

15 December 2020

## **ASX ANNOUNCEMENT**

### **Terms and Conditions of Unlisted Options Issue today**

AustChina Holdings Limited (AUH) hereby provides the terms and conditions (attached) of the unlisted options issued today.

The Company has issued 60m unlisted options to Directors pursuant to the approval by Shareholders on 30 November 2020.

In addition, the Company has issued 10m unlisted options to contractors under the same terms and conditions.

The terms and conditions of the unlisted options were also provided in the Notice of Annual General Meeting lodged with ASX on 28 October 2020.

Authorised by

The Board

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

## Terms and Conditions of Unlisted Options

---

(a) **Entitlement to Shares**

Each Unlisted Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option. For the avoidance of doubt, the Company may, in its absolute discretion, either issue new Shares or acquire Shares already on issue, or a combination of both, to satisfy the Company's obligations.

(b) **Exercise Price**

The Exercise Price of each Option is \$0.005.

(c) **Exercise Period/Expiry Date**

The Options have an exercise period commencing on the date of their issue and ending 3 years after their date of issue (**Expiry Date**).

(d) **Lapsing**

The Options issued will lapse on the earliest of:

- (1) the Expiry Date;
- (1) the Board determining, acting reasonably, that the director has acted dishonestly, fraudulently or in material breach his material obligations to the Company; and
- (2) within 90 days of the Director ceasing to hold any office in the Company (where paragraph (1) does not apply).

(e) **Changes of control**

On the occurrence of a Change of Control (as defined under the Corporations Act), the Board will determine, in its sole and absolute discretion, the manner in which unvested Options shall be dealt with.

(f) **No loans**

No loan will be provided by the Company in relation to the grant or exercise of the Options.

(g) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(h) **Shares issued on exercise and disposal restriction**

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

(h) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(i) **Timing of issue of Shares**

Within 5 Business Days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised the Company will allot and issue the Shares pursuant to the exercise of the Options.

(j) **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 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 set in accordance with the ASX Listing Rules so that the holders of Options have an opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(k) **Reorganisations of capital**

If prior to an exercise of an Option, the Company undertakes any reorganisation of its share capital, the number of Shares over which an Option is exercisable will be adjusted as prescribed under the ASX Listing Rules.

(l) **No Quotation of the Options**

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

(m) **Options Not Transferable**

The Options are not transferable without the prior written consent of the Company.