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TERMS AND CONDITIONS OF MANAGEMENT B OPTIONS

- (a) each Option entitles the holder, when exercised, to one (1) Share in the capital of the Company;
- (b) the exercise price of each Option is \$0.25;
- (c) the Options are exercisable on or before that date which is five (5) years from the date on which the twenty (20) day Volume Weighted Average Price of the shares of the Company (as traded on ASX) (**VWAP**) is at any time equal to or more than 1.5 times the VWAP calculated during the twenty (20) day period following the date of admission of the Company to the Official List of ASX (**Expiry Date**);
- (d) Options may be exercised by completing an option exercise form (**Notice of Exercise**) and delivering it together with the payment in full for the number of Shares in respect of which the Options are exercised to the registered office of the Company at any time prior to the Expiry Date;
- (e) Options not exercised on or before the Expiry Date will automatically lapse;
- (f) all Shares issued upon exercise of the Options will be issued not more than ten (10) business days after the date of the Notice of Exercise;
- (g) all Shares issued upon exercise of the Options will rank pari passu with the Company's existing fully paid ordinary Shares;
- (h) an Option does not confer on the holder the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (i) the Options will not be quoted on ASX unless the Company (in its discretion and subject to the ASX Listing Rules) seeks to do so. However, the Company will make application to ASX for the quotation of the Shares issued on the exercise of the Options and issue a holding statement within three (3) Business Days after the issue of those Shares;
- (j) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give eligible Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (k) if at any time the issued capital of the Company is reconstructed (including a consolidation, sub-division, reduction or return of capital), all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

The Management B Options are otherwise exercisable in accordance with the terms of the Company's Employee Incentive Option Scheme.

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