

FeOre Limited (Company)

Option Terms

1. Terms of Options

The Options will have the following general terms:

Item	Details
Option Holder	The holder of an Option granted pursuant to an Offer by the Company as accepted by the Option Holder
Option	An option to acquire a fully paid ordinary share in the Company, each Option Holder being granted that number of Options as set out in an Offer and accepted by the Option Holder
Date of Grant	The date of the ASX Listing
Option Expiry Date	The fourth anniversary of the Date of Grant
Lapse of Option	5pm Australian Eastern Standard Time (AEST) on the Option Expiry Date
Exercise Price	A\$0.25 per Option (as may be adjusted pursuant to clause 3 and any change to the Exercise Price to be determined in accordance with any applicable law in Bermuda)
Exercise Period	Any time from the date of the ASX Listing until the Option Expiry Date
Exercise Ratio	Each Option converts into one fully paid ordinary share in the Company (Share)
ASX Listing	Options may only be exercised in the event of the ASX Listing. ASX Listing is defined as the listing by the Company on the official list of ASX Limited (ASX).
Publicly Tradeable	The Options will not be quoted securities on ASX and the Company will not apply for them to be quoted
Other Conditions	The Shares issued upon the exercise of Options will be subject to the provisions of a duly executed voluntary restriction agreement (as construed in accordance with Chapter 9 of the Listing Rules of the ASX (ASX Listing Rules)). Restrictions under the voluntary restriction agreement will be: (a) two thirds of the Shares which are issued upon exercise of the Options are escrowed (as construed in accordance with Chapter 9 and Appendix 9A of the ASX Listing Rules) for a period of two years after grant of such Options; and (b) one third of the Shares which are issued upon exercise of the Options are escrowed (as construed in accordance with Chapter 9 and Appendix 9A of the ASX Listing Rules) for a period of three years after grant of such Options. This condition is in addition to any: (a) restriction agreement required by the ASX Listing Rules; and (b) applies to the Option Holder irrespective of whether [insert name] is a [Director/consultant] of the Company or not.

2. Exercise of Options

- 2.1 The Option Holder of an Option may at any time and from time to time during the Exercise Period give a notice in the form set out in the Schedule (**Exercise Notice**) to the Company requiring the Company to issue fully paid Shares on exercise of one or more of the Options. A completed Exercise Notice must be delivered to the Company at c/- Codan Services Limited Clarendon House 2 Church Street PO Box HM 1022 Hamilton HM DX Bermuda, with a copy to the Directors together with the payment of an amount equal to the Exercise Price per Option to be exercised. The Exercise Notice is not effective until the Company has received that amount in cleared and available funds.
- 2.2 The Company must within 10 Business Days after it receives and clears a cheque in payment of the Exercise Price, allot and issue to the Option Holder the number of resulting Shares, subject to compliance with the ASX Listing Rules. For the purpose of these Terms, a **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.
- 2.3 The Company must send or cause to be sent to the Option Holder a holding statement in respect of the Options held, any Shares issued on exercise of an Option and any unexercised Options after the Holder has exercised an Option within the time and in accordance with the time prescribed by the ASX Listing Rules after the first holding statement or other statement is sent.
- 2.4 Shares allotted upon exercise of Options will rank equally in all respects with other issued Shares from the date of allotment and will be held subject to the Memorandum of Association and Bye-laws of the Company (**Bye-laws**).
- 2.5 Any Option which has not been exercised by 5.00pm AEST on the Option Expiry Date lapses. Any Exercise Notice received after this date will be rejected.
- 2.6 The Company will make application to ASX for admission to the official list of any Shares issued as the result of the exercise of any Option within 10 Business Days of the allotment of those Shares.

3. New, Pro Rata Issues and Share Reorganisations

- 3.1 Option Holders cannot participate in a new rights issue of securities in the Company without first exercising the relevant Options. However, the Company will notify each Option Holder of the proposed rights issue at least 9 Business Days before the record date applicable to that new rights issue. This will give Option Holders the opportunity to exercise their Options prior to the date for the determination of entitlements to participate in that new rights issue.
- 3.2 Option Holders who exercise their Options before the applicable record date for the new rights issue will be entitled to participate in that new rights issue.
- 3.3 Except as expressly set out in these Terms, an Option Holder does not have any right to change the Exercise Price of an Option or the number of Shares over which an Option can be exercised.
- 3.4 If the Company offers Shares by way of a pro-rata issue (except a bonus issue or a rights issue) (as those terms are defined in the ASX Listing Rules) to the holders of Shares (whether renounceable or not), then the Exercise Price of an Option may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2, or the Exercise Price of an Option or number of underlying Shares over which an Option can be exercised may change if permitted by Listing Rule 6.22.2A.
- 3.5 If there is a bonus issue to the holders of Shares in the Company then the number of Shares over which each Option is exercisable will be increased by the number of Shares

which the Option Holder would have received under the bonus issue if the Option had been exercised before the record date for the bonus issue.

- 3.6 In the event of any reorganisation including subdivision, consolidation, reduction, return or cancellation of the issued capital of the Company on or prior to the Option Expiry Date, the rights of an Option Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules governing such reorganisations in force at the time of the reorganisation.

4. Maintenance of Register and Transfers of Options

- 4.1 The Company will keep and maintain, or cause to be kept and maintained, a register of holders of Options. The Company must ensure that the register is managed and maintained so as to comply with the ASX Listing Rules, as applicable.
- 4.2 Options are personal to each Option Holder pursuant to an Offer and are not transferrable without the prior written consent of the Company.
- 4.3 The Option Holder will comply with any restricted security requirements of the ASX Listing Rules or as required by ASX (and the voluntary restriction requirements as described in "Other Conditions" in paragraph 1 above) with respect to the Options or any Shares issued upon exercise of the Options including entering into and providing to the Company any required restriction agreements.
- 4.4 Except as required by law, the Company will not recognise a person as holding an Option on any trust.
- 4.5 Whether or not it has notice of the rights or interests concerned the Company is not bound to recognise:
- (a) any equitable, contingent, future or partial claim to, or interest in, any Option; or
 - (b) any other right in respect of the Option,

except an absolute right of ownership of the Option Holder or as otherwise provided by these conditions or by law.

5. General Provisions

5.1 Severance

- (a) If a provision of these conditions or its application to any person or circumstance is or becomes invalid, illegal or unenforceable then the provision must, as far as possible, be interpreted as narrowly as possible to ensure that it is not illegal, invalid or unenforceable.
- (b) If any provision or part of it cannot be so interpreted, then the provision or its part is taken to be void and severable. The remaining provisions of these conditions are not affected or impaired in any way.

5.2 Option Holders bound by Bye-laws

An Option Holder is bound by these conditions and by the Bye-laws to the extent that the Bye-laws relate to or govern the Options and the allotment and issue of Shares.

5.3 Waiver and Variation

- (a) Subject to the ASX Listing Rules, ASX Settlement Operating Rules (if applicable) (being the rules of the settlement facility provided by ASX Settlement Pty Ltd ABN 49 008 504 532) and the Bye-laws, the Board may by resolution:
 - (i) waive strict compliance with any of these conditions; or
 - (ii) add to, vary or otherwise change any of these conditions for any reason including to ensure compliance with the ASX Listing Rules either generally in relation to all Option Holders or as they apply to a particular Option Holder.
- (b) Any waiver, addition, variation or other change under clause 5.3(a) must not be made unless:
 - (i) any Option Holder affected by the waiver, addition, variation or other change so consents in writing; or
 - (ii) the Board reasonably considers that the waiver, addition, variation or other change is required to ensure compliance with the ASX Listing Rules or any law or requirement binding on the Company or does not adversely affect an Option Holder's rights under these conditions.

5.4 Notice of Expiry

The Company must send an Option Holder before the Option Expiry Date of the Options any notice (if any) required by Appendix 6A.6 of the ASX Listing Rules, pursuant to Rule 6.24 of the ASX Listing Rules, to be sent to Option Holders.

5.5 Dividends and voting

An Option does not confer on the Option Holder:

- (a) any entitlement to any dividends or other distributions by the Company; or
- (b) any right to attend or vote at any general meeting of the Company.

5.6 Governing law

These conditions are to be construed according to and are governed by the laws of New South Wales. Each of the Company and the Option Holder submits to the non-exclusive jurisdiction of the Courts in and of that country in relation to any dispute arising under these conditions.

5.7 Foreign Exchange

Subject to the ASX Listing Rules, the Board may in respect of Options offered, issued or granted to or held by an overseas person denominate the Exercise Price in a currency other than Australian dollars. The Board may make such arrangements as they see fit concerning any foreign currency gains or losses arising from such denomination of the Exercise Price in a currency other than Australian dollars including the retention of any foreign currency gains by the Company or the bearing of any foreign currency losses by the Company.

FeOre Limited (Company)

Option Terms

FeOre Limited (Company) Registration No: 45631

Clarendon House
2 Church Street
Hamilton 11
Bermuda

Registered Name (s)	
Address	
SRN/HIN	

Mark this box with an "X" if you have made any changes to your address details

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Notice of Exercise of Options

To the Directors, FeOre Limited ("Company")

I/We being the registered holder(s) of the option(s) hereby exercise my/our option(s) to subscribe for fully paid shares in the capital of the Company.

Number of Shares

I/We enclose application money of \$A being \$A0.25 for each fully paid share applied for.

I/We request you to register me/us as the holder of the shares to be allotted and I/we agree to accept such shares subject to the Company's Memorandum of Association and Bye-laws. I/We authorise you to act in accordance with my/our instructions.

CHEQUES MUST BE MADE PAYABLE TO FEORE LIMITED, crossed "Not Negotiable", drawn on an Australian bank or financial institution, and denominated in Australian currency.

Please complete the following payment details relevant to the cheques drawn in payment of the total Exercise Price for the Options:

DRAWER	BANK	BSB NO. OR BRANCH NAME	AMOUNT

Sign Here – This section must be signed

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Day
Year

Date:
Month

Signature (s) You must sign this form as follows:

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the Company. If you have not previously lodged it for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. When signed under Power of Attorney, the attorney states that they have not received a notice of revocation.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by writing "Director" or "Secretary" as appropriate.

Lodgement Instructions

The Exercise Notice with the appropriate remittance should be lodged at FeOre Limited, c/- Codan Services Limited Clarendon House 2 Church Street PO Box HM 1022 Hamilton HM DX Bermuda.