

WESTERN MINES GROUP LTD ACN 640 738 834

TERMS OF OPTIONS

A. TERMS OF OPTIONS – PROJECT VENDORS AND LEAD MANAGER

1. Each Option entitles the holder, on exercise, to one (1) Share in the Company at the exercise price of \$0.30 each.
2. Shares issued on exercise of Options will rank equally with other Shares of the Company.
3. The number of Options held will appear on an option certificate which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising the Options as follows:

Notice of Exercise of Options

To the Directors of Western Mines Group Ltd ACN 640 738 834 ("**Company**"),

I,

of

being the registered holder of options in the capital of the Company hereby exercise such options to subscribe for fully paid ordinary shares in the Company ("**Shares**") and enclose application monies payable of thirty cents (\$0.30) per option exercised.

I authorise you to register me as the holder of the Shares to be issued to me and agree to accept such Shares subject to the constitution of the Company.

Dated the day of 20__

Signed by _____)

the holder of the options)

4. Each Option can be exercised at any time prior to the Expiry Date by completing the Notice of Exercise of Options form (similar to the one in paragraph 3) and delivering it to the Company, together with:
- (a) the exercise monies payable to the Company,
 - (b) the original option certificate in respect of the Options referred to in the Notice of Exercise of Options,

prior to the Expiry Date. Such notice is, once given to the Company, irrevocable.

5. The expiry date for the exercise of the Options is three (3) years from the date the Shares in the Company are listed on the ASX ("**Expiry Date**").
6. Options may be transferred.
7. Any Option that has not been exercised prior to the relevant expiry date automatically lapses on the Expiry Date.
8. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for Official Quotation of Shares issued on the exercise of Options.
9. 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 the record date for determining entitlements to any such issue will be at least nine (9) business days after the issue is announced.
10. If the Company makes an issue of Shares to Shareholders by way of capitalisation of profits or reserves ("**Bonus Issue**"), each Optionholder holding any Options which have not expired at the time of the record date for determining entitlements to the Bonus Issue shall be entitled to have issued to him upon exercise of any of those Options, the number of Shares which would have been issued under the Bonus Issue ("**Bonus Shares**") to a person registered as holding the same number of Shares as that number of Shares to which the Optionholder may subscribe for, pursuant to the exercise of those Options immediately before the record date determining entitlements under the Bonus Issue (in addition to the Shares which he or she is otherwise entitled to have issued to him or her upon such exercise).
11. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Optionholder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

In this Schedule:

ASX means Australian Stock Exchange Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).

Company means Western Mines Group Ltd ACN 640 738 834.

Official Quotation means official quotation by the ASX in accordance with the ASX Listing Rules.

Option means an option to acquire one (1) Share issued to an Optionholder on the terms contained herein.

Optionholder means the following registered holders of Options: Bruce Legendre; Legend Resources Pty Ltd; Joseph Legendre; Harbury Advisors Pty Ltd; Rupert Francis Champion de Crespigny; and Luye Li.

Share means a fully paid ordinary share issued in the capital of the Company.

Shareholder means a registered holder of a Share.

7. Any Option that has not been exercised prior to the relevant expiry date automatically lapses on the Expiry Date.
8. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for Official Quotation of Shares issued on the exercise of Options.
9. 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 the record date for determining entitlements to any such issue will be at least nine (9) business days after the issue is announced.
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11. In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Optionholder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

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Optionholder means the following registered holder of Options: Apertus Capital Pty Ltd; Bellaire Capital Pty Ltd <Bellaire Capital Invest A/C>; and Yi Xiao.

Share means a fully paid ordinary share issued in the capital of the Company.

Shareholder means a registered holder of a Share.

- (a) the exercise monies payable to the Company,
- (b) the original option certificate in respect of the Options referred to in the Notice of Exercise of Options,

prior to the Expiry Date. Such notice is, once given to the Company, irrevocable.

6. The expiry date for the exercise of the Options is four (4) years from the date the Shares in the Company are listed on the ASX ("**Expiry Date**").
7. Options may be transferred.
8. Any Option that has not been exercised prior to the relevant expiry date automatically lapses on the Expiry Date.
9. Quotation of Options on ASX will not be sought. However, the Company will apply to ASX for Official Quotation of Shares issued on the exercise of Options.
10. 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 the record date for determining entitlements to any such issue will be at least nine (9) business days after the issue is announced.
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Optionholder means Vencera Investments Pty Ltd ACN 648 301 240 a registered holder of Options.

Share means a fully paid ordinary share issued in the capital of the Company.

Shareholder means a registered holder of a Share.

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7. Options may not be transferred.
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Optionholder means Mr Paul Burton <The Burton Family a/c> a registered holder of Options.

Share means a fully paid ordinary share issued in the capital of the Company.

Shareholder means a registered holder of a Share.

- ## Notice of Exercise of Options

I,

of

I authorise you to register me as the holder of the Shares to be issued to me and agree to accept such Shares subject to the constitution of the Company.

Dated the day of 20__

Signed by _____)

the holder of the options)

- 10808281 1

- (a) the exercise monies payable to the Company,
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Optionholder means Katarina Corporation Pty Ltd ACN 009 424 695 a registered holder of Options.

Share means a fully paid ordinary share issued in the capital of the Company.

Shareholder means a registered holder of a Share.