
BLINA MINERALS NL

ACN 086 471 007

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00 am (WST)
DATE: 13 November 2019
PLACE: 283 Rokeby Road
Subiaco WA 6008

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm on 11 November 2019.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – PLACEMENT OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 1,000,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – PLACEMENT OF OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,000,000,000 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CALATOS PTY LTD, A COMPANY CONTROLLED BY BRUCE MCFARLANE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CALATOS PTY LTD, A COMPANY CONTROLLED BY BRUCE MCFARLANE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – MADACU OPTION – TO CALATOS PTY LTD, A COMPANY CONTROLLED BY BRUCE MCFARLANE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 180,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE OF SHARES - COLOUR MINERALS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 409,082,386 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES - COLOUR MINERALS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 451,917,614 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 15 October 2019

By order of the Board

David Porter
Non-Executive Chairman

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact David Porter, Chairman +61 8 6141 3500 or +61 412 117 240.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – PLACEMENT OF SHARES

1.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 1,000,000,000 Shares for the purpose of undertaking a capital raising (**Placement**).

1.2 Terms of Placement

The Company is in the process of determining the terms of the Placement. It is proposed the Company will target a capital raising of up to \$400,000 at an issue price of no less than \$0.0004 per Share.

The actual number of Shares to be issued under the Placement will depend on the total target raise and the issue price. However, the maximum number of Shares that can be issued under the Placement is 1,000,000,000, being the number of Shares the subject of Resolution 1, regardless of the terms of the Placement determined by the Board.

1.3 Use of Funds

Assuming the Company raises a total of \$400,000 pursuant to the Placement, the Company intends to apply the funds raised as follows:

	Amount (\$)	%
Exploration and Drilling at the Barkly Project	300,000	75%
Working Capital and Administration	70,000	17.5%
Exploration on Existing Projects	30,000	7.5%
Total	\$400,000	100%

The above table is a statement of current intentions as of the date of this Notice and is subject to change. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

In addition, the actual amount raised may vary. Accordingly, this will also play a factor in how the funds are applied. In the event that less than \$400,000 is raised, the Company may scale back the allocation of the funding in accordance with the above table on a pro-rata basis.

1.4 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

The effect of Resolution 1 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.5 Technical information

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) as set out in Section 1.2 above, the number of Shares to be issued under the Placement is not currently known as it is dependent on the total target raise and issue price to be determined by the Company. However, the maximum number of Shares to be issued is 1,000,000,000;
 - (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
 - (c) as set out in Section 1.2 above, the Company has not determined the terms of the Placement. However, the minimum issue price will be \$0.0004 per Share;
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- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards exploration and drilling at the Barkly Project and general working capital and administration and otherwise as set out in Section 1.3 above.

1.6 Dilution

Set out below is a worked example of the dilutionary effect to existing Shareholders on completion of the Placement, assuming the total amount raised is \$400,000 and based on an assumed issue price of \$0.0004, \$0.0006 and \$0.0008.

Assumed issue price	Shares which the Company could issue (rounded up to the nearest whole number) pursuant to Resolution 1	Current Shares on issue as at the date of this Notice	Increase in the number of Shares on issue	Dilution effect on existing Shareholders
\$0.0004	1,000,000,000 ¹	5,454,882,570 ²	6,454,882,570	15%
\$0.0006	666,666,667	5,454,882,570 ²	6,121,549,237	11%
\$0.0008	500,000,000	5,454,882,570 ²	5,954,882,570	8%

Notes

1. This is the maximum number of Shares that can be issued under the Placement, being the number of Shares the subject of Resolution 1.
2. Taken from the Company's Appendix 3B lodged on 25 September 2019.

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out in the worked example above are issued, the number of Shares on issue would increase from 5,454,882,570 (being the number of Shares on issue as at the date of this Notice) to 6,454,882,570 and the shareholding of existing Shareholders would be diluted by approximately 15%.

The Company notes that the above workings are an example only and the actual total target raise and issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

2. RESOLUTION 2 – PLACEMENT OF OPTIONS

2.1 General

Resolution 2 seeks Shareholder approval for the issue of up to 2,000,000,000 Options (**Options Placement**).

The Options will be issued for nil cash consideration. It is intended that:

- (a) 1,000,000,000 Options will be issued to incentivise participation in the Placement, which may be done by (without limitation):
 - (i) issuing the Options to early subscribers;
 - (ii) issuing the Options to subscribers who apply for a significant number of Shares under the Placement, as determined by the Company; or
 - (iii) issuing the Options to all or some of the participants as free attaching to be issued proportionately based on the number of Shares subscribed for under the Placement; and
- (b) 1,000,000,000 Options will be issued as consideration to any brokers, consultants and/or corporate advisers who provide services in relation to the Placement.

2.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 1.4 above.

The effect of Resolution 2 will be to allow the Company to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

2.3 Technical Information

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Options Placement:

- (a) the maximum number of Options to be issued is 2,000,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) As set out in Section 2.1 above, the Options will be issued for nil cash consideration. Accordingly, no funds will be raised from the Options Placement;
- (d) the Directors will determine to whom the Options will be issued but these persons will not be related parties of the Company; and
- (e) the Options will be issued on the terms and conditions set out in Schedule 1.

3. RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF SHARES TO CALATOS PTY LTD, A COMPANY CONTROLLED BY BRUCE MCFARLANE

3.1 General

The Company engaged Calatos Pty Ltd (**Calatos**), a company controlled by Bruce McFarlane, to provide consultancy services to the Company. In the 12 months preceding the date of this Notice, the Company issued:

- (a) 50,000,000 Shares to Calatos on 28 November 2018 (**First Consultant Issue**); and
- (b) 50,000,000 Shares to Calatos on 31 July 2019 (**Second Consultant Issue**),

for nil cash consideration, as part remuneration for consultancy services provided by Calatos.

The Company seeks Shareholder ratification of:

- (a) the First Consultant Issue pursuant to Resolution 3; and
- (b) the Second Consultant Issue pursuant to Resolution 4,

for the purposes of ASX Listing Rule 7.4.

3.2 ASX Listing Rules 7.1 and 7.4

A summary of ASX Listing Rule 7.1 is set out in Section 1.4 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the First Consultant Issue and the Second Consultant Issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

3.3 The First Consultant Issue - Technical information

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the First Consultant Issue:

- (a) 50,000,000 Shares were issued;
 - (b) the Shares were issued for nil cash consideration in satisfaction of consultancy services provided by Calatos;
 - (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) the Shares were issued to Calatos, who is not a related party of the Company; and
 - (e) the Shares were issued for nil cash consideration and accordingly no funds were raised from this issue as the Shares were issued in consideration for consultancy services provided by Calatos.
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3.4 The Second Consultant Issue - Technical information

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Second Consultant Issue:

- (a) 50,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of consultancy services provided by Calatos;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to Calatos, who is not a related party of the Company; and
- (e) the Shares were issued for nil cash consideration and accordingly no funds were raised from this issue as the Shares were issued in consideration for consultancy services provided by Calatos.

4. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – MADACU OPTION – TO CALATOS PTY LTD, A COMPANY CONTROLLED BY BRUCE MCFARLANE

4.1 General

As announced by the Company on 15 November 2018, the Company entered into a heads of agreement with Madacu Resources Pty Ltd (**Madacu**) and the shareholders of Madacu (**Madacu Vendors**) pursuant to which the Company was granted an exclusive option to acquire 100% of the issued share capital of Madacu from the Madacu Vendors (**Madacu Option**) (the **Madacu Agreement**).

On 1 March 2019, the Company issued 180,000,000 Shares to the Madacu Vendors (Calatos Pty Ltd, a company controlled by Bruce McFarlane received 144,000,000, and Mr Ralf Heinz Kreig received 36,000,000) as part consideration for the grant of the Madacu Option pursuant to the terms of the Madacu Agreement (**Madacu Issue**).

Resolution 5 seeks Shareholder ratification of the Madacu Issue for the purposes of ASX Listing Rule 7.4.

4.2 ASX Listing Rules 7.1 and 7.4

A summary of ASX Listing Rule 7.1 is set out in Section 1.4 above and a summary of ASX Listing Rule 7.4 is set out in Section 3.2 above.

By ratifying the Madacu Issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

4.3 The Madacu Issue - Technical information

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Madacu Issue:

- (a) 180,000,000 Shares were issued;
- (b) the Shares were issued for nil cash consideration as part consideration for the grant of the Madacu Option pursuant to the terms of the Madacu Agreement;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to the Madacu Vendors, being Calatos and Ralf Kriege, who are not related parties of the Company; and
- (e) the Shares were issued for nil cash consideration and accordingly no funds were raised from this issue as the Shares were issued as part consideration for the grant of the Madacu Option.

5. RESOLUTIONS 6 AND 7 – RATIFICATION OF PRIOR ISSUE OF SHARES – COLOUR MINERALS

5.1 General

As announced by the Company on 24 September 2019, the Company entered into a heads of agreement with Colour Minerals Pty Ltd (**CMPL**) and Kalgoorlie Mine Management Pty Ltd (**CMPL Vendor**), the sole shareholder of CMPL, pursuant to which the Company agreed to acquire 50% of the issued share capital of CMPL from the CMPL Vendor (**Acquisition**) (the **CMPL Agreement**).

On 25 September 2019, the Company issued 861,000,000 Shares to the CMPL Vendor in consideration for the Acquisition pursuant to the terms of the CMPL Agreement (**CMPL Issue**). The CMPL Issue was completed by issuing:

- (a) 409,082,386 Shares pursuant to the Company's capacity under ASX Listing Rule 7.1 (**7.1 CMPL Issue**); and
- (b) 451,917,614 Shares pursuant to the Company's capacity under ASX Listing Rule 7.1A (**7.1A CMPL Issue**), which capacity was approved by Shareholders at the Company's annual general meeting held on 30 November 2018.

The Company seeks Shareholder ratification of:

- (a) the 7.1 CMPL Issue pursuant to Resolution 6; and
- (b) the 7.1A CMPL Issue pursuant to Resolution 7,

for the purposes of ASX Listing Rule 7.4.

5.2 The 7.1 CMPL Issue – ASX Listing Rules 7.1 and 7.4

A summary of ASX Listing Rule 7.1 is set out in Section 1.4 above and a summary of ASX Listing Rule 7.4 is set out in Section 3.2 above.

By ratifying the 7.1 CMPL Issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.3 The 7.1A CMPL Issue – ASX Listing Rules 7.1A and 7.4

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the 7.1A CMPL Issue, the base figure (i.e. variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

5.4 The CMPL Issue – Technical information

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the CMPL Issue:

- (a) 861,000,000 Shares were issued on the following basis:
 - (i) 409,082,386 Shares issued pursuant to ASX Listing Rule 7.1; and
 - (ii) 451,917,614 Shares issued pursuant to ASX Listing Rule 7.1A;
 - (b) the Shares were issued for nil cash consideration in consideration for the Acquisition pursuant to the terms of the CMPL Agreement;
 - (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (d) the Shares were issued to the CMPL Vendor, who is not a related party of the Company; and
 - (e) no funds were raised from this issue as the Shares were issued in consideration for the Acquisition.
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GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Blina Minerals NL (ACN 086 471 007).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.002 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date which is 18 months from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

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

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(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 without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.
