



INCENTIVE OPTIONS

The Options entitle the holder (**Optionholder**) to subscribe for Shares on the following terms and conditions:

- (a) Each Option gives the Optionholder the right to subscribe for one fully paid ordinary share in NHO (**Share**).
- (b) The Options will vest on the date (**Vesting Date**) on which the last of the following conditions are satisfied:
 - (i) completes a Bankable Feasibility Study that results in Buyer's board of directors making a positive decision to mine to enable production to commence in relation to the Kinney Project; and
 - (ii) this occurs within 36 months of the Kinney Project Acquisition Date, (together, the **Vesting Conditions**). The Vesting Conditions must be satisfied within 36 months of the Kinney Project Acquisition Date. If the Vesting Conditions are satisfied, the Options will immediately vest.
- (c) If the Executive ceases to be engaged by the Company pursuant to the terms of this Agreement prior to the expiration of the Vesting Date and without any of the Vesting Conditions being satisfied, all of the Options will be cancelled for nil consideration and the Executive agrees to execute any documentation to give effect to this.
- (d) Prior to the Vesting Date, the Options may not be exercised, transferred or otherwise dealt with.
- (e) The Options will expire at 5.00pm (WST) on the date which is 5 years after the Options are issued (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (f) The amount payable upon exercise of each Option will be AUD\$0.50 (**Exercise Price**).
- (g) The Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.

(h) An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:

- (i) a written notice of exercise of Options specifying the number of Options being exercised; and
- (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

(i) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

(j) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.

(k) If a Change in Control Event occurs the Options will immediately vest upon the parties to the Change in Control Event entering into a binding contract to sell, merge, transfer, swap or otherwise modify NHO's interest in the Kinney Project. For the purposes of this clause (k), a Change in Control Event means:

- (i) the occurrence of:
 - (A) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares and that takeover bid has become unconditional (except any condition in relation to the cancellation or exercise of the Options); or
 - (B) a completed sale agreement between NHO or a successor in interest and another party (**Third Party**) under which 100% of the Shares will be purchased by the Third Party; or
- (ii) the announcement by the Company that shareholders of NHO have at a court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a Third Party,and the court, by order, approves the proposed scheme of arrangement; or
- (iii) any other transaction in which NHO's interest in the Kinney Project is modified;

- (l) The Options are not transferable.
- (m) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
- (n) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (o) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the *Corporations Act 2001* (Cth) and the ASX Listing Rules at the time of the reconstruction.
- (p) There are no participating rights or entitlements inherent in the Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (q) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (r) Subject to the discretion of the Board of the Company, if:
 - (i) the Executive terminates the Employment: or
 - (ii) the Executive's Employment is terminated with cause by the Company,any outstanding Options which have not been exercised will immediately lapse and have no further force or effect.