



STRICKLAND
METALS LIMITED

Strickland Metals Limited
ABN 20 109 361 195
info@stricklandmetals.com.au
www.stricklandmetals.com.au

Postal & Registered Office
+61 (8) 9316 9100
Suite 6, 7 The Esplanade
Mt Pleasant WA 6153

25 September 2020

ASX: STK

Company Announcements Office
Australian Securities Exchange
4th Floor, 20 Bridge Street
Sydney NSW 2000

Issue of Unlisted Options

Please find attached an Appendix 3G with respect to the issue of 5,000,000 unlisted options to an employee under the Strickland Metals Limited Incentive Option Plan.

This ASX announcement was approved and authorised for release by the Board of Strickland Metals Limited.

For more information contact:

Andy Viner
Executive Chairman

Phone: +61 8 9316 9100
www.stricklandmetals.com.au

Appendix 3G

Notification of issue, conversion or payment up of equity +securities

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

If you are an entity incorporated outside Australia and you are issuing a new class of +securities other than CDIs, you will need to obtain and provide an International Securities Identification Number (ISIN) for that class. Further information on the requirement for the notification of an ISIN is available from the Create Online Forms page. ASX is unable to create the new ISIN for non-Australian issuers.

*Denotes minimum information required for first lodgement of this form, with exceptions provided in specific notes for certain questions. The balance of the information, where applicable, must be provided as soon as reasonably practicable by the entity.

Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity <i>We (the entity here named) give notice of the issue, conversion or payment up of the following unquoted +securities.</i>	STRICKLAND METALS LIMITED
1.2	*Registration type and number <i>Please supply your ABN, ARSN, ARBN, ACN or another registration type and number (if you supply another registration type, please specify both the type of registration and the registration number).</i>	ABN 20 109 361 195
1.3	*ASX issuer code	STK
1.4	*This announcement is <i>Tick whichever is applicable.</i>	<input checked="" type="checkbox"/> A new announcement <input type="checkbox"/> An update/amendment to a previous announcement <input type="checkbox"/> A cancellation of a previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	
1.4c	*Reason for cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	
1.4d	*Date of previous announcement to this cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	
1.5	*Date of this announcement	25 September 2020

Part 2 – Type of issue

Question No.	Question	Answer
2.1	<p>*The +securities the subject of this notification are:</p> <p><i>Select whichever item is applicable.</i></p> <p><i>If you wish to notify ASX of different types of issues of securities, please complete a separate Appendix 3G for each type of issue.</i></p>	<p><input type="checkbox"/> +Securities issued as a result of options being exercised or other +convertible +securities being converted and that are not to be quoted on ASX</p> <p><input type="checkbox"/> Partly paid +securities that have been fully paid up and that are not to be quoted on ASX</p> <p><input checked="" type="checkbox"/> +Securities issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><input type="checkbox"/> Other [please specify]</p> <p><i>If you have selected 'other' please provide the circumstances of the issue here:</i></p>
2.2a.1	<p>Please state the number and type of options that were exercised or other +convertible securities that were converted (including their ASX security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p>	
2.2a.2	<p>And the date the options were exercised or other +convertible securities were converted:</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the options was exercised or convertible securities was converted.</i></p>	
2.2b.1	<p>Please state the number and type of partly paid +securities that were fully paid up (including their ASX security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p>	
2.2b.2	<p>And the date the +securities were fully paid up:</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the securities was fully paid up.</i></p>	

2.2c.1	<p>Please state the number and type of +securities (including their ASX security code) issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	5,000,000 unlisted options						
2.2c.2	<p>*Please attach a document or provide details of a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	Refer attached						
2.2c.3	<p>*Are any of these +securities being issued to +key management personnel (KMP) or an +associate</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	No						
2.2c.3.a	<p>*Provide details of the recipients and the number of +securities issued to each of them.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX" and your response to Q2.2c.3 is "Yes". Repeat the detail in the table below for each KMP involved in the issue. If the securities are being issued to the KMP, repeat the name of the KMP or insert "Same" in "Name of registered holder". If the securities are being issued to an associate of a KMP, insert the name of the associate in "Name of registered holder".</i></p> <table border="1"> <thead> <tr> <th>Name of KMP</th><th>Name of registered holder</th><th>Number of +securities</th></tr> </thead> <tbody> <tr> <td> </td><td> </td><td> </td></tr> </tbody> </table>		Name of KMP	Name of registered holder	Number of +securities			
Name of KMP	Name of registered holder	Number of +securities						
2.2d.1	<p>*The purpose(s) for which the entity is issuing the +securities is:</p> <p><i>Answer this question if your response to Q2.1 is "Other".</i></p> <p><i>You may select one or more of the items in the list.</i></p>	<p><input type="checkbox"/> To raise additional working capital</p> <p><input type="checkbox"/> To fund the retirement of debt</p> <p><input type="checkbox"/> To pay for the acquisition of an asset [provide details below]</p> <p><input type="checkbox"/> To pay for services rendered [provide details below]</p> <p><input type="checkbox"/> Other [provide details below]</p> <p><i>Additional details:</i></p>						
2.2d.2	<p>Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including (if applicable) why the issue of the +securities has not been previously announced to the market in an Appendix 3B</p> <p><i>You must answer this question if your response to Q2.1 is "Other". If there is no other information to provide, please answer "Not applicable" or "N/A".</i></p>							

2.3	<p>*The +securities being issued are: <i>Tick whichever is applicable</i></p>	<p><input type="checkbox"/> Additional +securities in an existing unquoted class that is already recorded by ASX ("existing class")</p> <p><input checked="" type="checkbox"/> New +securities in an unquoted class that is not yet recorded by ASX ("new class")</p>
-----	---	---

Part 3A – number and type of +securities being issued (existing class)

Answer the questions in this part if your response to Q2.3 is "existing class".

Question No.	Question	Answer
3A.1	*ASX security code & description	
3A.2	*Number of +securities being issued	
3A.3a	*Will the +securities being issued rank equally in all respects from their issue date with the existing issued +securities in that class?	Yes or No
3A.3b	<p>*Is the actual date from which the +securities will rank equally (non-ranking end date) known?</p> <p><i>Answer this question if your response to Q3A.3a is "No".</i></p>	Yes or No
3A.3c	<p>*Provide the actual non-ranking end date</p> <p><i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "Yes".</i></p>	
3A.3d	<p>*Provide the estimated non-ranking end period</p> <p><i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "No".</i></p>	
3A.3e	<p>*Please state the extent to which the +securities do not rank equally:</p> <ul style="list-style-type: none"> • in relation to the next dividend, distribution or interest payment; or • for any other reason <p><i>Answer this question if your response to Q3A.3a is "No".</i></p> <p><i>For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.</i></p>	

Part 3B – number and type of +securities being issued (new class)

Answer the questions in this part if your response to Q2.3 is "new class".

Question No.	Question	Answer
3B.1	*Security description	UNLISTED OPTIONS

3B.2	<p>*Security type</p> <p>Select one item from the list that best describes the securities the subject of this form. This will determine more detailed questions to be asked about the security later in this section. Select "ordinary fully or partly paid shares/units" for stapled securities or CDIs. For interest rate securities, please select the appropriate choice from either "Convertible debt securities" or "Non-convertible debt securities". Select "Other" for performance shares/units and performance options/rights or if the selections available in the list do not appropriately describe the security being issued.</p>	<input type="checkbox"/> Ordinary fully or partly paid shares/units <input checked="" type="checkbox"/> Options <input type="checkbox"/> +Convertible debt securities <input type="checkbox"/> Non-convertible +debt securities <input type="checkbox"/> Redeemable preference shares/units <input type="checkbox"/> Other
3B.3	<p>ISIN code</p> <p>Answer this question if you are an entity incorporated outside Australia and you are issuing a new class of securities other than CDIs. See also the note at the top of this form.</p>	
3B.4	<p>*Number of +securities being issued</p>	<p>Tranche 1: 1,000,000</p> <p>Tranche 2: 2,000,000</p> <p>Tranche 3: 2,000,000</p>
3B.5a	<p>*Will all the +securities issued in this class rank equally in all respects from the issue date?</p>	Yes
3B.5b	<p>*Is the actual date from which the +securities will rank equally (non-ranking end date) known?</p> <p>Answer this question if your response to Q3B.5a is "No".</p>	Yes or No
3B.5c	<p>*Provide the actual non-ranking end date</p> <p>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "Yes".</p>	
3B.5d	<p>*Provide the estimated non-ranking end period</p> <p>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "No".</p>	
3B.5e	<p>*Please state the extent to which the +securities do not rank equally:</p> <ul style="list-style-type: none"> in relation to the next dividend, distribution or interest payment; or for any other reason <p>Answer this question if your response to Q3B.5a is "No".</p> <p>For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.</p>	
3B.6	<p>Please attach a document or provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued</p> <p>You may cross reference a disclosure document, PDS, information memorandum, investor presentation or other announcement with this information provided it has been released to the ASX Market Announcements Platform.</p>	Refer attached

3B.7	<p>*Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1?</p> <p><i>Answer this question only if you are an ASX Listing. (ASX Foreign Exempt Listings and ASX Debt Listings do not have to answer this question).</i></p> <p><i>If your response is "No" and the securities have any unusual terms, you should approach ASX as soon as possible for confirmation under listing rule 6.1 that the terms are appropriate and equitable.</i></p>	No
3B.8a	<p>Ordinary fully or partly paid shares/units details</p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the face amount of an issue is denominated. It will also typically be the currency in which distributions are declared.</i></p>	
	<p>*Will there be CDIs issued over the +securities?</p>	Yes or No
	<p>*CDI ratio</p> <p><i>Answer this question if you answered "Yes" to the previous question. This is the ratio at which CDIs can be transmuted into the underlying security (e.g. 4:1 means 4 CDIs represent 1 underlying security whereas 1:4 means 1 CDI represents 4 underlying securities).</i></p>	X:Y
	<p>*Is it a partly paid class of +security?</p>	Yes or No
	<p>*Paid up amount: unpaid amount</p> <p><i>Answer this question if answered "Yes" to the previous question.</i></p> <p><i>The paid up amount represents the amount of application money and/or calls which have been paid on any security considered 'partly paid'</i></p> <p><i>The unpaid amount represents the unpaid or yet to be called amount on any security considered 'partly paid'.</i></p> <p><i>The amounts should be provided per the security currency (e.g. if the security currency is AUD, then the paid up and unpaid amount per security in AUD).</i></p>	X:Y
	<p>*Is it a stapled +security?</p> <p><i>This is a security class that comprises a number of ordinary shares and/or ordinary units issued by separate entities that are stapled together for the purposes of trading.</i></p>	Yes or No
3B.8b	<p>Option details</p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the exercise price is payable.</i></p>	AUD
	<p>*Exercise price</p> <p><i>The price at which each option can be exercised and convert into the underlying security. If there is no exercise price please answer as \$0.00.</i></p> <p><i>The exercise price should be provided per the security currency (i.e. if the security currency is AUD, the exercise price should be expressed in AUD).</i></p>	<p>Tranche 1: 0.07</p> <p>Tranche 2: 0.07</p> <p>Tranche 3: 0.085</p>
	<p>*Expiry date</p> <p><i>The date on which the options expire or terminate.</i></p>	24 September 2024

	<p>*Details of the number and type of +security (including its ASX security code if the +security is quoted on or recorded by ASX) that will be issued if an option is exercised</p> <p><i>For example, if the option can be exercised to receive one fully paid ordinary share with ASX security code ABC, please insert "One fully paid ordinary share (ASX:ABC)".</i></p>	One fully paid ordinary share (ASX:STK)
3B.8c	<p>Details of non-convertible +debt securities, +convertible debt securities, or redeemable preference shares/units</p> <p><i>Answer the questions in this section if you selected one of these security types in your response to Question 3B.2.</i></p> <p><i>Refer to Guidance Note 34 and the "Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities" for further information on certain terms used in this section</i></p>	
	<p>*Type of +security</p> <p><i>Select one item from the list</i></p>	<input type="checkbox"/> Simple corporate bond <input type="checkbox"/> Non-convertible note or bond <input type="checkbox"/> Convertible note or bond <input type="checkbox"/> Preference share/unit <input type="checkbox"/> Capital note <input type="checkbox"/> Hybrid security <input type="checkbox"/> Other
	<p>*+Security currency</p> <p><i>This is the currency in which the face value of the security is denominated. It will also typically be the currency in which interest or distributions are paid.</i></p>	
	<p>Face value</p> <p><i>This is the principal amount of each security.</i></p> <p><i>The face value should be provided per the security currency (i.e. if security currency is AUD, then the face value per security in AUD).</i></p>	
	<p>*Interest rate type</p> <p><i>Select one item from the list</i></p> <p><i>Select the appropriate interest rate type per the terms of the security. Definitions for each type are provided in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities</i></p>	<input type="checkbox"/> Fixed rate <input type="checkbox"/> Floating rate <input type="checkbox"/> Indexed rate <input type="checkbox"/> Variable rate <input type="checkbox"/> Zero coupon/no interest <input type="checkbox"/> Other
	<p>Frequency of coupon/interest payments per year</p> <p><i>Select one item from the list.</i></p>	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annual <input type="checkbox"/> Annual <input type="checkbox"/> No coupon/interest payments <input type="checkbox"/> Other
	<p>First interest payment date</p> <p><i>A response is not required if you have selected "No coupon/interest payments" in response to the question above on the frequency of coupon/interest payments</i></p>	
	<p>Interest rate per annum</p> <p><i>Answer this question if the interest rate type is fixed.</i></p>	% p.a.

	<p>*Is the interest rate per annum estimated at this time?</p> <p><i>Answer this question if the interest rate type is fixed.</i></p>	Yes or No
	<p>If the interest rate per annum is estimated, then what is the date for this information to be announced to the market (if known)</p> <p><i>Answer this question if the interest rate type is fixed and your response to the previous question is "Yes".</i></p> <p><i>Answer "Unknown" if the date is not known at this time.</i></p>	
	<p>*Does the interest rate include a reference rate, base rate or market rate (e.g. BBSW or CPI)?</p> <p><i>Answer this question if the interest rate type is floating or indexed</i></p>	Yes or No
	<p>*What is the reference rate, base rate or market rate?</p> <p><i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	
	<p>*Does the interest rate include a margin above the reference rate, base rate or market rate?</p> <p><i>Answer this question if the interest rate type is floating or indexed.</i></p>	Yes or No
	<p>*What is the margin above the reference rate, base rate or market rate (expressed as a percent per annum)</p> <p><i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	% p.a.
	<p>*S128F of the Income Tax Assessment Act status applicable to the +security</p> <p><i>Select one item from the list</i></p> <p><i>For financial products which are likely to give rise to a payment to which s128F of the Income Tax Assessment Act applies, ASX requests issuers to confirm the s128F status of the security:</i></p> <ul style="list-style-type: none"> • "s128F exempt" means interest payments are not taxable to non-residents; • "Not s128F exempt" means interest payments are taxable to non-residents; • "s128F exemption status unknown" means the issuer is unable to advise the status; • "Not applicable" means s128F is not applicable to this security 	<input type="checkbox"/> s128F exempt <input type="checkbox"/> Not s128F exempt <input type="checkbox"/> s128F exemption status unknown <input type="checkbox"/> Not applicable
	<p>*Is the +security perpetual (i.e. no maturity date)?</p>	Yes or No
	<p>*Maturity date</p> <p><i>Answer this question if the security is not perpetual</i></p>	

	<p>*Select other features applicable to the +security</p> <p><i>Up to 4 features can be selected. Further information is available in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities.</i></p>	<input type="checkbox"/> Simple <input type="checkbox"/> Subordinated <input type="checkbox"/> Secured <input type="checkbox"/> Converting <input type="checkbox"/> Convertible <input type="checkbox"/> Transformable <input type="checkbox"/> Exchangeable <input type="checkbox"/> Cumulative <input type="checkbox"/> Non-Cumulative <input type="checkbox"/> Redeemable <input type="checkbox"/> Extendable <input type="checkbox"/> Reset <input type="checkbox"/> Step-Down <input type="checkbox"/> Step-Up <input type="checkbox"/> Stapled <input type="checkbox"/> None of the above
	<p>*Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?</p>	Yes or No
	<p>*If yes, what is the first trigger date</p> <p><i>Answer this question if your response to the previous question is "Yes".</i></p>	
	<p>Details of the number and type of +security (including its ASX security code if the +security is quoted on ASX) that will be issued if the securities to be quoted are converted, transformed or exchanged</p> <p><i>Answer this question if the security features include "converting", "convertible", "transformable" or "exchangeable".</i></p> <p><i>For example, if the security can be converted into 1,000 fully paid ordinary shares with ASX security code ABC, please insert "1,000 fully paid ordinary shares (ASX:ABC)".</i></p>	

Part 4 – Issue details

Question No.	Question	Answer
4.1	*Have the +securities been issued yet?	Yes
4.1a	<p>*What was their date of issue?</p> <p><i>Answer this question if your response to Q4.1 is "Yes".</i></p>	24/09/2020[KH1]
4.1b	<p>*What is their proposed date of issue?</p> <p><i>Answer this question if your response to Q4.1 is "No".</i></p>	
4.2	<p>*Are the +securities being issued for a cash consideration?</p> <p><i>If the securities are being issued for nil cash consideration, answer this question "No".</i></p>	No

4.2a	<p>*In what currency is the cash consideration being paid</p> <p><i>For example, if the consideration is being paid in Australian Dollars, state AUD.</i></p> <p><i>Answer this question if your response to Q4.2 is "Yes".</i></p>	
4.2b	<p>*What is the issue price per +security</p> <p><i>Answer this question if your response to Q4.2 is "Yes" and by reference to the issue currency provided in your response to Q4.2a.</i></p> <p><i>Note: you cannot enter a nil amount here. If the securities are being issued for nil cash consideration, answer Q4.2 as "No" and complete Q4.2c.</i></p>	
4.2c	<p>Please describe the consideration being provided for the +securities</p> <p><i>Answer this question if your response to Q4.2 is "No".</i></p>	Nil
4.3	Any other information the entity wishes to provide about the issue	

Part 5 – Unquoted +securities on issue

Following the issue of the +securities the subject of this application, the unquoted issued +securities of the entity will comprise:

Note: the figures provided in the table in section 5.1 below are used to calculate part of the total market capitalisation of the entity published by ASX from time to time. Please make sure you include in the table each class of unquoted securities issued by the entity.

Restricted securities should be included in table 5.1.

5.1	<table> <tr> <th data-bbox="335 492 949 548">*ASX security code and description</th><th data-bbox="949 492 1426 548">*Total number of +securities on issue</th></tr> <tr> <td data-bbox="335 548 949 660">AYROPT4 Unlisted options exercisable at \$0.04 expiring 30/11/2022</td><td data-bbox="949 548 1426 660">6,000,000</td></tr> <tr> <td data-bbox="335 660 949 772">AYROPT5 Unlisted options exercisable at \$0.05 expiring 30/11/2021</td><td data-bbox="949 660 1426 772">1,000,000</td></tr> <tr> <td data-bbox="335 772 949 884">AYROPT6 Unlisted options exercisable at \$0.025 expiring 29/10/2021</td><td data-bbox="949 772 1426 884">13,650,000</td></tr> <tr> <td data-bbox="335 884 949 996">AYROPT7 Unlisted options exercisable at \$0.025 expiring 22/07/2024</td><td data-bbox="949 884 1426 996">15,000,000</td></tr> <tr> <td data-bbox="335 996 949 1108">AYROPT9 Unlisted options exercisable at \$0.04 expiring 28/08/2024</td><td data-bbox="949 996 1426 1108">9,500,000</td></tr> <tr> <td data-bbox="335 1108 949 1220">AYROPT10 Unlisted options exercisable at \$0.04 expiring 28/08/2024</td><td data-bbox="949 1108 1426 1220">11,500,000</td></tr> <tr> <td data-bbox="335 1220 949 1332">AYROPT11 Unlisted options exercisable at \$0.05 expiring 28/08/2024</td><td data-bbox="949 1220 1426 1332">19,000,000</td></tr> <tr> <td data-bbox="335 1332 949 1444">AYROPT12 Unlisted options exercisable at \$0.07 expiring 24/09/2024</td><td data-bbox="949 1332 1426 1444">1,000,000</td></tr> <tr> <td data-bbox="335 1444 949 1556">AYROPT13 Unlisted options exercisable at \$0.07 expiring 24/09/2024</td><td data-bbox="949 1444 1426 1556">2,000,000</td></tr> <tr> <td data-bbox="335 1556 949 1668">AYROPT14 Unlisted options exercisable at \$0.085 expiring 24/09/2024</td><td data-bbox="949 1556 1426 1668">2,000,000</td></tr> </table>	*ASX security code and description	*Total number of +securities on issue	AYROPT4 Unlisted options exercisable at \$0.04 expiring 30/11/2022	6,000,000	AYROPT5 Unlisted options exercisable at \$0.05 expiring 30/11/2021	1,000,000	AYROPT6 Unlisted options exercisable at \$0.025 expiring 29/10/2021	13,650,000	AYROPT7 Unlisted options exercisable at \$0.025 expiring 22/07/2024	15,000,000	AYROPT9 Unlisted options exercisable at \$0.04 expiring 28/08/2024	9,500,000	AYROPT10 Unlisted options exercisable at \$0.04 expiring 28/08/2024	11,500,000	AYROPT11 Unlisted options exercisable at \$0.05 expiring 28/08/2024	19,000,000	AYROPT12 Unlisted options exercisable at \$0.07 expiring 24/09/2024	1,000,000	AYROPT13 Unlisted options exercisable at \$0.07 expiring 24/09/2024	2,000,000	AYROPT14 Unlisted options exercisable at \$0.085 expiring 24/09/2024	2,000,000
*ASX security code and description	*Total number of +securities on issue																						
AYROPT4 Unlisted options exercisable at \$0.04 expiring 30/11/2022	6,000,000																						
AYROPT5 Unlisted options exercisable at \$0.05 expiring 30/11/2021	1,000,000																						
AYROPT6 Unlisted options exercisable at \$0.025 expiring 29/10/2021	13,650,000																						
AYROPT7 Unlisted options exercisable at \$0.025 expiring 22/07/2024	15,000,000																						
AYROPT9 Unlisted options exercisable at \$0.04 expiring 28/08/2024	9,500,000																						
AYROPT10 Unlisted options exercisable at \$0.04 expiring 28/08/2024	11,500,000																						
AYROPT11 Unlisted options exercisable at \$0.05 expiring 28/08/2024	19,000,000																						
AYROPT12 Unlisted options exercisable at \$0.07 expiring 24/09/2024	1,000,000																						
AYROPT13 Unlisted options exercisable at \$0.07 expiring 24/09/2024	2,000,000																						
AYROPT14 Unlisted options exercisable at \$0.085 expiring 24/09/2024	2,000,000																						

Part 6 – Other Listing Rule requirements

The questions in this Part should only be answered if you are an ASX Listing (ASX Foreign Exempt Listings and ASX Debt Listings do not need to complete this Part) and:

- your response to Q2.1 is "+securities issued under an +employee incentive scheme that are not being immediately quoted on ASX"; or
- your response to Q2.1 is "Other"

Question No.	Question	Answer
6.1	<p>*Are the securities being issued under Listing Rule 7.2 exception 13¹ and therefore the issue does not need any security holder approval under Listing Rule 7.1?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	yes
6.2	<p>*Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No".</i></p>	no
6.2a	<p>*Date of meeting or proposed meeting to approve the issue under listing rule 7.1</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "Yes".</i></p>	
6.2b	<p>*Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	

¹ Exception 13

An issue of securities under an employee incentive scheme if within 3 years before the issue date:

- (a) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to this rule. The notice of meeting must have included:
 - a summary of the terms of the scheme.
 - the number of securities issued under the scheme since the entity was listed or the date of the last approval under this rule;
 - the maximum number of +equity securities proposed to be issued under the scheme following the approval; and
 - a voting exclusion statement.

Exception 13 is only available if and to the extent that the number of +equity securities issued under the scheme does not exceed the maximum number set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Exception 13 ceases to be available if there is a material change to the terms of the scheme from those set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

6.2b.1	<p>*How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2b is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure B to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1 to issue that number of securities.</i></p>	
6.2c	<p>*Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	
6.2c.1	<p>*How many +securities are being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2c is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure C to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1A to issue that number of securities.</i></p>	

Introduced 01/12/19; amended 31/01/20

ALLOY RESOURCES LIMITED
ACN 109 361 195
(Company)

INCENTIVE OPTION PLAN

Approved by shareholders at AGM 25.11.2019

TABLE OF CONTENTS

1.	DEFINITIONS AND INTERPRETATION	1
1.1	Definitions	1
1.2	Interpretation	4
2.	PURPOSE	5
3.	COMMENCEMENT AND TERM.....	5
4.	OFFERS OF OPTIONS	6
4.1	Offer	6
4.2	Offer Document	6
4.3	Personal Offer.....	6
4.4	Nominee	6
4.5	Minimum Contents of Offer Document.....	6
4.6	Number of Options.....	7
4.7	Consideration for grant of Options	7
4.8	Option Exercise Price	7
4.9	Vesting Conditions.....	7
4.10	Share Restriction Period	7
4.11	Deferred Taxation.....	7
4.12	Quotation of Options	8
4.13	Limit on Offers.....	8
5.	ACCEPTANCE OF OFFER	8
5.1	Acceptance of Offer	8
5.2	Board's right to reject.....	8
5.3	Participant Agrees to be Bound	8
5.4	Lapse of Offer	8
6.	GRANT OF OPTIONS.....	9
6.1	Grant of Options.....	9
6.2	Approvals.....	9
6.3	Restrictions on Transfers, Dealings and Hedging	9
7.	VESTING AND EXERCISE OF OPTIONS	9
7.1	Vesting Conditions.....	9
7.2	Vesting Condition Exceptions	10
7.3	Exercise on Vesting.....	10
7.4	Cashless Exercise of Options	10
7.5	One or Several Parcels.....	11
8.	ISSUE OF SHARES	11
8.1	Issue of Shares	11
8.2	Blackout Period, Takeover Restrictions and Insider Trading	12
8.3	Withholding	12
8.4	Rights attaching to Shares.....	12
8.5	Share ranking	12
8.6	Quotation on ASX.....	12
8.7	Sale of Shares	12
9.	RESTRICTION ON DEALING IN SHARES	13
9.1	Restriction Period	13
9.2	Waiver of Restriction Period	13
9.3	No disposal of Restricted Shares.....	13
9.4	ASX Imposed Escrow	13
9.5	Enforcement of Restriction Period.....	13

9.6	Lapse of Restriction Period	14
10.	LAPSE OF OPTIONS.....	14
10.1	Lapsing of Option	14
10.2	Fraud and Related Matters.....	14
11.	EXCHANGE DUE TO CHANGE OF CONTROL.....	15
12.	PARTICIPATION RIGHTS AND REORGANISATIONS	15
12.1	Participation Rights.....	15
12.2	Adjustments for Reorganisation.....	15
12.3	Notice of Adjustments.....	16
12.4	Cumulative Adjustments	16
13.	OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE.....	16
14.	AMENDMENTS	16
14.1	Power to amend Plan	16
14.2	Adjustment to Option Terms.....	16
14.3	Notice of amendment.....	17
15.	TRUST.....	17
16.	MISCELLANEOUS	17
16.1	Rights and obligations of Participant.....	17
16.2	Power of the Board	18
16.3	Dispute or disagreement	18
16.4	ASIC relief.....	18
16.5	Non-residents of Australia	19
16.6	Communication.....	19
16.7	Attorney	19
16.8	Costs and Expenses.....	20
16.9	Adverse Tax	20
16.10	Data protection	20
16.11	Error in Allocation.....	20
16.12	No fiduciary capacity	20
16.13	ASX Listing Rules	21
16.14	Enforcement.....	21
16.15	Laws governing Plan	21
	SCHEDULE 1 – OPTION PLAN – OFFER DOCUMENT.....	22
	SCHEDULE 2 – OPTION PLAN ACCEPTANCE FORM	25
	SCHEDULE 3 – NOTICE OF EXERCISE OF OPTIONS.....	27

ALLOY RESOURCES LIMITED INCENTIVE OPTION PLAN

The Directors are empowered to operate the Alloy Resources Limited Incentive Option Plan (**Plan**) on the following terms and in accordance with the ASX Listing Rules (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Plan, the following words have the following meanings.

Acceptance Form means the Acceptance Form by which an Eligible Participant or Nominee (as applicable) accepts an Offer for Options, in substantially the same form as set out in Schedule 2 or as otherwise approved by the Company from time to time.

ASIC means the Australian Securities and Investments Commission.

Associated Body Corporate means:

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

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

ASX Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Board means the board of Directors of the Company or committee appointed by the Board for the purposes of the Plan.

Business Day means those days other than a Saturday, Sunday or public holiday in Western Australia and any other day which the ASX shall declare and publish is not a business day.

Cash Less Exercise has the meaning given in Rule 7.4.

Change of Control means:

- (a) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
- (b) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (c) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those

Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

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

Closing Date means the date on which an Offer is stated to close.

Company means Alloy Resources Limited (ACN 602 111 115).

Corporations Act means the *Corporations Act 2001 (Cth)*, as amended from time to time.

Director means any person occupying the position of a director of any Group Company (including an alternate director or managing director appointed in accordance with the relevant constitution).

Eligible Participant 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 or contractor of a Group Company to the extent permitted by the Class Order; or
- (d) 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 Participant under Rules (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Options under the Plan.

Expiry Date means, in respect of an Option, the date that the Option lapses, (if it has not already otherwise lapsed in accordance with the Plan).

Grant Date means, in relation to an Option, the date on which the Option is granted.

Group means the Company and each Associated Body Corporate.

Group Company means the Company or any Associated Body Corporate.

Holding Lock has the meaning given to that term in the ASX Listing Rules.

Marketable Parcel has the meaning given to that term in the ASX Listing Rules.

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

- (a) an immediate family member of the Eligible Participant or (subject to Board approval) a trustee of an Eligible Participant's family trust whose beneficiaries are limited to the Eligible Participant and/or the Eligible Participant's immediate family members;
- (b) a company whose members comprise no persons other than the Eligible Participant 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 Participant is a director of the trustee.

Offer means an offer made to an Eligible Participant to be granted one or more Options under the Plan as set out in an Offer Document.

Offer Document means an offer document in substantially the same form as set out in Schedule 2, or such other form as required by the Board from time to time consistent with the Corporations Act and the Class Order.

Option means an option granted pursuant to these Rules to subscribe for a Share upon and subject to the terms of these Rules and the terms of any applicable Offer.

Option Exercise Price means the exercise price of an Option, as determined in accordance with Rule 4.8.

Participant means an Eligible Participant to whom Options have been granted under the Plan or, if Rule 4.4 applies, a Nominee of the Eligible Participant to whom Options have been granted under the Plan.

Plan means the plan as set out in this document, subject to any amendments or additions made under Rule 14.

Redundancy means termination of the employment, office or engagement of a Relevant Person due to economic, technological, structural or other organisational change:

- (a) the Group no longer requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or
- (b) the Group no longer requires the position held by the Relevant Person to be held by anyone.

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant.

Restriction Period means the period during which a Share issued on the exercise of an Option cannot be transferred or otherwise dealt with in accordance with Rule 9.1.

Restricted Shares means Shares issued on the exercise of an Option granted under the Plan that the Board has determined are subject to a Restriction Period.

Retirement means where a Relevant Person intends to permanently cease all gainful employment in circumstances where the Relevant Person provides, in good faith, a written statutory declaration to the Board to that effect.

Rules means the rules of the Plan set out in this document.

Severe Financial Hardship means the Relevant Person is unable to provide themselves, their family or other dependents with basic necessities such as food, accommodation and clothing, including as a result of family tragedy, financial

misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (i) death or Total or Permanent Disability of a Relevant Person; or
 - (ii) Retirement or Redundancy of a Relevant Person;
- (b) a Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant.

Takeover Bid means a takeover bid (as defined in the Corporations Act).

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training or experience.

Trading Window means a period in which the Participant is permitted to trade in the Company's securities pursuant to the Company's written policies from time to time.

Vesting Condition means, in respect of an Option, any condition set out in the Offer which must be satisfied (unless waived by the Board in accordance with this Plan) before that Option can be exercised or any other restriction on exercise of that Option specified in the Offer or in these Rules.

Voting Power has the meaning given to that term in Section 9 of the Corporations Act.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect the interpretation of this Plan;
- (b) any reference in the Plan to any enactment of the ASX Listing Rules includes a reference to that enactment or those ASX Listing Rules as from time to time amended, consolidated, re-enacted or replaced;

- (c) the singular includes the plural and vice versa;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) a reference to:
 - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
 - (ii) a document includes all amendments or supplements to that document;
 - (iii) a Rule is a reference to a Rule of this Plan;
 - (iv) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
 - (v) an agreement other than this Plan includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
 - (vi) a monetary amount is in Australian dollars; and
- (g) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day.

2. PURPOSE

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to performance and the creation of Shareholder value;
- (c) align the interests of Eligible Participants more closely with the interests of Shareholders by providing an opportunity for Eligible Participants to receive Shares;
- (d) provide Eligible Participants with the opportunity to share in any future growth in value of the Company; and
- (e) provide greater incentive for Eligible Participants to focus on the Company's longer term goals.

3. COMMENCEMENT AND TERM

- (a) This Plan will commence on the date determined by resolution of the Board and will continue until terminated by the Board.

- (b) The Board may terminate the Plan at any time by resolution. Termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Options shall survive termination of the Plan until fully satisfied and discharged.

4. OFFERS OF OPTIONS

4.1 Offer

- (a) The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an Offer) to apply for Options, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (b) In exercising that discretion, the Board may have regard to the following (without limitation):
 - (i) the Eligible Participant's length of service with the Group;
 - (ii) the contribution made by the Eligible Participant to the Group;
 - (iii) the potential contribution of the Eligible Participant to the Group; or
 - (iv) any other matter the Board considers relevant.
- (c) For the avoidance of doubt, nothing in this document obliges the Company at any time to make an Offer, or further Offer, to any Eligible Participant.

4.2 Offer Document

An Offer must be made using an Offer Document.

4.3 Personal Offer

Subject to Rule 4.4, an Offer is personal and is not assignable.

4.4 Nominee

- (a) Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the Offer.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.

4.5 Minimum Contents of Offer Document

An Offer Document must advise the Eligible Participant of the following minimum information regarding the Options:

- (a) the maximum number of Options that the Eligible Participant may apply for, or the formula for determining the number of Options that may be applied for;

- (b) the maximum number of Shares that the Participant is entitled to be issued on the exercise of each Options or the formula for determining the maximum number of Shares;
- (c) any applicable Vesting Conditions;
- (d) any Restriction Period the Board has resolved to apply to Shares issued on exercise of the Options;
- (e) when unvested Options will expire (**Expiry Date**);
- (f) the date by which an Offer must be accepted (**Closing Date**); and
- (g) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Options or the Shares to be issued on the exercise of the Options.

4.6 Number of Options

- (a) Subject to Rule 4.13, the number of Options to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with applicable law and the ASX Listing Rules.
- (b) Each Option will entitle the holder to subscribe for and be allotted one Share.

4.7 Consideration for grant of Options

Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.

4.8 Option Exercise Price

- (a) Subject to Rule 4.8(b), in respect of any Offer, the Board may determine the Option Exercise Price (if any) for an Option offered under that Offer in its absolute discretion.
- (b) To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

4.9 Vesting Conditions

An Option may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Option.

4.10 Share Restriction Period

A Share issued on exercise of an Option may be subject to a Restriction Period as determined by the Board in accordance with Rule 9 of this Plan.

4.11 Deferred Taxation

Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Plan except to the extent an Offer provides otherwise.

4.12 Quotation of Options

Options will not be quoted on the ASX, except to the extent provided for by this Plan or unless the Offer provides otherwise.

4.13 Limit on Offers

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order 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.

5. ACCEPTANCE OF OFFER

5.1 Acceptance of Offer

An Eligible Participant (or permitted Nominee) may accept an Offer in whole or in part, by signing and returning an Acceptance Form to the Company no later than the Closing Date.

5.2 Board's right to reject

- (a) The Board may accept or reject any Acceptance Form in its absolute discretion.
- (b) Before accepting or rejecting the Acceptance Form, the Board may require the applicant to provide any information that the Board requests concerning the person's entitlement to lodge an Acceptance Form under this Plan.
- (c) The Board must promptly notify an applicant if an Acceptance Form has been rejected, in whole or in part.

5.3 Participant Agrees to be Bound

- (a) An Eligible Participant, by submitting an Acceptance Form, agrees to be bound by the terms and conditions of the Offer and the Acceptance Form, the Plan and the Constitution of the Company, as amended from time to time.
- (b) If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the terms and conditions of the Offer and Acceptance Form, the Plan and the Constitution of the Company, as amended from time to time.

5.4 Lapse of Offer

To the extent an Offer is not accepted in accordance with Rule 5.1, the Offer will lapse on the date following the Closing Date, unless the Board determines otherwise.

6. GRANT OF OPTIONS

6.1 Grant of Options

- (a) Subject to Rule 6.2, once the Board has received and accepted a duly signed and completed Acceptance Form for Options, the Company must, provided the Eligible Participant to whom the Offer was made remains an Eligible Participant, promptly grant Options to the applicant, upon the terms set out in the Offer, the Acceptance Form and the Plan and upon such additional terms and conditions as the Board determines.
- (b) The Company will, within a reasonable period after the Grant Date of the Options, issue the applicant with a certificate evidencing the grant of the Options.

6.2 Approvals

The Company's obligation to grant Options is conditional on:

- (a) the grant of the Options 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 prior to the grant of the Options.

6.3 Restrictions on Transfers, Dealings and Hedging

- (a) Subject to the ASX Listing Rules, an Option granted under the Plan is only transferable, assignable or able to be otherwise disposed or encumbered:
 - (i) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
 - (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Option.
- (c) Where the Participant purports to transfer, assign, mortgage, charge or otherwise dispose or encumber an Option, other than in accordance with Rule 6.3(a), or hedge an Option contrary to Rule 6.3(b), the Option immediately lapses.

7. VESTING AND EXERCISE OF OPTIONS

7.1 Vesting Conditions

- (a) Subject to Rules 7.2 and 7.3, an Option granted under the Plan will not vest and be exercisable unless the Vesting Conditions (if any) attaching to that Option have been satisfied and the Board has notified the Participant of that fact.

- (b) The Board must notify a Participant in writing within 10 Business Days of becoming aware that any Vesting Condition attaching to an Option has been satisfied.

7.2 Vesting Condition Exceptions

Notwithstanding Rule 7.1, the Board may in its absolute discretion, except in respect of clause 7.2(b), where Vesting Conditions are deemed to be automatically waived, by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to:

- (a) Special Circumstances arising in relation to a Relevant Person in respect of those Options;
- (b) a Change of Control occurring;
- (c) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,

in which case Rule 7.3 applies.

7.3 Exercise on Vesting

A Participant (or their personal legal representative where applicable) may, subject to the terms of any Offer, exercise any vested Option at any time after the Board notifies that the Option has vested and before it lapses by providing the Company with:

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (b) a notice in the form of Schedule 3 addressed to the Company and signed by the Participant stating that the Participant exercises the Options and specifying the number of Options which are exercised; and
- (c) subject to Rule 7.4, payment to the Company in cleared funds of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised, unless there is no exercise price payable in respect of the Options to be exercised.

7.4 Cashless Exercise of Options

In lieu of paying the aggregate Exercise Price to purchase Shares under Rule 7.3(c), the Board may, in its sole and absolute discretion, permit a Participant to elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (a Cashless Exercise):

$$A = \frac{B(C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Participant pursuant to this clause 7.4;

B = the number of Shares otherwise issuable upon the exercise of the Option or portion of the Option being exercised;

C = the Market Value of one Share determined as of the date of delivery to the Company Secretary of the items referred to in Rules 7.3(a) and 7.3(b); and

D = the Exercise Price.

For example, if a Participant holds 50 Options (which have vested and are therefore capable of exercise), each with an Exercise Price of \$1.00 and they elect to exercise all of their Options by paying the Exercise Price, they would pay \$50 and receive 50 Shares. However, if the Participant elects their rights under the Cashless Exercise, and the Market Value of one Share prior to exercise is \$1.50, the Participant will pay no cash and receive 16 Shares (being $50(\$1.50 - \$1.00)/\$1.50 = 16.67$, rounded down to 16 Shares).

For greater certainty, upon the Cashless Exercise of an Option (or portion thereof), the total number of Shares that may be issued pursuant to the exercise of Options under the Plan, as set forth in clause 4.13, shall be reduced by the total number of Shares with respect to which the Option (or portion thereof) was surrendered.

7.5 One or Several Parcels

Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

8. ISSUE OF SHARES

8.1 Issue of Shares

If the items specified in Rule 7.3 are delivered in accordance with that Rule, the Company will, subject to the Corporations Act, the ASX Listing Rules, this Plan and any applicable Offer:

- (a) within 10 Business Days of delivery of the documents referred to in Rule 7.3 issue to the Participant the Shares credited as being fully paid in respect of which the Options are exercised, together with any additional Shares an entitlement to which has arisen under Rule 12 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Rule 7.3 and, if any Options which have not lapsed remain unexercised, deliver to the Participant a replacement certificate reflecting the number of those Options which remain unexercised.

8.2 Trading Windows, Takeover Restrictions and Insider Trading

If the term of an Option held by any Participant would otherwise expire outside a Trading Window applicable to such Participant, or breach the insider trading or takeover provisions of the Corporations Act, then the term of such Option shall be extended to the close of business on the 10th Business Day during the next Trading Window applicable to such Participant, or the day on which the insider trading or takeover provisions no longer prevent the issue of the Shares

8.3 .Withholding

If a Participant is liable for tax, duties or other amounts on the vesting or exercise of their Options, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

8.4 Rights attaching to Shares

A Participant will, from and including the issue date of Shares under this Plan, be the legal owner of the Shares issued in respect of them and will be entitled to dividends and to exercise voting rights attached to the Shares.

8.5 Share ranking

All Shares issued under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

8.6 Quotation on ASX

- (a) If Shares of the same class as those issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within the later of 10 Business Days after:
 - (i) the date the Shares are issued; and
 - (ii) the date any Restriction Period that applies to the Shares ends.
- (b) The Company will not apply for quotation of any Options on the ASX.

8.7 Sale of Shares

- (a) Subject to Rule 9 (Restriction on Dealing in Shares), there will be no transfer restrictions on Shares issued under the Plan unless the sale, transfer or disposal by the Participant of the Shares issued to them on exercise of the Options (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.

- (c) The Company will issue, where required to enable Shares issued on exercise of Options to be freely tradeable on the ASX (subject to any Restriction Period), a cleansing statement under Section 708A(5) of the Corporations Act at the time Shares are issued. Where a cleansing statement is required, but cannot be issued, the Company will lodge a prospectus in relation to the Shares with ASIC which complies with the requirements of the Corporations Act and allows the Shares to be freely tradeable on the ASX (subject to any Restriction Period).

9. RESTRICTION ON DEALING IN SHARES

9.1 Restriction Period

Subject to clause 9.5, the Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Options (**Restricted Shares**), up to a maximum of seven (7) years from the Grant Date of the Options (**Restriction Period**).

9.2 Waiver of Restriction Period

Subject to clause 9.5, the Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to Rule 9.1.

9.3 No disposal of Restricted Shares

A Participant must not dispose of or otherwise deal with any Shares issued to them under the Plan while they are Restricted Shares.

9.4 ASX Imposed Escrow

The Company must impose a Restriction Period on Shares to the extent necessary to comply with any escrow restrictions imposed by the ASX Listing Rules.

9.5 Enforcement of Restriction Period

- (a) 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.
- (b) The Participant agrees to:
- (i) execute an ASX restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Plan;
 - (ii) 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
 - (iii) 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).

9.6 Lapse of Restriction Period

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 these Rules will cease.

10. LAPSE OF OPTIONS

10.1 Lapsing of Option

An Option will lapse upon the earlier to occur of:

- (a) an unauthorised dealing in, or hedging of, the Option occurring, as governed by Rule 6.3(c);
- (b) a Vesting Condition in relation to the Option is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Option under Rule 7.2 (Vesting Condition Exceptions) or clause 10.1(c)(ii) applies;
- (c) in respect of unvested Options only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (i) exercises its discretion to vest the Option under Rule 7.2 (Vesting Condition Exceptions); or
 - (ii) in its absolute discretion, resolves to allow the unvested Options to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iii) in respect of vested Options only, a Relevant Person ceases to be an Eligible Participant and the Option granted in respect of that Relevant Person is not exercised within one (1) month (or such later date as the Board determines) of the date the Relevant Person ceases to be an Eligible Participant;
- (d) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant under Rule 10.2 (Fraud and Related Matters);
- (e) the Company undergoes a Change of Control or a winding up resolution or order is made, and the Option does not vest in accordance with Rule 7.2 (Vesting Condition Exceptions); and
- (f) the Expiry Date of the Option.

10.2 Fraud and Related Matters

Notwithstanding any other provision of this document, where a 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 office 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 of the Participant to have lapsed or require the Participant to do all such things necessary to cancel any Shares issued on exercise of the Participant's Options.

11. EXCHANGE DUE TO CHANGE OF CONTROL

If a company (**Acquiring Company**) obtains control of the Company as a result of a Change of Control and both the Company and the Acquiring Company agree, a Participant may, in respect of any vested Options that are exercised, be provided with shares of the Acquiring Company, or its parent, in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Options.

12. PARTICIPATION RIGHTS AND REORGANISATIONS

12.1 Participation Rights

- (a) 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 without exercising the Options.
- (b) An Option does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Option can be exercised.
- (c) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (d) A Participant who is not a Shareholder is not entitled to:
 - (i) notice of, or to vote or attend at, a meeting of the Shareholders of the Company; or
 - (ii) receive any dividends declared by the Company,

unless and until any Option is exercised and the Participant holds Shares that provide the right to notice and dividends.

12.2 Adjustments for Reorganisation

If at any time the capital of the Company is reorganised (including consolidation, subdivision, reduction or return), the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

12.3 Notice of Adjustments

Whenever the number of Shares to be issued on exercise of an Option or the Option Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and ASX together with calculations on which the adjustment is based.

12.4 Cumulative Adjustments

Effect will be given to Rule 12.3 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

13. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding the Rules or the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued under the Plan if to do so:

- (a) would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

14. AMENDMENTS

14.1 Power to amend Plan

Subject to Rule 14.2, the Corporations Act and the ASX Listing Rules:

- (a) the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, an Offer or the terms or conditions of any Options granted under the Plan; and
- (b) any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

14.2 Adjustment to Option Terms

No adjustment or variation of the terms of an Option will be made without the consent of the Participant who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding 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 the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (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 the 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.

14.3 Notice of amendment

As soon as reasonably practicable after making any amendment under Rule 14, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

15. TRUST

- (a) The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Options, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.
- (b) The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust.
- (c) The Board may at any time amend all or any of the provisions of this Plan to effect the establishment of a trust and the appointment of a trustee as detailed in this Rule.

16. MISCELLANEOUS

16.1 Rights and obligations of Participant

- (a) The rights and obligations of an Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan. This Plan will not form part of, and are not incorporated into, any contract of any Eligible Participant (whether or not they are an employee of a Group Company).
- (b) No Participant will have any rights to compensation or damages in consequence of:
 - (i) the termination, for any reason, of the office, employment or other contract with a Group Company of the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) where those rights arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or
 - (ii) the lapsing of Options in accordance with this Plan.
- (c) Nothing in this Plan, participation in the Plan or the terms of any Option:
 - (i) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
 - (ii) affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;

- (iii) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;
 - (iv) confers on an Eligible Participant or a 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
 - (v) 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 Participant or Participant.
- (d) If a Vesting Condition attached to an Option 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.
- (e) A 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 under the Plan will be treated for those purposes as not having ceased to be such an employee.

16.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:
- (i) determine appropriate procedures for administration of the Plan consistent with this Plan; and
 - (ii) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act, or refrain from acting, under or in connection with the Plan or any Options under the Plan and in the exercise of any power or discretion under the Plan.

16.3 Dispute or disagreement

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

16.4 ASIC relief

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.

- (b) To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

16.5 Non-residents of Australia

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which rights offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the rights. Any additional rule must conform to the basic principles an Option of the Plan.
- (b) When is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulation or similar factors which may apply to the Participant or to any Group Company in relation to the Option.

16.6 Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile:
 - (i) in the case of a company, to its registered office;
 - (ii) in the case of an individual, to the individual's last notified address; or
 - (iii) where a Participant is a Director or employee of a Group Company, either to the Participant's last known address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office of employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile, it is deemed to have been received on completion of transmission. Where a notice is given by electronic transmission, the notice is taken to have been received at the time the electronic transmission is sent.

16.7 Attorney

Each Participant:

- (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 this Plan;

- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each Group Company 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 Group Company and the attorney in respect thereof.

16.8 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares for the purposes of the Plan.

16.9 Adverse Tax

Where a Participant may suffer an adverse taxation consequence as a direct result of participating in the Plan that was not apparent to the Participant or the Company at the time the Participant was issued Plan Shares under the Plan, the Board may, in its absolute discretion, agree to compensate the Participant in whole or in part.

16.10 Data protection

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

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

16.11 Error in Allocation

If any Options are provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in those Options and those Options will immediately lapse.

16.12 No fiduciary capacity

The Board may exercise any power or discretion conferred on it by this Plan in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

16.13 ASX Listing Rules

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

16.14 Enforcement

This Plan, any determination of the Board made pursuant to this Plan, and the terms of any Options granted under the Plan, will be deemed to form a contract between the Company and the Participant.

16.15 Laws governing Plan

- (a) This Plan, and any Options issued under it, are governed by the laws of Western Australia and the Commonwealth of Australia.
- (b) The Company and the Participants submit to the non-exclusive jurisdiction of the courts of Western Australia.