ii) The exercise price of each of 2,800,000 Options is $0.16 per share ('the Contractors Exercise Price").

iii) The exercise price of each of 1,500,000 Options is $0.16 per share ('the Sponsoring Brokers Exercise Price").

(b) Each Option will lapse if not exercised on or before their expiry date being either close of business 20 June 2010 or 48 months of the date the Company is admitted to the official list of the ASX.

(c) Each Option shall entitle the holder to subscribe for and to be allotted one share in the capital of the Company upon exercise of the Option and payment to the Company of the Exercise Price.

(d) An Option may be exercised by the option holder at any time prior to the expiry date by sending a completed and signed notice of exercise, together with the payment of the Exercise Price and the statement for the Option, to the Company's Share Registry. If the option holder holds more than one Option, the Options may be exercised in whole or in part.

(e) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.

(f) Subject to any restrictions in the ASX Listing Rules, within 14 days of receipt of a properly executed notice of exercise and the required application monies the number of shares specified in the notice will he allotted.

(g) Each statement will bear a suitable form of notice of exercise of the Options, endorsed on the back of the statement, for completion by the option holder (if required) If the Options comprised in any such statement are exercised in part only, before the expiry date, the Company will issue the option holder with a fresh statement for the balance of the Options held and not yet exercised.

(h) The period during which the Options may be exercised will not be extended.

(i) The option holder is not entitled to participate in new issues of securities offered to Shareholders. The option holder can participate in new issues of securities offered to Shareholders if the Option is exercised before the relevant record date for that new issue.

(j) If from time to time before the expiry of the Options the Company makes an issue of Shares to the holders of Shares by way of capitalisation of profits or reserves (a "bonus issue"), other than in lieu of a dividend payment, then upon exercise of an Option the option holder will be entitled to have issued to it an addition to the shares which it is otherwise entitled to have issued to it upon such exercise additional shares in the Company. The number of additional shares is the number of Shares which would have been issued to it under that bonus issue ("bonus shares") if on the date on which entitlements were calculated it had been registered as the holder of the number of shares which it would have been registered as holder if immediately before that date it had exercised its Options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other Shares allotted upon exercise of the Options.

(k) In the event of any reconstruction (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company before the expiry of any Options, all rights of the option holder, will be reconstructed as appropriate in accordance with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation.

(l) Shares allotted pursuant to exercise of the Options will rank equally with the then issued Shares of the Company.

(m) Should the Company at any time over the life of the Option be readmitted to ASX and an option holder exercises Options post the readmission date, the Company undertakes to apply for official quotation by ASX of all Shares allotted pursuant to the exercise of any Options, within 10 business days of the date of allotment of those Shares.

(n) Other than as referred to above, the Option does not confer the right to a change in Exercise Price, or a change to the number of underlying securities over which it can be exercised.