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## Terms and Conditions of Broker Options

- (a) Entitlement  
The Options entitle the holder to subscribe for one (1) Share upon the exercise of each Option.
  - (b) Exercise Price  
The exercise price of each Option will be \$0.25.
  - (c) Option Cancellation  
If the Company is not admitted to the Official List of the Australian Securities Exchange on or before 31 December 2021 then the Company shall be entitled to cancel these Options.
  - (d) Expiry Date  
28 February 2024, unless cancelled prior to this date in accordance with clause (c).
  - (e) Exercise Period  
Subject to clause (c), the Options are exercisable at any time on or prior to the Expiry Date.
  - (f) Notice of Exercise  
The Options may be exercised by notice in writing to the Company 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.
  - (g) Shares Issued on Exercise  
Shares issued on exercise of the Options rank equally with the Shares of the Company.
  - (h) Quotation of Shares on Exercise  
Subject to the Company being successfully admitted to the official list on the ASX, application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.
  - (i) Timing of issue of Shares  
After an Option is validly exercised, the Company must as soon as possible:
    - (i) issue the Share; and
    - (ii) do all such acts matters and things to obtain
      - (A) the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option; and
      - (B) receipt of cleared funds equal to the sum payable on the exercise of the Options.
  - (j) Participation in New Issues  
There are no participation rights or entitlements inherent in the Options and holder 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 ten business days after the issue is announced. This will give the holder of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
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(k) Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(l) Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one (1) Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.

(m) Adjustments for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(n) Quotation of Options

The Options will be unlisted Options. No application for quotation of the Options will be made by the Company until such time as the Company in its absolute discretion determines otherwise. Should the Company make an application for quotation of the Options and the ASX accepts the application for quotation of the options then the options will be listed Options from time to time that the ASX accepts such application.

(o) Options transferable

The Options are transferable with the consent of the Company.

(p) Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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