



NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Aragon Resources Limited ABN 63 114 714 662 (“the Company”) will be held at 11.00am (WST) on Wednesday, 24 November 2010 in the Matilda Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia.

AGENDA

BUSINESS

The business of the meeting will consist of:

ORDINARY BUSINESS

1) Financial statements and reports

To receive and consider the financial statements and reports of the Directors and the Auditors for the Company and its controlled entities for the year ended 30 June 2010.

2) Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2010 as disclosed in the 2010 Annual Report be adopted.”

Note: the vote on this resolution is advisory only and does not bind the directors of the Company.

3) Resolution 2 - Election of Director – Paul Garrett Benson

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Paul Garrett Benson, a Director retiring from office by rotation, and in accordance with Rule 13.2 of the Constitution, being eligible, is re-elected as a Director of the Company.”

4) Resolution 3 - Election of Director – Simon Peter Eley

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Simon Peter Eley, a Director retiring from office in accordance with Rule 13.5 of the Constitution, and being eligible, is re-elected as a Director of the Company.”

5) Resolution 4 - Election of Director – Benjamin Craig Pollard

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Benjamin Craig Pollard, a Director retiring from office in accordance with Rule 13.5 of the Constitution, and being eligible, is re-elected as a Director of the Company.”

6) Resolution 5 – Long Term Incentive Plan

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to and in accordance with Exception 9(b) in ASX Listing Rule 7.2, and for all other purposes, the issue of securities under the Aragon Resources Limited Long Term Incentive Plan, the terms and conditions of which are described in section 5 of the Explanatory Memorandum accompanying this Notice of Annual General Meeting, be approved as an exception to Listing Rule 7.1.”

The Company will disregard any votes cast on Resolution 5 by any Director of the Company (except one who is ineligible to participate in any employee incentive scheme of the Company) or any of their associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

OTHER BUSINESS

To transact any other business which may be brought forward in accordance with the Company's Constitution.

VOTING ENTITLEMENT

For the purpose of determining an entitlement to vote at the General Meeting, a person will be recognised as a member if that person is registered as a holder of Aragon Resources Limited shares at **11.00 am on (48 hours before meeting) Monday, 22 November 2010**.

Dated: 20 October 2010

For and on behalf of the Board



F. Van Maanen
Company Secretary

NOTES

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint no more than two proxies (who need not be members of the Company) to attend and vote on a poll in the members place.
- (b) The appointment of two proxies will be of no effect unless each proxy is appointed to represent a specified proportion of the member's voting rights. A single proxy exercises all voting rights.
- (c) The form of proxy must be signed by a member or the member's attorney duly authorised in writing or if the member is a corporation under its corporate seal or in accordance with section 127 of the Corporations Act 2001 or by its duly authorised attorney or representative. If an attorney is to attend the meeting please submit the relevant power of attorney for noting and return.
- (d) The Company has determined in accordance with regulations pursuant to section 1074E of the Corporations Act 2001 that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register as at 11.00 am on (48 hours before meeting) Monday, 22 November 2010.
- (e) A corporation may elect to appoint a representative in accordance with the Corporations Act 2001 in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (f) If you have any queries in relation to proxies please call the Company's share registry, Security Transfer Registrars Pty Ltd, on (08) 9315 2333 (if within Australia) or +61 8 9315 2333 (if from overseas) within business hours.

EXPLANATORY MEMORANDUM

ARAGON RESOURCES LIMITED
ABN 63 114 714 662

ORDINARY BUSINESS

1. Financial statements and reports

The Financial Report of the Company and its controlled entities for the year ended 30 June 2010 and the Directors' and Auditor's reports thereon to be tabled and discussed.

A copy of the Financial Report for the Company and the Directors' and Auditors' reports thereon are contained within the Company's 2010 Annual Report. For those shareholders who have made an election to receive a hard copy of the Company's Annual Report, a copy of the 2010 Annual Report is included with this notice of meeting. For those shareholders who have not made an election to receive a hard copy of the Annual Report, please note that the 2010 Annual Report is available on the Company's web site at www.aragonresources.com.au.

2. Approval of the Remuneration Report (Resolution 1)

In accordance with section 250R(2) of the Corporations Act 2001 the Company is required to present to its shareholders for their consideration and adoption by way of a non-binding resolution the Company's Remuneration Report as disclosed in the Company's 2010 Annual Report.

3. Election of Director – Paul Garrett Benson (Resolution 2)

Mr Benson is required to retire under the director rotation provisions of Rule 13.2 of the Company's Constitution. Mr Benson, being eligible, has offered himself for re-election as a Director. Mr Benson was appointed to the Board in May 2007.

Mr Benson is a geologist (BSc (Geology), MAusIMM, MAICD) with over 18 years experience the mining industry. He has considerable experience in the exploration and development of gold and tin projects in Australia. Prior to joining Aragon Mr Benson was employed by Metals X Limited initially as the Geology Manager for the Collingwood Project, managing the geological and environmental aspects of the project since construction and since April 2006 as General Manager of the Collingwood Tin Project. Prior to joining Metals X, his previous roles include Exploration Geologist with Consolidated Gold at Davyhurst/Riverina WA, Underground Mine Geologist with Abelle at Gidgee WA, Project Geologist with Barrick at Lawlers WA and Senior Exploration Geologist with Westcoast Mining at Tuckabianna WA.

4. Election of Directors – Messrs Simon Peter Eley and Benjamin Craig Pollard (Resolutions 3 and 4)

Pursuant to Rule 13.5 of the Company's Constitution, the Directors may appoint any person to be a Director, either as an addition to the existing Directors or to fill a casual vacancy. However, under Rule 13.5 of the Company's Constitution, any such appointment terminates at the conclusion of the next General Meeting following the appointment.

Resolutions 3 and 4 are ordinary resolutions and provide for confirmation of the appointment of Messrs Simon Peter Eley and Benjamin Craig Pollard respectively to the Board pursuant to the Company's Constitution. The Board appointed Messrs Eley and Pollard as Directors on 23 December 2009 and 14 January 2010 respectively.

Mr Eley is a corporate/commercial lawyer (BA, LLB). He has over 12 years experience in the mining and resources sector. Prior to joining the Company, he worked with Aquila Resources Limited where he worked closely with the executive management in corporate strategy, assessing potential acquisitions and managing divestments. He was the Corporate Manager for Manhattan Resources Pty Ltd (re-named Manhattan Corporation Limited), an ASX listed uranium exploration company. He worked for Woodside Petroleum Limited as a part of the Chinguetti Project management team based in Mauritania and chief legal advisor reporting to the President & General Manager. He also worked for ASX listed Clough Ltd and legal firm Clayton Utz.

Mr Pollard is a Geologist (B.Sc. (Mineral Exploration and Mining Geology), MAusIMM) with significant mining, exploration and management experience in the gold industry throughout Western Australia. He brings to the Company exploration, mine planning and resource estimation skills suited to the project development and Company's expansion plans through 2010. He is also Principal Geologist of BMGS Perth managing geological consulting services in Australia and overseas.

5. Approval of Long Term Incentive Plan (Resolution 5)

The Company proposes to adopt a new long term incentive plan being described as the Aragon Resources Limited Long Term Incentive Plan ("Plan"), pursuant to which the Board can issue securities to Eligible Participants in order to provide them with an incentive to deliver growth and value to all Shareholders. Eligible participants are full time or part time employees and contractors of the Company, or its Related Body Corporate, (or their nominees), including the Directors, who are invited by the Board to participate.

If approved, the Plan will replace the Company's existing Employee Option Scheme, with immediate effect, and will govern all offers, acceptances and issues of securities made under the Plan following the date of the annual general meeting. It will not affect securities which have been issued prior to the date of the annual general meeting, which will remain governed by the Employee Option Scheme adopted by the Company in 2007.

Shareholder approval is sought for the issue of securities for the purposes of Exception 9(b) of ASX Listing Rule 7.2. If approval is given, securities issued under the Plan will be exempt from counting towards the 15% of the issued capital of the Company which may be issued in any 12 month period without requiring Shareholder approval in advance under ASX Listing Rule 7.1. Shareholder approval will therefore allow the Company to retain maximum flexibility in relation to use of that 15% capacity.

Summary of the Plan

The Company has introduced the Plan for the purpose of providing Eligible Participants an opportunity to participate in the future growth and profitability of the Company and thereby provide an additional incentive to work to improve the performance of the Company. An added objective of the Plan is to assist in attracting and retaining personnel essential for the continued growth and development of the Company, promoting and fostering loyalty and support amongst Company personnel for the benefit of the Company and enhancing the relationship between the Company and Eligible Participants for the long term mutual benefit of all parties.

Prior shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- (a) a copy of the rules of the Plan is contained in Annexure A of this meeting notice;
- (b) as at the date of this Notice, no securities have been issued to any party under the Plan (although 6,800,000 options have been issued under the Company's predecessor Employee Option Scheme. Of these no options have been exercised, 700,000 options have lapsed and been cancelled leaving 6,100,000 options currently on issue); and.
- (c) a voting exclusion statement has been included for the purposes of Resolution 5.

The full terms of the Plan are set out in Annexure A. The main terms of the Plan may be summarised as follows:

- The Plan provides for the issue of rights to acquire shares to Eligible Participants or their nominees. These rights are of two broad types, referred to in the Plan as "Options" and "Performance Rights" respectively.
- The objective of the Plan is to reward the efforts of and provide incentives for employees and directors of the Company and its related bodies corporate by enabling Eligible Participants to participate in the future growth and profitability of the Company and to attract and retain a high standard of managerial and technical personnel for the benefit of the Company.
- There is a limit on the number of Options and Performance Rights which may be issued such that at any time the number of Options and Performance rights on issue under the Plan or a previous plan when aggregated with shares issued in the previous 5 years under the Plan or a previous plan will not exceed 5% of the issued shares in the Company (assuming all Options and Performance Rights were exercised). The 5% limit does not apply to offers of options made outside Australia or made under section 708 of the Corporations Act or made under the disclosure document or made under certain exemptions under previous Corporations laws.
- Eligible Participants include directors and employees whether full or part time of the Company or a Related Body Corporate.
- The Board will determine which Eligible Participants are to be offered Options or Performance Rights under the Plan having regard to criteria to be determined by the Board.
- The Board will determine how many Options or Performance Rights are to be offered in each instance and the material terms and conditions of such Options or Performance Rights.

Terms applicable to Options

- The Expiry Date for an Option will be 2 years after the later of the Issue Date or the Vesting Date (if later) or such other time as the Board may specify in the offer for such Option.
- The Vesting Date for Options is 3 years after the Issue Date or such other date determined by the Board.
- Options may generally only be exercised during the period commencing on the later of the Vesting Date the last of any Exercise Conditions or other Forfeiture Conditions is satisfied (or waived by the Board) and the Expiry Date.
- The Exercise Price for Options issued under the Plan will be set by the Board at the time the Options are offered.
- Options will be issued for an issue price no more than 1 cent per Option unless the Board determines otherwise.

Terms applicable to Performance Rights

- The Expiry Date for a Performance Right will be 2 years after the Issue Date or the Vesting Date (if later) or such other time as the Board may specify in the offer for such Performance Rights.
- The Vesting Date for Performance Rights will be three years from the date of issue or such other date as the Board may specify in the offer of such Performance Rights.
- Performance Rights will only be exercisable between the Vesting Date (or such later date on which any Vesting Conditions or other Forfeiture Conditions are satisfied or waived by the Company) and the Expiry Date.
- The Expiry Date of Performance Rights will be two years after the later of the Issue Date and the Vesting Date or such other period as determined by the Board.
- The Exercise Price for a Performance Right will be nil unless the Board otherwise determines prior to the offer of the Performance Right.
- Performance Rights will be issued at an issue price no more than 1 cent per Performance Right unless the Board determines otherwise.

Terms Applicable to both Options and Performance Rights

- The Board may impose Forfeiture Conditions which if not satisfied or waived will cause the Options or Performance Rights to be cancelled.
- Provision is made for Options or Performance Rights to become exercisable earlier than they ordinarily would in the event of certain special circumstances, including change of control, takeovers and other events.
- The Options and Performance Rights will not be listed for quotation on the ASX and will not be transferable except with the consent of the Company.
- Upon exercise of Options or Performance Rights, the Company will make application for quotation on ASX of shares issued pursuant to exercise of the Options or Performance Rights.
- If an Eligible Participant ceases to be an Eligible Participant during a "Restricted Period" as defined in the Plan as a result of resigning or being removed for cause, then generally the Options or Performance Rights issued to such Eligible Participant or nominee will lapse.
- If an Eligible Participant voluntarily resigns after Options have become exercisable, the Board may permit the Options to be exercised within a month of resignation or such longer period as the Board determines.
- Special provision is made for Options and Performance Rights to continue for a period of one year and not lapse in the event of special circumstances such as the death, permanent disability, retirement or redundancy of a Participant.

ANNEXURE A

ARAGON RESOURCES LIMITED LONG TERM INCENTIVE PLAN

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Rules of the Aragon Resources Limited Long Term Incentive Plan

1. Introduction

- 1.1 This document sets out the Rules of the “Aragon Resources Limited Long Term Incentive Plan” (**Plan**).
- 1.2 There are legal and tax consequences associated with participation in the Plan. Eligible Participants should ensure that they understand these consequences before accepting an invitation to participate in the Plan.

2. Objectives

- 2.1 The objectives of the Plan are to:
- (a) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
 - (b) provide an incentive and reward for Eligible Participants for their contributions to the Company; and
 - (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

3. Definitions and Interpretation

3.1 Definitions

In these Rules:

Application means an application for Options or Performance Rights in such form as the Board may from time to time determine, by which an Offer may be accepted.

Application Date means the date on which an Application is lodged with the Company by an Eligible Participant or his or her nominee in accordance with the requirements of these Rules.

ASIC means the Australian Securities & Investments Commission

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

Board means the board of Directors of the Company from time to time.

Business Day has the meaning given to it in the Listing Rules.

Change of Control Event means a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in general meeting, to replace all or a majority of the Board.

Class Order means ASIC Class Order 03/184 or any subsequent class order made or approved by ASIC in substitution of Class Order 03/184.

Company means Aragon Resources Limited ACN 114 714 662.

Constitution means the constitution of the Company, as amended from time to time.

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

Director means a director of the Company.

Eligible Participant means a person who is a full time or part-time employee or director of the Company or a Related Body Corporate of the Company, other than any such person who has given notice of resignation, or who has been given notice of termination, of his or her employment, or removed from his or her position.

Exercise Condition means a condition (excluding a Vesting Condition) relating to an Option or Performance Right which must be satisfied or waived before the Option or Performance Right may be exercised.

Exercise Period means:

- (a) in relation to an Option, the period from the end of the Restricted Period to the Expiry Date; and
- (b) in relation to a Performance Right, the period from the Vesting Date to the date two years after the Vesting Date or such other period as determined by the Board.

Exercise Price means:

- (a) in relation to an Option, an amount determined by the Board as the subscription price per Share prior to the offer of the Option in accordance with paragraph 1 of schedule 1 payable by a Participant on exercise of the Option; and
- (b) in relation to a Performance Right, a nil amount unless otherwise determined by the Board as the subscription price per Share prior to the offer of the Performance Right in accordance with paragraph 1 of Schedule 2 payable by a Participant on exercise of the Performance Right.

Expiry Date means 5.00pm Western Standard Time in Australia on the day which is 2 years after the Issue Date or Vesting Date (if later) or such other time specified in an Offer as determined by the Board in its absolute discretion.

Forfeiture Conditions means conditions of the kind referred to in clause 9 of the Plan.

Group Company means the Company and any Related Body Corporate of the Company.

Holder means the registered holder of Options or Performance Rights.

Issue Date means the date on which the Company issues the Option or Performance Right.

Listing Rules means the Listing Rules of ASX, and any other rules of ASX which are applicable to the Company while the Company is admitted to the official list of ASX, each as amended from time to time, except to the extent of any express waiver by ASX.

Nominal Consideration means consideration of not more than 1 cent per Option or Performance Right.

Offer means the offer of Options or Performance Rights made substantially in accordance with paragraph 1 of Schedule 1 or paragraph 1 of Schedule 2 and on the terms set out in these Rules with such adjustments as the Board may consider relevant having regard to any Class Order or the requirements of the Listing Rules or the individual circumstances of an Offer.

Option means a right, other than a Performance Right, to subscribe for or otherwise acquire a Share on the terms set out in these Rules.

Option Exercise Notice means a notice for the exercise of Options in accordance with the Rules in such form as the Board may from time to time prescribe.

Participant means an Eligible Participant to whom Options or Performance Rights have been validly granted (either directly or to a nominee) under the Plan.

Performance Hurdle means performance hurdles as determined by the Remuneration Committee and specified in the Offer of Performance Rights.

Performance Right means a right to subscribe for or otherwise acquire a Share on the terms set out in these Rules.

Performance Right Exercise Notice means a notice for the exercise of Performance Rights in accordance with the Rules in such form as the Board may from time to time prescribe.

Permanent Disablement means:

- (a) the illness or incapacity of the Eligible Participant necessitating the permanent withdrawal of the Eligible Participant from the work force, as accepted to the satisfaction of the Board; or
- (b) any other circumstances which the Board considers should be treated as Permanent Disablement for the purposes of the Plan.

Plan means the Aragon Resources Limited Long Term Incentive Plan established in accordance with these Rules.

Related Body Corporate has the same meaning as given to that term in the Corporations Act.

Remuneration Committee means the Remuneration Committee of the Board.

Restricted Period means

- (a) in relation to Options, the meaning given to that term in paragraph 5.1 of Schedule 1; and
- (b) in relation to Performance Rights, the period of time between the Issue Date and the later of the Vesting Date and the date the last of any Vesting Conditions, Exercise Conditions or Forfeiture Conditions are satisfied or waived by the Board.

Rules means the rules of the Plan as set out in this document as amended from time to time.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

Takeover Period in relation to a takeover bid in respect of Shares, means the offer period as defined in section 624 of the Corporations Act.

Vesting Conditions means such conditions as determined by the Board which must be satisfied before a Performance Right can be exercised, and may include Performance Hurdles.

Vesting Date means 5.00pm Western Standard Time in Australia on the day which is 3 years after the Issue Date or such other date as determined by the Board and specified in an Offer.

3.2 Interpretation

In these Rules:

- (a) headings are for convenience only and do not affect the interpretation of the Plan; and unless expressed to the contrary;
- (b) any reference in the Plan to any enactment includes a reference to that enactment as from time to time amended, consolidated, re-enacted or replaced and to all regulations or instruments issued under it;
- (c) any words denoting the singular include the plural and words denoting the plural include the singular;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in the Plan, any part of the speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) a reference to a power, right or discretion being exercisable by the Board is taken to be a reference to that power, right or discretion being exercisable by a delegate of the Board;
- (g) a reference to an application to participate in the Plan includes any process implemented by the Board to provide for deemed applications; and
- (h) a reference to:
 - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes its legal personal representatives, successors and assigns;
 - (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (iv) a right includes a benefit, remedy, discretion, authority or power;
 - (v) an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representative;
 - (vi) **\$** or **dollars** is a reference to the lawful currency of Australia;
 - (vii) this or any other document includes the document as varied or replaced and notwithstanding any change in the identity of the parties; and
 - (viii) any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them.
- (i) Unless the context otherwise requires any word or phrase used in these Rules which is not defined above, but which is defined in the Listing Rules has the same meaning as defined in the Listing Rules.
- (j) A reference to the Listing Rules has effect only if the Company is admitted to the official list of ASX, and is otherwise to be disregarded (save where any term is defined by reference to the meaning given to it in the Listing Rules).

4. The Plan

- 4.1 There shall be set aside for the purposes of the Plan such number of Options and Performance Rights as the Board may from time to time determine.
- 4.2 The Board will administer the Plan.
- 4.3 For so long as the Company is admitted to the official list of ASX, Options and Performance Rights may not be offered to a Director or his or her associates except where approval is given by the shareholders of the Company in general meeting in accordance with the requirements of the Listing Rules and where required the Corporations Act.

4.4 Participation in the Plan is subject to the Rules.

4.5 The provisions of:

- (a) Schedule 1 apply to the extent the Company makes a Participant an Offer of Options (subject to the power of the Board to vary or supplement Schedule 1 in relation to any Offer); and
- (b) Schedule 2 apply to the extent the Company makes a Participant an Offer of Performance Rights (subject to the power of the Board to vary or supplement Schedule 1 in relation to any Offer).

5. Eligibility to participate

5.1 The Board may in its absolute discretion determine criteria to apply to an Eligible Participant for participation in the Plan including, without limitation, a minimum period of service.

5.2 Subject to Rule 4.3 in respect of the participation of Directors, Eligible Participants are eligible to participate in the Plan.

5.3 Eligibility to participate in the Plan does not confer a right to participate in the Plan. Participation in the Plan will be solely determined by the Board in accordance with these Rules.

5.4 Options and Performance Rights may be granted to Eligible Participants or their nominees as approved by the Board from time to time.

5.5 The Board may in its discretion determine the number of Options or Performance Rights to be offered to an Eligible Participant and the Board may, subject to these Rules, determine the terms and conditions applicable to such Options or Performance Rights.

6. Cessation of employment of Participant

6.1 Subject to Rule 6.3, Options and Performance Rights will automatically lapse and be forfeited if during the Restricted Period the Participant to whom the Options or Performance Rights were first offered and subsequently granted (whether directly or to a nominee of such Participant):

- (a) voluntarily resigns from employment with the Company other than to take up employment with a Related Body Corporate of the Company;
- (b) is dismissed from employment or is removed from his or her position with the Company for any one or more of the following reasons:
 - (i) wilful misconduct bringing disrepute on the Company or a Related Body Corporate;
 - (ii) repeated disobedience
 - (iii) incompetence in the performance of any duties for which the Eligible Participant was employed;
 - (iv) fraud or any other dishonesty in respect of the property or affairs of the Company or a Related Body Corporate; or
 - (v) any other reason, based on which the Board believe is fair and reasonable to warrant the lapsing and forfeiture of the Options or Performance Rights;
- (c) Performance Hurdle(s) are not satisfied in full, in which case a proportion of Performance Rights may be forfeited, such proportion to be at the absolute discretion of the Board; or
- (d) Performance Hurdle(s) are not satisfied to a minimum threshold, in which case all Performance Rights will be forfeited.

6.2 The Board may in its absolute discretion determine that the Options granted to a Participant (or a nominee thereof) who voluntarily resigns from employment with a Group Company (other than to take up employment with another Group Company) at any time after an Option has become exercisable, may be exercised by the Participant within:

- (a) 1 month after such resignation; or
- (b) such longer periods as the Board determines,

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

- 6.3 Options and Performance Rights that are subject to a Restricted Period and Options that are exercisable will not lapse and be forfeited if the Participant ceases employment or is removed from his or her position with the Company in the following circumstances:
- (a) death of the Participant;
 - (b) total permanent disability of the Participant, such that the Participant is incapable of performing his or her duties due to a form of illness, injury or other disablement, as determined by the Board;
 - (c) retirement;
 - (d) redundancy; or
 - (e) any other reason, based on which the Board believe is fair and reasonable to warrant the Eligible Participant or nominee maintaining his/her right to exercise the Options or Performance Rights.
- 6.4 Should a Participant, in the opinion of the Board, satisfy the requirements of Rule 6.3 the Participant or nominee will have a period of one (1) year to exercise the Options and/or Performance Rights from the date the Company receives notice or determines the existence of the specified event (as the case may be) and acknowledges in writing that such event satisfies the requirements of Rule 6.3.

7. Dividends and voting rights

Holders of Options or Performance Rights have no rights to vote at meetings of the Company or receive dividends until Shares are allotted or acquired on the exercise of Options or Performance Rights pursuant to the Rules.

8. Maximum number of Options and Performance Rights

- 8.1 The Board must not offer or grant Options or Performance Rights to any Eligible Participant under the Plan if, immediately following the grant of the Options or Performance Rights the subject of the Offer, the total number of Shares to which the Options or Performance Rights to be granted under the Offer relate, when aggregated with:
- (a) the total number of Shares which are the subject of any outstanding Offers of Options and Performance Rights;
 - (b) the number of Shares which would be issued if each outstanding Option and Performance Right or other outstanding rights or options or other outstanding entitlements to Shares issued under any other employee or director share or option scheme operated by the Company were to be exercised, ignoring any Vesting Conditions; and
 - (c) the number of Shares issued during the previous five (5) years pursuant to the Plan or any other employee or director share or option plan operated by the Company,

would exceed five per cent (5%) of the total number of issued Shares in the Company as at the time of the Offer.

- 8.2 For the purposes of Rule 8, any Shares, Options, Performance Rights or options offered in the following circumstances may be disregarded:
- (a) an offer made to a person situated outside Australia at the time of receipt of the Offer;
 - (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act;
 - (c) an offer made pursuant to a disclosure document (as defined in the Corporations Act); or
 - (d) an offer that was an excluded offer or invitation within the meaning of the Corporations Act as in force before the commencement of Schedule 1 of the *Corporate Law Economic Reform Program Act 1999* (Cth).

9. Forfeiture Conditions

- 9.1 The Board may when the Options or Performance Rights are offered determine that the Options or Performance Rights issued will be subject to Forfeiture Conditions.
- 9.2 Options or Performance Rights which are subject to the Forfeiture Conditions are liable to be forfeited by the Company if any of the Forfeiture Conditions are not satisfied. An Option or Performance Right which is forfeited by the Company will be cancelled and will not thereafter capable of being exercised by the Holder.

- 9.3 Any Options or Performance Rights which are subject to Forfeiture Conditions cannot be exercised until such time as the Forfeiture Conditions have been satisfied or waived.
- 9.4 Forfeiture Conditions will comprise those conditions described as such by the Board and set out in an Offer (or in a document accompanying an Offer).
- 9.5 Without limiting the Board's power to impose Forfeiture Conditions, Forfeiture Conditions may include:
- (a) A condition that the Eligible Participant remain as an employee or director (as the case may be) of the Company or its related body corporate for a stipulated minimum period;
 - (b) A condition that any stipulated performance criterion be satisfied by the Eligible Participant;
 - (c) A condition that certain specified milestones in connection with the development or operation of any mineral or other project of the Company or related body corporate are completed within a specified time or in a specified manner.
 - (d) A condition that the market price of the Company's ordinary shares attain a specified price (or remain at a specified price for a specified number of days) within a specified period.
- 9.6 Any Forfeiture Conditions imposed by the Board may subsequently be waived in whole or in part by the Company by notice in writing to the Holder of the relevant Options or Performance Rights. Any Forfeiture Conditions so waived will be deemed to be satisfied. For the avoidance of doubt Forfeiture Conditions may be waived after a Participant has been ceased to be an Eligible Participant in which case the waiver will be deemed to have occurred while the Participant remained an Eligible Participant.
- 9.7 Subject to the Listing Rules the Company may also vary any Forfeiture Conditions by notice in writing to the Holder of the relevant Options or Performance Rights provided such variation is not adverse to the Participant holding the relevant Options or Performance Rights.
- 9.8 For the avoidance of doubt, a Performance Hurdle, Exercise Condition and a Vesting Condition will generally constitute a Forfeiture Condition unless the terms of such Performance Hurdle, Exercise Condition or Vesting Condition, as the case may be, indicate a contrary intention.
- 9.9 Options and Performance Rights may also be liable to forfeiture in the circumstance on such to the terms and conditions set out in clause 6 of this Plan.

10. Taxation

Neither the Company nor its directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants that arise in respect of the issue or exercise of Options and Performance Rights.

11. Listing Rules

The terms and conditions of the Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules then the Listing Rules will prevail.

12. Administration of the Plan

12.1 Board powers

The Plan will be administered by the Board who shall have the power and absolute discretion to:

- (a) determine the appropriate procedures from time to time for the administration of the Plan, including the form of application and other forms and notices to be issued under the Plan, subject to the Rules;
- (b) subject to Rules 6.2, 11, 12.2 and 14, amend, modify or waive any or all of the Rules (including this Rule), or any restriction or other condition relating to any Options or Performance Rights allocated under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and the applicable Rules and any dispute of any kind that arises under the Plan, including as to the interpretation or application of the Plan or any restrictions or other conditions relating to any Options or Performance Rights allocated under the Plan, and the decision of the Board is final and binding on the Company and the Participants;
- (d) delegate to any one or more persons for such period and on such conditions as the Board may determine the exercise of any of the Board's powers or discretions under the Plan; and
- (e) waive any breach of a provision of the Plan.

12.2 **Limitation on amendments**

Subject to the applicable Rules, without the consent of the Participant, no amendment may be made to any restriction or other condition relating to any Options or Performance Rights allocated under the Plan, which reduces the rights of Participants to those Options or Performance Rights, other than an amendment made primarily to:

- (a) comply with present or future State or Commonwealth legislation;
- (b) correct any manifest error; or
- (c) take into consideration possible adverse tax implications in respect of the Plan arising from, among other things:
 - (i) adverse rulings from the Commissioner of Taxation;
 - (ii) changes to Australian tax legislation (including an official announcement by the Commonwealth of Australia); or
 - (iii) changes in the interpretation of Australian tax legislation by a court or tribunal of competent jurisdiction.

12.3 **Board's discretion**

The Board has absolute and unfettered discretion:

- (a) to act or refrain from acting under the applicable Rules or concerning the Plan or any Options or Performance Rights allocated under the Plan; and
- (b) in exercising any power or discretion concerning the Plan or any Options or Performance Rights allocated under the Plan,

except that while the Company is listed on the official list of the ASX, the Board may only exercise its powers in accordance with the Listing Rules of the ASX.

12.4 **Indemnification**

The Company must indemnify, and keep indemnified, to the full extent permitted by law, each person who is or has been a director or alternate director of the Company against all proceedings, actions, claims, demands, losses, liabilities, damages, costs and expenses which may be made, brought against, suffered or incurred by the person arising directly or indirectly out of or in connection with the operation of the Plan.

13. **Restriction on exercise of Options and Performance Rights**

No Option or Performance Right given under this Plan may be exercised unless the underlying Shares pertaining to that Option or Performance Right have been listed on ASX for a period of 3 months immediately before the date of the Offer without suspension for more than a total of five trading days during that period such that the Company is following issue of the Shares on exercise of the Option or Performance Right eligible to issue a cleansing notice under Sections 708A(5) of the Corporations Act.

14. **Termination, suspension and amendment of the Plan**

Subject to any applicable Listing Rules or laws, the Plan will take effect when the Board decides and may be suspended, terminated or amended at any time by resolution of the Board.

15. **Costs, charges and duties**

The Company:

- (a) is not responsible for any costs, charges or duties which are or may become payable on the transfer, allotment and issue of Options or Performance Rights under the Plan or any other dealing with the Options or Performance Rights; and
- (b) may make any withholding or payment which it is required by law to make in connection with the Plan or the Options or Performance Rights.

16. Terms of employment not affected

- 16.1 The rights and obligations of a Participant under the terms of his or her office, employment or contract with a Group Company are not affected by his or her participation in the Plan.
- 16.2 The applicable Rules do not form part of, and will not be incorporated into, any contract of a Participant (whether or not they are an employee of a Group Company).
- 16.3 No Participant has any right to compensation or damages as a result of the termination of his or her office, employment or other contract with a Group Company for any reason, so far as those rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of the termination.
- 16.4 The Company makes no representation or guarantee as to the ongoing value of Options or Performance Rights which a Participant acquires under the Plan. No Participant has any right to compensation or damages as a result of any decrease in value of Options or Performance Rights which the Participant acquires under the Plan.

17. Notices

- 17.1 A notice or other communication under or concerning the Plan is validly given:
- (a) by the Company to a Participant, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her by facsimile or email at his or her place of work or posted on an electronic noticeboard maintained by the Company and accessible by the Participant; and
 - (b) by a Participant to the Company if delivered or sent by prepaid post addressed to, as appropriate, the company secretary of the Company at the Company's registered office (or any other address the Board specifies).
- 17.2 A notice or other communication sent by post will be treated as received 48 hours after it was posted.

18. Miscellaneous

- 18.1 No broker's fees or commissions are payable by an Eligible Participant for the grant of Options or Performance Rights pursuant to this Plan.
- 18.2 Participants (or nominees thereof) granted Options or Performance Rights under this Plan are bound by these Rules and the Constitution.
- 18.3 No Participant or Holder has or is to be regarded for any purpose as having any interest in Shares the subject of an Option or Performance Right until that Option or Performance Right is exercised and the Share is allotted.
- 18.4 The Company will establish and maintain a register of Participants.
- 18.5 Neither the adoption of the Plan by the Board nor any provisions of these Rules will be construed as creating any limitation on the power of the Board to adopt such additional remuneration arrangements as it may deem desirable, including without limitation, the granting of share options and bonuses otherwise than under the Plan, and any such arrangements may be either generally applicable or applicable only in specific cases.
- 18.6 All Options and Performance Rights lapse on liquidation of the Company.

19. Governing law

The Plan and these Rules are governed by the laws of Western Australia and the Commonwealth of Australia.

20. Severance

If any provision in the Rules is void, voidable by any party or illegal, it shall be read down so as to be valid and enforceable or, if it cannot be so read down, the provision (or where possible, the offending words) shall be severed from the Rules without thereby affecting the validity, legality or enforceability of the remaining provisions (or parts of those provisions) of the Rules which shall continue in full force and effect.

Schedule 1 - Options

1. Offer of Options

- 1.1 The Company may from time to time make Offers in writing to Eligible Participants inviting them to accept an offer of Options under the Plan.
- 1.2 No Offer may be made if to do so would contravene the Constitution, the Corporations Act, the Listing Rules or any other applicable law.
- 1.3 Each Offer must be in writing and must:
- (a) specify the name of the Eligible Participant to whom the Offer is made;
 - (b) specify the total number of Options (and the number of Shares to which the Options relate) being offered;
 - (c) specify such terms and conditions of the issue of the Options the subject of the Offer, as determined by the Board, including:
 - (i) the Expiry Date;
 - (ii) any Forfeiture Conditions;
 - (iii) the Exercise Price; and
 - (iv) the Restricted Period.
 - (d) specify the time and date by which the Offer must be accepted;
 - (e) specify any other matters required to be specified in the Offer by the Corporations Act, the Listing Rules and/or applicable instruments issued by ASIC; and
 - (f) have an Acceptance Form and copy of these Rules attached.
- 1.4 If the Company is admitted to the official list of ASX, the Offer must include an undertaking by the Company to provide to a Participant, within a reasonable period of being so requested, the current market price (as defined in the Listing Rules) of the Shares.
- 1.5 Options must be offered under the Plan for no more than Nominal Consideration unless the Board otherwise determines.

2. Acceptance of Offer of Options

- 2.1 Upon receipt of an Offer of Options, an Eligible Participant may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Options offered by submitting an Acceptance Form; or
 - (b) nominate a nominee in whose favour the Eligible Participant wishes to renounce the Offer.
- 2.2 Upon:
- (a) receipt of the completed Acceptance Form; or
 - (b) the Board resolving to allow the renunciation to a nominee for the Eligible Participant and the nominee accepting the whole or any lesser amount of Options offered by notice in writing to the Board,
- then the Eligible Participant, or the nominee, as the case may be, will be taken to have agreed to be bound by:
- (c) these Rules;
 - (d) the terms of the Offer; and
 - (e) the Constitution in respect of any Shares acquired on the exercise of Options.

3. Grant of Options

- 3.1 Upon acceptance of a duly signed and completed Acceptance Form, the Company may grant the Options applied for to the applicant (such person then being known as the **Holder**) on the terms determined by the Board under paragraph 1 of this Schedule.
- 3.2 The Company will issue a certificate or holding statement to each Holder in respect of Options granted to them.
- 3.3 The Offer will lapse if not accepted within the time required under the terms of the Offer.

4. Terms of Options

- 4.1 The terms of Options granted under the Plan shall be as determined by the Board from time to time in accordance with this paragraph 4.
- 4.2 The Exercise Price of an Option shall be the price determined by the Board in its absolute discretion prior to or on grant of the Options.
- 4.3 Subject to Rule 6, the Exercise Period of an Option shall be the period determined by the Board in its absolute discretion prior to or on grant of the Option. If no period is determined by the Board then the Exercise Period shall be the period from the date of grant of the Option to the Expiry Date.
- 4.4 Unless otherwise determined by the Board when it resolves to grant the Option, each Option is granted on the terms set out in this Schedule and the Rules generally. The Options will be subject to the terms and conditions of the Plan and in the event of any inconsistency between the terms in this Schedule and the provisions in the Plan, the Plan will prevail to the extent of the inconsistency.

Exercise of Options

- (a) Each Option entitles the Holder to subscribe for one Share on exercise of the Option.
- (b) Subject to paragraph (e), a Holder may not exercise Options before expiry of the Restricted Period.
- (c) Subject to paragraph (e), a Holder may only exercise Options during the Exercise Period (and then only after any Exercise Conditions or other Forfeiture Conditions have been satisfied or waived by the Company).
- (d) On expiry of the Exercise Period an Option not exercised shall automatically lapse.
- (e) Notwithstanding paragraph (c), Options may be exercised:
- (i) during a Takeover Period;
 - (ii) at any time after a Change of Control Event has occurred;
 - (iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph (n);
 - (iv) in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
 - (v) in the Board's absolute discretion, within 12 months, in the event of the death or Permanent Disablement of an Eligible Participant, in respect of Options held by or on behalf of that Eligible Participant.
- (f) If, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unexercised Options held by or on behalf of the Eligible Participant to have lapsed.

Notice of exercise

- (g) Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
- (i) the Exercise Price for the number of Options specified in the notice; and
 - (ii) the certificate or holding statement for those Options, for cancellation by the Company.
- The notice only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

Issue of certificates

- (h) Subject to paragraphs (c) to (g) above, within 10 Business Days of the notice referred to in paragraph (g) above becoming effective, the Board must:
- (i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
 - (ii) cancel the certificate or holding statement for the Options being exercised; and
 - (iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

Allotment of Shares

- (i) All Shares allotted upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares, and, in particular, entitle their holders to participate fully in:
 - (i) dividends declared by the Company after the date of allotment; and
 - (ii) all issues of securities offered to holders of Shares where entitlements to participate in those issues are determined by reference to a record date after the date of allotment of Shares allotted upon the exercise of Options.

Quotation on ASX

- (j) If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Options not later than 10 Business Days after the date of allotment.
- (k) The Company will not apply to have the Options granted under the Plan quoted on ASX or any other stock exchange.

New issues

- (l) Holders will only be permitted to participate in a pro rata issue of Shares to the holders of Shares on the prior exercise of Options. The Company must notify the Holder of the proposed issue at least 7 Business Days before the record date to determine entitlements to the pro rata issue.

Bonus issues

- (m) If from time to time prior to the expiry of any Options the Company makes an issue of any class of shares to the holders of Shares on a pro rata basis by way of capitalisation of profits or reserves (other than an issue in lieu of dividends) (a **Bonus Issue**) then upon exercise of a Option, each Holder is entitled to have issued (in addition to the Shares which would otherwise be issued upon such exercise) the number of shares of the class which would have been issued to the Holder under the Bonus Issue (**Bonus Shares**) if on the date on which entitlements to participate in the Bonus Issue were calculated the Holder had been registered as the holder of the number of Shares of which the Holder would have been registered as holder if immediately prior to that date the Option had been exercised and the Shares the subject of such exercise had been duly allotted and issued. The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

Reorganisation of capital

- (n) In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.
- (o) The Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to subscribe for or to the Exercise Price (if any) pursuant to the provisions of paragraph (n).

Restrictions

- (p) A Holder (or nominee holding Options) must not without the prior written consent of the Company sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Options, or agree to do any of those things.
- (q) An Offer may specify a restriction period for Shares issued on the exercise of Options during which such Shares may not be disposed of.

5. Conditions of exercise of Options

- 5.1 Subject to any Exercise Conditions or other Forfeiture Conditions, Options may be exercised at any time during the period commencing on the Issue Date and ending on the Expiry Date. The period commencing on the Issue Date and expiring on the later of the Vesting Date and the date when the last of any Exercise Conditions or other Forfeiture Conditions is satisfied or waived by the Company is the "Restricted Period."
- 5.2 If a takeover bid is made to acquire the whole or any part of the issued Shares, or a scheme of arrangement, selective reduction or other transaction is initiated which has an effect similar to a full takeover bid of the issued Shares (**Bid**), and the Bid is accepted by the holder of at least 50% of the Shares on issue, then each Holder will be able to exercise all or any part of his or her Options, notwithstanding that the applicable Restricted Period has not expired.

Schedule 2 - Performance Rights

1. Offer of Performance Rights

- 1.1 The Company may from time to time make Offers in writing to Eligible Participants inviting them to accept an offer of Performance Rights under the Plan.
- 1.2 No Offer may be made if to do so would contravene the Constitution, the Corporations Act, the Listing Rules or any other applicable law.
- 1.3 Each Offer must be in writing and must:
- (a) specify the name of the Eligible Participant to whom the Offer is made;
 - (b) specify the total number of Performance Rights (and the number of Shares to which the Performance Rights relate) being offered;
 - (c) specify such terms and conditions of the issue of the Performance Rights the subject of the Offer, as determined by the Board, including:
 - (i) the Expiry Date;
 - (ii) the Exercise Price (if any);
 - (iii) any Forfeiture Conditions;
 - (iv) the Vesting Conditions (if any);
 - (v) the Restricted Period;
 - (d) specify the time and date by which the Offer must be accepted;
 - (e) specify any other matters required to be specified in the Offer by the Corporations Act, the Listing Rules and/or applicable instruments issued by ASIC; and
 - (f) have attached an Application and copy of these Rules.
- 1.4 If the Company is admitted to the official list of ASX, the Offer must include an undertaking by the Company to provide to a Participant, within a reasonable period of being so requested, the current market price (as defined in the Listing Rules) of the Shares.
- 1.5 Performance Rights must be offered under the Plan for no more than Nominal Consideration unless the Board otherwise determines.

2. Acceptance of Offer of Performance Rights

- 2.1 Upon receipt of an Offer of Performance Rights, and Eligible Participant may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Performance Rights offered by submitting an Acceptance Form; or
 - (b) nominate a nominee in whose favour the Eligible Participant wishes to renounce the Offer
- 2.2 Upon:
- (a) receipt of the completed Acceptance Form; or
 - (b) the Board resolving to allow the renunciation to a nominee for the Eligible Participant and the nominee accepting the whole or any lesser amount of Performance Rights offered by notice in writing to the Board,
- then the Eligible Participant, or the nominee, as the case may be, will be taken to have agreed to be bound by:
- (c) these Rules;
 - (d) the terms of the Offer; and
 - (e) the Constitution in respect of any Shares acquired on the exercise of Performance Rights.

3. Grant of Performance Rights

- 3.1 Upon acceptance of a duly signed and completed Acceptance Form, the Company may grant the Performance Rights applied for to the applicant (such person then being known as the **Holder**) on the terms determined by the Board under paragraph 1 of this Schedule.
- 3.2 The Company will issue a certificate or holding statement to each Holder in respect of Performance Rights granted to them.
- 3.3 The Offer will lapse if not accepted within the time required under the terms of the Offer.

4. Terms of Performance Rights

- 4.1 The terms of Performance Rights granted under the Plan shall be as determined by the Board from time to time in accordance with this paragraph 4. The Performance Rights will be subject to the terms and conditions of the Plan and in the event of any inconsistency between the terms in this Schedule and the provisions in the Plan, the Plan will prevail to the extent of the inconsistency. The Exercise Price (if any) of a Performance Right shall be the price determined by the Board in its absolute discretion prior to or on grant of the Performance Rights.
- 4.2 Subject to Rule 6, the Exercise Period of a Performance Right shall be the period between the Vesting Date and the Expiry Date.
- 4.3 The Board may in its absolute discretion impose Vesting Conditions or other Forfeiture Conditions in respect of a Performance Right on such terms as the Board considers appropriate. If a Performance Right is subject to Vesting Conditions or other Forfeiture Conditions then the Performance Right may only be exercised if the Vesting Conditions or other Forfeiture Conditions relating to it have been satisfied or waived by the Board in its absolute discretion. The Board shall notify the Holder of the satisfaction or waiver of any Vesting Conditions or other Forfeiture Conditions applicable to the Performance Rights held by the Holder.
- 4.4 Unless otherwise determined by the Board when it resolves to grant the Performance Right and subject to any Vesting Conditions or other Forfeiture Conditions applicable to the Performance Right, each Performance Right is granted on the terms set out in this paragraph 4.5 and the Rules and this Schedule generally.

Exercise of Performance Rights

- (a) Each Performance Right entitles the Holder to subscribe for one Share on exercise of the Performance Right.
- (b) Subject to paragraph (e), a Holder may not exercise Performance Rights before expiry of the Restricted Period.
- (c) Subject to paragraph (e), a Holder may only exercise Performance Rights during the Exercise Period and then only if any, Exercise Conditions, Vesting Conditions or other Forfeiture Conditions have been satisfied or waived by the Company.
- (d) On expiry of the Exercise Period a Performance Right not exercised shall automatically lapse.
- (e) Notwithstanding paragraph 4.3 and paragraph (c) the Board may, in its absolute discretion, determine that Performance Rights may be exercised:
- (i) during a Takeover Period;
 - (ii) at any time after a Change of Control Event has occurred;
 - (iii) at any time after the announcement of a proposed capital reconstruction referred to in paragraph (n);
 - (iv) following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX;
 - (v) within 12 months, in the event of the death or Permanent Disablement of an Eligible Participant, in respect of Performance Rights held by that Eligible Participant or his or her nominee; or
 - (vi) within 12 months, in the event of the cessation of an Eligible Participant's employment with a Group Company as a result of the Eligible Participant's position becoming redundant.
- (f) If, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unexercised Performance Rights held by the Eligible Participant or his or her nominee to have lapsed.

Notice of exercise

- (g) Performance Rights may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Performance Rights being exercised and must be accompanied by:
- (i) the Exercise Price (if any) for the number of Performance Rights specified in the notice; and
 - (ii) the certificate or holding statement for those Performance Rights, for cancellation by the Company.

The notice only becomes effective when the Company has received the full amount of the Exercise Price (if any) for the number of Performance Rights specified in the notice in cleared funds.

Issue of certificates

- (h) Subject to paragraphs (c) to (g) above, within 10 Business Days of the notice referred to in paragraph (g) above becoming effective, the Board must:
 - (i) acquire or allot and issue the number of Shares specified in the notice to the Holder;
 - (ii) cancel the certificate or holding statement for the Performance Rights being exercised; and
 - (iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Performance Rights covered by the certificate or holding statement accompanying the notice.

Allotment of Shares

- (i) All Shares allotted upon the exercise of Performance Rights will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares, and, in particular, entitle their holders to participate fully in:
 - (i) dividends declared by the Company after the date of allotment; and
 - (ii) all issues of securities offered to holders of Shares where entitlements to participate in those issues are determined by reference to a record date after the date of allotment of Shares allotted upon the exercise of Performance Rights.

Quotation on ASX

- (j) If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares allotted pursuant to the exercise of Performance Rights not later than 10 Business Days after the date of allotment.
- (k) The Company will not apply to have the Performance Rights granted under the Plan quoted on ASX or any other stock exchange.

New issues

- (l) Holders will only be permitted to participate in a pro rata issue of Shares to the holders of Shares on the prior exercise of Performance Rights. The Company must notify the Holder of the proposed issue at least 7 Business Days before the record date to determine entitlements to the pro rata issue.

Bonus issues

- (m) If from time to time prior to the expiry of any Performance Rights the Company makes an issue of any class of shares to the holders of Shares on a pro rata basis by way of capitalisation of profits or reserves (other than an issue in lieu of dividends) (a **Bonus Issue**) then upon exercise of a Performance Right, each Holder is entitled to have issued (in addition to the Shares which would otherwise be issued upon such exercise) the number of shares of the class which would have been issued to the Holder under the Bonus Issue (**Bonus Shares**) if on the date on which entitlements to participate in the Bonus Issue were calculated the Holder had been registered as the holder of the number of Shares of which the Holder would have been registered as holder if immediately prior to that date the Performance Right had been exercised and the Shares the subject of such exercise had been duly allotted and issued. The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

Reorganisation of capital

- (n) In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Performance Rights which are not conferred on Shareholders.
- (o) The Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to subscribe for or to the Exercise Price (if any) pursuant to the provisions of paragraph (n).

Restrictions

- (p) A Holder must not without the prior written consent of the Company sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Performance Rights.
- (q) An Offer may specify a restriction period for Shares issued on the exercise of Performance Rights during which those Shares cannot be disposed of.

