

## ISSUE OF OPTIONS

**31 January 2023:** Santana Minerals Limited (ASX: SMI) ("Santana" or "the Company") refers to the announcement of 16 November 2022 in relation to the appointment of Damian Spring who will head the Company's New Zealand operations having commenced on 23 January 2023.

The Company advises that it has today issued 500,000 options to Damian. The options will be exercisable at a price of \$0.885 per share, vesting 23 January 2025 and expiring 23 January 2026.

The full terms and conditions of the options are as annexed to this announcement.

This announcement has been authorised for release to the ASX by the Company Secretary.

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## Annexure - Terms and Conditions of Options

1. The Options shall be issued for no consideration.
2. The exercise price for each Options is \$0.885 per share (**Exercise Price**).
3. Each Option entitles the Option Holder to subscribe for and be allotted, credited as fully paid, one ordinary share in the capital of the Company at the Exercise Price.
4. Subject to clauses 5, 9 and 10, the Options will be exercisable at the Exercise Price between the date that is 24 months after the date that employment commenced with the Company (**Vesting Date**) and 5:00pm on the date that is twelve months later (**Expiry Date**).
5. The Options will not become exercisable if the Eligible Participant:
  - a. has given the Company a notice of resignation; or
  - b. has received a notice of termination from the Company for reasons of misconduct and or for cause, on or before the Vesting Date, in which case the Options will automatically lapse.
6. The Options are not transferable to any other party.
7. The Options will expire on the Expiry Date unless exercised earlier.
8. Once the Options are exercisable in accordance with clauses 4 and 5, the Options can be exercised wholly or in part by delivering a duly completed form of notice of exercise, together with payment in cleared funds for the Exercise Price per Option to the Company, at any time on or after the Vesting Date and before the Expiry Date.
9. If, prior to the Expiry Date, the relevant Eligible Participant ceases to be an employee or director of the Company or its subsidiaries because of death or permanent disability, the Options that are held by the Option Holder that have become exercisable can be exercised by that Option Holder or, if the Option Holder is the Eligible Participant, the person's legal personal representative, no later than the later of:
  - a. three (3) months after the relevant event; and
  - b. such other date as the Board determines (in its absolute discretion), after which time they will lapse.
10. If, prior to the Expiry Date, the relevant Eligible Participant ceases to be an employee or director of the Company or its subsidiaries for any reason other than that which is contemplated by clause 9, the Options held by the Option Holder that have become exercisable can be exercised by that Option Holder no later than one (1) month after the Eligible Participant ceases to be an employee or director of the Company (as applicable), after which time they will lapse.
11. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares to the Option Holder, ranking pari passu with the issued ordinary shares in the Company at that date.
12. The Option Holder does not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide the Option Holder with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the ASX Listing Rules.
13. The Option Holder does not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend.
14. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - a. the number of Options, the Exercise Price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reconstruction, but with the intention that such reconstruction will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - b. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects, the terms for the exercise of the Options will remain unchanged.

15. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

$O^n$  = the new exercise price of the Option;  
 $O$  = the old exercise price of the Option;  
 $E$  = the number of underlying securities into which one Option is exercisable;  
 $P$  = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;  
 $S$  = the subscription price for a security under the pro rata issue;  
 $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);  
 $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.

16. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.
17. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
18. The Company does not intend to apply for listing of the Options on the ASX.