



KINGSROSE
MINING LIMITED

OPTION AND SHARE RIGHTS PLAN 2015

RULES OF THE KINGSROSE MINING LIMITED

OPTION AND SHARE RIGHTS PLAN 2015

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1. NAME OF PLAN

- 1.1** This Plan shall be called the Options and Share Rights Plan 2015.

2. ESTABLISHMENT AND TERMINATION OF THE PLAN

- 2.1** The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute discretion.
- 2.2** The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.
- 2.3** The Board may not issue any further Options or Share Rights after the Plan has been terminated. However, these Rules will continue to apply to Options and Share Rights on issue at the date of such termination until the last of those Options and Share Rights lapses or is exercised.

3. PURPOSE OF THE PLAN

- 3.1** The purpose of this Plan is to:
- a)** recognise the ongoing ability of the Eligible Persons and their expected efforts and contribution in the long term to the performance and success of the Group Company;
 - b)** provide an incentive to the Eligible Persons to remain in their employment or other arrangement with the Group Company in the long term;
 - c)** attract persons of experience and ability to contract with the Company and foster and promote loyalty between the Group Company and Eligible Persons; and
 - d)** provide Eligible Persons with the opportunity to be granted Options or Share Rights, and ultimately Shares in the Group Company in accordance with these Rules.

4. OPERATION OF THE PLAN

- 4.1** The Plan operates according to these Rules which binds the Company and each Participant.
- 4.2** The Company must have reasonable grounds to believe, when making an Offer that the number of Shares to be received on exercise of Options or Share Rights offered under the Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer. When making a calculation for the purposes of this clause disregard any offer made, or Option or Share Right acquired or Share issued by way of or as a result of:
- a)** an offer to a person situated at the time of receipt of the Offer outside Australia; or
 - b)** an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
 - c)** an offer made under a disclosure document.

5. ELIGIBILITY

- 5.1** Subject to these Rules, the Board may from time to time determine that any Eligible Person is entitled to participate in the Plan and the extent of that participation. Prior to making that determination, the Board must consider:

- a) the seniority of the relevant Eligible Person and the position the Eligible Person occupies within the Group Company;
- b) the length of service of the Eligible Person with the Group Company;
- c) the record of employment of the Eligible Person with the Group Company;
- d) the potential contribution of the Eligible Person to the growth of the Group Company;
- e) the extent (if any) of the existing participation of the Eligible Person (or any Nominee in relation to that Eligible Person) in the Plan or any predecessor Plan; and
- f) any other matters which the Board considers relevant.

5.2 The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

6. OFFERS OF OPTIONS AND SHARE RIGHTS

- 6.1** Subject to these Rules and to the Listing Rules, the Company (acting through the Board) may offer the grant of Options or Share Rights to any Eligible Person at such times and on such terms as the Board considers appropriate.
- 6.2** An offer for the grant of Options or Share Rights under this Plan to an Eligible Person must be made using an Offer Document.
- 6.3** In respect of Options, the Board may determine the Exercise Price for the Option the subject of any Offer at the time of making the Offer.
- 6.4** The method of calculation of the Exercise Price of each Option will be determined by the Board having regard to such factors as the Board considers appropriate, including the Market Value of the Shares when it resolves to offer the Option (but the Exercise Price may be higher than the Market Value where the Board considers this appropriate).
- 6.5** Share Rights will not be subject to any exercise price.
- 6.6** Upon receipt of an Offer, an Eligible Person may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Person wishes to renounce the Offer.
- 6.7** The Board may resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.
- 6.8** If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Person will procure that the Nominee accepts the Offer made to that Eligible Person and that both the Eligible Person and the Nominee agree to be bound by this Plan.
- 6.9** The Company's obligation to grant Options and Shares Rights, or to issue Shares upon the valid exercise of Options or Share Rights, is conditional on:
 - a) the grant of the Options or Share Rights complying with all applicable legislation and the ASX Listing Rules; and
 - b) all necessary approvals required under any applicable legislation and the ASX Listing Rules being obtained.
- 6.10** It is hereby expressly stated that Sub-division 83A-C (deferred inclusion of gain in assessable income) in Chapter 2 of the Income Tax Assessment Act 1997 (Cth) applies to this Plan (subject to the requirements of the Income Tax Assessment Act 1997 (Cth)).

7. ACCEPTING OFFERS

- 7.1 An Eligible Person or their Nominee may accept an Offer by signing and returning an Acceptance Form to the Company no later than the Closing Date.
- 7.2 An Eligible Person or Nominee, by submitting an Acceptance Form, agrees to be bound by the Terms and Conditions.
- 7.3 If Options or Share Rights are issued to a Nominee of an Eligible Person, the Eligible Person must, without limiting any provision to these Rules, ensure that the Nominee complies with the Terms and Conditions.
- 7.4 On the issue of Options or Share Rights, an Eligible Person or their Nominee, as the case may be, becomes a Participant and is subject to the Terms and Conditions.
- 7.5 To the extent an Offer is not accepted in accordance with this clause 7, the Offer will lapse on the date following the Closing Date, unless the Board determines otherwise.

8. NO CONSIDERATION

- 8.1 No consideration is payable by an Eligible Person or their Nominee as the case may be for a grant of an Option or a Share Right, unless the Board decides otherwise.

9. CERTIFICATES

- 9.1 The Company must give a Participant one or more Certificates stating the number of Options or Share Rights issued to the Participant and specifying, in the case of Options –
 - a) the Issue Date, Exercise Price and Expiry Date of those Options; and
 - b) that the Options are subject to these Rules and the Forfeiture Conditions and/or Performance Conditions specified in the Offer pursuant to which the Options were issued;
 and, in the case of Share Rights –
 - c) the Issue Date of those Share Rights; and
 - d) that the Share Rights are subject to these Rules and the Forfeiture Conditions and/or Performance Conditions specified in the Offer pursuant to which the Share Rights were issued.
- 9.2 The Certificates for the Options or Share Rights will be dispatched within 10 Business Days after the Issue Date of the relevant Options or Share Rights.

10. QUOTATION AND TRANSFERS

- 10.1 The Company will not apply for Official Quotation of any Options or Share Rights.
- 10.2 If shares issued and allotted pursuant to the exercise of Options or Share Rights granted under the Plan are of the same class as shares listed on the ASX, the Company must apply for Official Quotation of those shares allotted pursuant to the exercise of Options or Share Rights within the time required by the Listing Rules after the date of issue and allotment.
- 10.3 A Participant is not entitled to vote or receive dividends or participate in issues of securities made or offered pro rata to holders of Shares in respect of any Options or Share Rights they hold.
- 10.4 A Share Right or Option granted under this Plan is not transferable, assignable or able to be encumbered.

- 10.5** A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Share Rights or Options.
- 10.6** Where the Participant purports to transfer, assign, encumber, or hedge a Share Right or Option, the Share Right or Option immediately lapses.

11. CONDITIONS

- 11.1** The Board may when the grant of Options or Share Rights are offered determine that the Options or Share Rights issued will be subject to Forfeiture Conditions and/or Performance Conditions.
- 11.2** Subject to the Board's discretion to determine otherwise, Options or Share Rights held by a Participant subject to Forfeiture and/or Performance Conditions will be forfeited if any of the Forfeiture and/or Performance Conditions are not satisfied. An Option or Share Right that is forfeited will be cancelled and will not thereafter be capable of being exercised.
- 11.3** No Option or Share Right that is subject to Forfeiture and/or Performance Conditions can be exercised until such time as the Forfeiture and/or Performance Conditions have been satisfied or deemed to have been satisfied or waived by the Board (in its discretion).
- 11.4** Forfeiture Conditions and/or Performance Conditions will comprise those conditions described as such by the Board and set out in an Offer Document.
- 11.5** Without limiting the Board's power to impose Forfeiture Conditions and/or Performance Conditions, such conditions may include:
- (a)** a condition that the Relevant Person must remain as Eligible Person (as the case may be) of the Company or its subsidiary for a minimum period;
 - (b)** a condition that any stipulated performance criteria be satisfied;
 - (c)** a condition that certain specified milestones in connection with the development or operation of any mineral or other project of the Company or a subsidiary are completed within a specified time or in a specified manner; or
 - (d)** a condition that the Market Price of the Company's ordinary shares attain a specified price (or remain at a specified price for a specified number of days) within a specified period; or
 - (e)** any other condition or conditions the Board considers appropriate.
- 11.6** The Board may by notice in writing to a Participant partly or fully waive any Forfeiture and/or Performance Conditions applicable to Options or Share Rights held by that Participant. Any Forfeiture and/or Performance Conditions so waived will be deemed to be satisfied.
- 11.7** Subject to the Listing Rules, the Board may by notice in writing to a Participant vary any Forfeiture and/or Performance Conditions applicable to Options or Share Rights held by that Participant, provided such variation is not adverse to the Participant.
- 11.8** Where the Board makes an Offer to apply for Options or Share Rights to an Eligible Person, the Board may determine that a restriction period (**Restriction Period**) will apply to some or all of the Shares issued to a Participant, following exercise of their Options or Share Rights (**Restricted Shares**).
- 11.9** The Board may having regard to the circumstances at the time, waive or reduce a Restriction Period determined pursuant to clause 11.8.
- 11.10** A Participant must not dispose of or otherwise deal with any Shares issued to them under this Plan while they are Restricted Shares.
- 11.11** The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares for as long as those Shares are Restricted Shares.
- 11.12** If requested by the Company the Participant agrees to:

- (a) execute a restriction agreement on terms acceptable to the Company in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under this Plan;
- (b) the Company lodging the share certificates for Restricted Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period applying to the Restricted Shares or until the Restricted Shares are otherwise released from restrictions (at which time the Company shall arrange for the share certificates to be provided to the Participant); and
- (c) the application of a holding lock over Restricted Shares until any Restriction Period applying to the Restricted Shares under the Plan has expired (at which time the Company shall arrange for the holding lock to be removed).

11.13 When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under the Plan will cease.

12. EXERCISE OF OPTIONS

12.1 Subject to any Forfeiture and/or Performance Conditions, Options may be exercised by a Participant at any time during the period commencing on the Issue Date and ending on the Expiry Date.

12.2 Options may only be exercised by the Participant giving notice in writing (in a form acceptable to the Board) to the Board delivered to the principal office of the Company. The notice must specify the number of Options being exercised and the Exercise Price for the Options specified in the notice and must be accompanied by:

- (a) the Certificate for those Options, for cancellation by the Company; and
- (b) a cheque payable to the Company (or another form of payment acceptable to the Board) in the amount of the product of the number of Options then being exercised by the Participant and the Exercise Price.

12.3 Subject to paragraph 15.1, within 10 Business Days after the notice referred to in clause 12.2 becoming effective, the Board must:

- (a) allot and issue the number of Shares to be issued in respect of the Options being exercised;
- (b) cancel the Certificate for the Options being exercised: and
- (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the notice.

13. VESTING AND EXERCISE OF SHARE RIGHTS

13.1 Subject to clauses 11 and 15, a Share Right will vest and be automatically exercised to provide a reward (either in equity or in cash, at the election of the Company provided that the vesting and automatic exercise of the Share Right will occur in a manner that is qualifies as an 'incentive right' for the purposes of the Class Order) to a Participant when each Forfeiture and/or Performance Condition applicable to that Share Right has been satisfied.

13.2 Where a Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person, due to a Specified Reason prior to the date on which a Share Right may otherwise vest (**Ceasing Date**) the Board may resolve that the Participant's right to have a Share allocated or a cash amount paid to that Participant in relation to that Share Right (subject to satisfaction of each relevant Forfeiture and/or Performance Condition) will not lapse on the Ceasing Date. The Board may further resolve that if each relevant Forfeiture and/or Performance Condition is satisfied (except continuation of employment) the Company will allocate the Share or pay the cash amount to which the Participant is thereby entitled in relation to Share Rights held by the Participant.

13.3 Where the Board resolves to allocate Shares or a cash equivalent in accordance with clause 13.2, the value of the Shares will be determined in reference to the closing price of the Shares on the date of cessation of employment of the Participant, and an cash equivalent will be determined by multiplying the number of Share Rights held by the Participant by the closing price of the Shares on the date of cessation of employment of the Participant.

- 13.4** Upon the vesting of Share Rights for which a Share is to be provided pursuant to clause 13.1, the Company must allocate to the Participant the number of Shares and pay the Participant the cash equivalent (as relevant and as applicable) to which the Participant is entitled within 10 Business Days of the Share Rights vesting. Where a cash amount is to be paid pursuant to clause 13.1, the Company must pay the appropriate amount to the Participant after taking into account any superannuation guarantee contributions that may be payable by the Company, less any withholdings required by law in relation to Tax or other liabilities of the Company or the Participant in relation to the payment.
- 13.5** A Participant is not liable to make any payment for the allocation of Shares consequent upon the vesting of Share Rights.
- 13.6** Where Shares are allocated and a Participant or the Company is liable to Tax, superannuation, duties or other amounts on the vesting of a Share Right and the Company is liable to make a payment to the appropriate authorities on account of that liability –
- (a) the Board must issue and procure the sale of sufficient number of the Shares that would otherwise be issued to or on behalf of the Participant so that the net proceeds of sale equal the payment the Company is required to make to the appropriate authorities. The Board must account to the Company for the net proceeds of the sale; and
 - (b) provided that clause 13.6(a) shall not apply if the Participant makes alternative arrangements to the satisfaction of the Company.

14. SHARES ALLOTTED ON EXERCISE OF OPTIONS AND SHARE RIGHTS

- 14.1** Except in relation to any applicable restrictions on transfer, all Shares allotted upon exercise of the Options and Share Rights rank pari passu in all respects with Shares previously issued and, in particular, entitle the holders of Shares to participate fully in:
- (a) dividends declared by the Company after the date of allotment; and
 - (b) all issues of securities made or offered pro rata to holders of Shares.

15. LAPSE OF OPTIONS AND SHARE RIGHTS

- 15.1** Options not validly exercised on or before the Expiry Date and Share Rights that do not vest on or before the Expiry Date will automatically lapse.
- 15.2** Unless otherwise determined by the Board, if any Options or Share Rights are granted subject to Forfeiture Conditions and/or Performance Conditions and, prior to satisfaction of the Forfeiture Conditions and/or Performance Conditions (such that the Options are not exercisable and the Share Rights have not vested), the Participant's Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person then:
- (a) If the Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person for any reason other than a Specified Reason, any such Options or Share Rights held by the Participant will automatically lapse when their Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person; and
 - (b) If a Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person for a Specified Reason:
 - i. the Relevant Person's Participant may exercise any such Options held by the Participant within 3 months after the Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person (or such longer period determined by the Board). Options the subject of this clause 15.2 b) not exercised within the 3 months after the Relevant Person ceases to meet any of paragraphs

(a) to (e) of the definition of Eligible Person or any longer period determined by the Board, will automatically lapse. During the 3 month period the Board, in its absolute discretion may reducing, waiving or varying the Forfeiture Conditions and/or Performance Conditions applying (if any) to those Options in accordance with clause 11.6 or 11.7 so that those Options may be exercised prior to lapsing; and

- ii. any Share Rights held by the Relevant Person's Participant will vest and be automatically exercised subject to the Board, in its absolute discretion, reducing, waiving or varying the Forfeiture Conditions and/or Performance Conditions applying to those Share Rights in accordance with clause 11.6 or 11.7.

15.3 Unless otherwise determined by the Board, if a Participant's Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person at any time after an Option has become exercisable but prior to the relevant Expiry Date, then:

(a) if the Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person for any reason other than a Specified Reason, the Relevant Person's Participant may exercise any such Option held by him or her (or the Nominee) within:

- i. 1 month of the Relevant Person ceasing to meet any of paragraphs (a) to (e) of the definition of Eligible Person; or
- ii. such longer period as the Board determines,

and any Options the subject of this clause not exercised within the 1 month or the longer period determined by the Board, will automatically lapse; and

(b) if the Relevant Person ceases to meet any of paragraphs (a) to (e) of the definition of Eligible Person for a Specified Reason, the Relevant Person's Participant is entitled to exercise any such Options at any time prior to their Expiry Date.

15.4 A Certificate signed by the Company Secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the reason for such occurrence and the date of such occurrence.

15.5 Notwithstanding any other provision of this Plan, where a Participant or their Relevant Person:

- (a) in the opinion of the Board, acts fraudulently or dishonestly, is grossly negligent, demonstrates serious and wilful misconduct, or causes a material adverse effect on the reputation of the Company;
- (b) has his or her employment or engagement terminated due to serious or wilful misconduct or otherwise for cause without notice; or
- (c) becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act,

the Board may, by written notice to the Participant, deem any unvested, or vested but unexercised, Options or Share Rights of the Participant to have lapsed.

16. PARTICIPATION RIGHTS, BONUS ISSUES, RIGHTS ISSUE, REORGANISATIONS OF CAPITAL AND WINDING UP

16.1 New Issues

Participants are not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless:

- i. Shares have been allocated to them upon the exercise of Share Rights; or

- ii. The Participants have become entitled to exercise Options under the Plan and they exercise those Options before the record date for the determination of entitlements to the new issue of securities as a result of being holders of Shares.

The Company must give Participants, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

16.2 Bonus Issues

There is no right to change the exercise price of an Option or the number of underlying Shares over which an Option or Share Right can be exercised, if the Company completes a bonus issue.

16.3 Pro Rata Issues

There is no right to change the exercise price of an Option nor the number of underlying Shares over which an Option or Share Right can be exercised, if the Company completes a pro rata issue.

16.4 Reorganisation of Capital

If, prior to the expiry of any Options or the vesting of any Share Rights, there is a reorganisation of the issued capital of the Company, then the rights of a Participant (including the number of Options or Share Rights to which each Participant is entitled and the Option Exercise Price and Expiry Date) may be changed by the Board to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

16.5 Winding Up

If, prior to the expiry of any Options or the vesting of any Share Rights, a resolution for a members voluntary winding up of the Company is proposed (other than for the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Forfeiture Conditions and/or Performance Conditions, during the period referred to in the notice the Participants may exercise their Options and the Company may in its discretion vest Share Rights held by Participants.

16.6 Fractions of Shares

For the purpose of this clause 16, if Options or Share Rights are exercised simultaneously the number of Shares or fractions of Shares to which the Participant is entitled may be aggregated. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

16.7 Calculations and Adjustments

Any calculations or adjustments which are required to be made under this clause 16 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

16.8 Notice of Change

The Company must within a reasonable period give to each Participant notice of any change under this clause 16 to the Exercise Price of any Options held by the Participant or to the number of Shares to which the Participant is entitled on exercise of an Option or Share Right.

17. TAKEOVERS

- 17.1** If during the currency of an Option or Share Right a Takeover Bid is made to the Company's shareholders to acquire their Shares and the Board becomes aware that a bidder who did not have a Relevant Interest in more than 50% of the Company's issued Shares has acquired (or become entitled to acquire) a Relevant Interest in more than 50% of the Company's issued Shares, or that there has been a change of Control of the Company, then the Board may resolve that the Company notify each Participant in writing that some or all of the Forfeiture Conditions and/or

Performance Conditions applying to Options and Share Rights will be waived and that Options and Share Rights may be deemed exercisable or be deemed vested and exercisable (as relevant).

18. AMENDMENTS AND DISPUTE

18.1 Board May Alter Rules

The Board may, subject to clause 18.3 and the Listing Rules, alter, delete or add to these Rules at any time (save for the provisions of clause 4.2).

18.2 Alteration of clause 4.2

The Board may alter clause 4.2 with the prior approval by ordinary resolution of the shareholders of the Company in a general meeting.

18.3 Consent of Participants

If any amendments to be made under clause 18.1 would adversely affect the rights of Participants in respect of any Options or Share Rights then held by them, the Board must obtain the consent of Participants who between them hold not less than 75% of the total number of those Options and Share Rights held by all those Participants before making the amendment.

18.4 Eligible Persons Outside Australia

The Board may, subject to the Listing Rules, make any additions, variations or modifications to the Rules in relation to the implementation of the Plan, and the specific application of the Rules, to Eligible Persons residing outside Australia.

18.5 Amendments to Terms

Subject to any requirements of the ASX Listing Rules and the Corporations Act, the Board will have the power to make adjustments to, or vary, the terms and conditions of an Option or Share Right. No adjustment or variation of the terms of an Option or Share Right will be made without the consent of the Participant who holds the relevant Option or Share Right if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her unexercised Options), other than an adjustment or variation introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of this Plan or like plans;
- (b) to correct any manifest error or mistake or to make the terms of the Options or Share Rights consistent with the Class Order;
- (c) to enable a member of the Group to comply with the Corporations Act, the ASX Listing Rules, applicable foreign law, or a requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or
- (d) to take into consideration possible adverse taxation implications in respect of this Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

18.6 Dispute

In the event of any dispute or disagreement as to the interpretation of this Plan, or as to any question or right arising from or related to this Plan or to any Options, Share Rights or shares granted or issued under it, the decision of the Board is final and binding.

19. POWERS OF THE BOARD

19.1 The Plan shall be administered by the Board who shall have the power to:

- (a) Determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;
- (b) Resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- (c) Terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Options or Share Rights at that time;
- (d) Delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any one or more persons whom the Board reasonably believes to be capable of performing those functions and exercising those powers, for such period and on such conditions as the Board may determine;
- (e) Take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules;
- (f) Determine terms and conditions applicable to Options and Share Rights;
- (g) Administer the Plan in accordance with these Rules as and to the extent provided in these Rules; and
- (h) Made regulations for the operation of the Plan consistent with these Rules.

20. GENERAL

20.1 Notice

Notices may be given by the Company to any Holder either personally, by email or by post to his or her address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by him to the Company for the giving of notices. Notices for any overseas Holders shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by any Director or secretary of the Company. A notice of exercise given under clause 12.2 shall not be deemed to be served on the Company until actually received.

20.2 Data Protection

By lodging an Acceptance Form, each prospective Participant consents to the holding and processing of personal data provided by the prospective Participant to any Group Company for all purposes relating to the operation of this Plan. These include, but are not limited to:

- (a) administering and maintaining the records of the prospective Participant and their Relevant Person;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of this Plan;
- (c) providing information to future purchasers of the Company or the business in which the prospective Participant's Relevant Person works; and
- (d) transferring information about the Participant or their Relevant Person to a country or territory outside Australia.
- (e)

20.3 ASX Listing Rules

While the Company remains admitted to the ASX, the provisions of the ASX Listing Rules of the ASX will apply to this Plan, and to the extent that this Plan and the ASX Listing Rules are inconsistent, the provisions of the ASX Listing Rules will prevail.

20.4 Rights and obligations of Eligible Persons and Participants

The rights and obligations of an Eligible Person or Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. The Plan will not form part of, and are not incorporated into, any contract for the engagement of any Eligible Person or Participant as an employee, director of contractor of a Group Company.

No Eligible Person or Participant will have any rights to compensation or damages in consequence of:

- (a) the termination, for any reason, of the office, employment or other contract with a Group Company of the Eligible Person or Participant where those rights arise, or may arise, as a result of the Eligible Person or Participant ceasing to have rights under the Plan as a result of such termination; or
- (b) the lapsing of Options or Share Rights in accordance with the Plan.

Nothing in the Plan, nor participation in the Plan nor the terms of any Option or Share Rights:

- (a) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Person or Participant (as the case may be);
- (b) affects the rights and obligations of any Eligible Person or Participant under the terms of their employment, engagement or office with any Group Company;
- (c) confers any legal or equitable right on an Eligible Person or Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;
- (d) confers on an Eligible Person or Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
- (e) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person or Participant.

An Eligible Person or Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the exercise of an Option or Share Right under the Plan will be treated for those purposes as not having ceased to be such an employee.

If an Exercise Condition attached to a Option, or a Vesting Condition attached to a Share Right, requires a Participant to remain an employee of a Group Company, then the Participant will be treated as having ceased to be an employee of a Group Company at such time the Participant's employer ceases to be a Group Company.

20.5 Blackout Period, Takeovers and Insider Trading

If the issue of an Option, Share Right or Share on exercise of an Option or Share Right would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue of the Options, Share Rights or Shares (as relevant) until 10 Business Days following the expiration, as applicable, of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue of the Options, Share Rights or Shares (as relevant).

21. NO COMPENSATION OR DAMAGES

21.1 The rights and obligations of any Holder under the terms of his or her employment or consultancy with the Company are not affected by his or her participation in the Plan.

- 21.2** These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Holder and the Company.
- 21.3** No Holder has any rights to compensation or damages as a result of the termination of his or her employment, consultancy or directorship so far as those rights arise or may arise from the Holder ceasing to have rights under the Plan as a result of the termination.
- 21.4** Participants do not, as Participants, have any right to attend or vote at general meetings of holders of Shares.

22. GOVERNING LAW

- 22.1** The Plan and any Options or Share Rights issued under it are governed by the laws of Western Australia and the Commonwealth of Australia.
- 22.2** Each Participant, Relevant Person and Eligible Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, the Commonwealth of Australia and courts entitled to hear appeals from those courts.

23. ADVICE

- 23.1** Eligible Persons and Nominees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them or relating to their participation in the Plan.

24. ATTORNEY

Each Participant, in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the Plan;
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

25. DEFINITIONS AND INTERPRETATION

- 25.1** In these Rules, unless the context otherwise requires, the following words and expressions shall have the following meanings:

Acceptance Form means the Acceptance Form in such form as required by the Board from time to time.

Associated Body Corporate means, in relation to the Company:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has 20% of the voting power in the Company; and
- (c) a body corporate in which the Company has not less than 20% of the voting power.

ASX means ASX Limited as operator of the Australian Securities Exchange;

Board means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors;

Blackout Period means a period when the Participant is prohibited from trading in the Company's securities by the Company's written policies.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday;

Class Order means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

Certificate means the certificate issued in accordance with clause 9 by the Company to a Holder in respect of an Option or a Share Right;

Closing Date means the date on which an Offer is stated to close in the Offer Document;

Company means Kingsrose Mining Ltd (ACN 112 389 910);

Control has the meaning given to that term in section 50AA of the Corporations Act;

Corporations Act means *Corporations Act 2001* (Cth);

Director means a director of the Company from time to time but does not include a person who is only a director by virtue of being alternate director;

Eligible Person means:

- (a) a Director (whether executive or non-executive) of any Group Company;
- (b) a full or part time employee of any Group Company;
- (c) a casual employee of a Group Company who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with the Group Company;
- (d) either:
 - i. an individual with whom the Company has entered into a contract for the provision of services under which the individual performs work for the Company; or
 - ii. a company with whom the Company has entered into a contract for the provision of services under which an individual, who is a director of the company or their spouse, performs the work for the Company,
 where the individual who performs the work or in relation to the contract is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with the Company; or
- (e) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Person under any of clauses (a) to (d) above,

who is declared by the Board to be eligible to receive grants of Options or Share Rights under this Plan;

Exercise Price means, in respect of an Option, the subscription price per Share, determined in accordance with clause 6.2, payable by a Holder on exercise of the Option;

Expiry Date means, in relation to an Option, the date determined by the Board prior to the offer of the relevant Options, subject to any restriction in the Corporations Act from time to time but in any event no longer than 7 years from the Issue Date;

Forfeiture Conditions and/or Performance Conditions mean any conditions imposed under clause 11 of this Plan which if not satisfied will result in Options or Share Rights being forfeited and cancelled such that the Options will never be exercisable and the Share Rights will not be exercised;

Group means the group constituted by all Group Companies;

Group Company means the Company or an Associated Body Corporate, or any combination of them, as the context requires;

Holder means, in relation to an Option or a Share Right, the person entered in the Company's register of options as the holder of that Option or Share Right;

Issue Date means, in relation to an Option or a Share Right, the date on which the Company grants that Option or Share Right;

Legal Personal Representative means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

Listing Rules means the Official Listing Rules of ASX as they apply to the Company from time to time;

Market Value means, if the Company is admitted to the official list of ASX;

- (a) The weighted average closing sale price of the Shares recorded on the stock market of ASX over the 30 trading days immediately preceding the day on which the Board resolves to offer an Option; or
- (b) In circumstances where there has been no trading in the Shares during the 30 trading days immediately preceding the day on which the Board resolves to offer an Option, the last sale price recorded on the stock market of ASX;

Nominee means a nominee of an Eligible Person that is one of the following:

- (a) an immediately family member of the Eligible Person;
 - (b) a company whose members comprise no persons other than the Eligible Person or immediate family members of the participant; or
 - (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Person is a director of the trustee,
- who has been approved by the Board under clauses 6.6 to 6.8.

Offer means an offer to be granted Options or Share Rights the subject of an Offer Document;

Offer Document means an offer document in such form as determined by the Board from time to time which must be consistent with the Class Order;

Official Quotation has the meaning ascribed to it in the Listing Rules;

Option means an option issued under the Plan to subscribe for a Share;

Participant means a person who holds Options or Share Rights issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;

Plan means the Company's Options and Share Rights Plan 2015 established in accordance with these Rules;

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act;

Relevant Person means:

- (a) in respect of a Participant who is not a Nominee, the Participant; and
- (b) in respect of a Participant who is a Nominee, the Eligible Person who nominated the Nominee to be issued the Options.

Restriction Period has the meaning given in clause 11.8;

Restriction Shares has the meaning given in clause 11.8;

Retirement means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 65 or over or such earlier age as considered appropriate by the Board;

Rules means these rules, as amended from time to time;

Shares means fully paid ordinary shares in the capital of the Company;

Share Right means a right to be allocated a Share or to receive a cash amount of equivalent value to a Share under the Plan, as determined by the Company, subject to vesting and satisfaction of the Forfeiture Conditions and/or Performance Conditions;

Specified Reason means Retirement, Total and Permanent Disablement, death or such other reason as may be determined by the Board in its absolute discretion that it is a Specified Reason for the purposes of this Plan;

Tax means any tax, levy, impost, GST, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing;

Terms and Conditions means the terms and conditions of the Plan, any relevant Offer, any relevant Offer Document, any relevant Acceptance Form and the Constitution of the Company; and

Total and Permanent Disablement means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent.