
ATTILA RESOURCES LIMITED

ACN 142 165 080

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on 9 March 2012 at 12pm (WST).

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

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 9388 8824.

ATTILA RESOURCES LIMITED

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NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Attila Resources Limited (“**Company**”) will be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on 9 March 2012 at 12pm (WST) (“**Meeting**”).

The Explanatory Memorandum to this Notice of General Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form are part of this Notice of General Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company on 7 March 2012 at 5.00 pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of Placement Facility

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

*"That, in accordance with ASX Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the issue of up to 20,000,000 Shares each at an issue price of not less than 80% of the average market price of Shares on the five trading days prior to the date of the issue of the Shares (**Placement Facility**) to institutional and professional and sophisticated investors on the terms and conditions in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the issue and might obtain a benefit (except a benefit solely in their capacity as holders of ordinary securities) if the Resolution is passed, or any associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 – Issue of Options to Mr Leigh Ryan as a Director

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

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve the granting of 1,000,000 Options to Mr Leigh Ryan and/or his nominees on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Mr Leigh Ryan and any of his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. Resolution 3 – Issue of Options to a Director

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

"That, pursuant to and in accordance with Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve the granting of 500,000 Options to Mr Bryn Hardcastle and/or his nominees on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion:

The Company will disregard any votes cast on this Resolution by Mr Bryn Hardcastle and any of his associates.

However, the Company need not disregard a vote if:

- (a) 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

- (b) it is cast by the Chairman 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.

Further, a member of the Key Management Personnel and their Closely Related Parties who are appointed as a proxy will not vote on this Resolution unless:

- (a) the appointment specifies the way the proxy is to vote on this Resolution; or
- (b) the proxy is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

4. Resolution 4 – Re-election of Mr Leigh Ryan as a Director

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

"That Mr Leigh Ryan, who retires in accordance with the Article 16.3(b) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

5. Resolution 5 – Re-election of Mr Bryn Hardcastle as a Director

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

"That Mr Bryn Hardcastle, who retires in accordance with the Article 16.3(b) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

BY ORDER OF THE BOARD



Grant Mooney
Company Secretary

Dated: 7 February 2012

ATTILA RESOURCES LIMITED

ACN 142 165 080

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Suite 23, 513 Hay Street, Subiaco, Western Australia on 9 March 2012 at 12pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Resolution 1 – Approval of Placement Facility
Section 4:	Resolution 2 – Issue of Options to Mr Leigh Ryan as a Director
Section 5:	Resolution 3 – Issue of Options to Mr Bryn Hardcastle a Director
Section 6:	Resolution 4 – Re-election of Mr Leigh Ryan as a Director
Section 7:	Resolution 5 – Re-election of Mr Bryn Hardcastle as a Director
Schedule 1:	Definitions
Schedule 2:	Terms and Conditions of Options

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 2 and 3 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on Resolutions 2 and 3.

However, the prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if the Resolutions 2 and 3 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Resolution 1 – Approval of Placement Facility

3.1 General

Resolution 1 seeks Shareholders' approval pursuant to Listing Rule 7.1 for the Directors to allot and issue the 20,000,000 Shares under the Placement Facility.

The effect of passing Resolution 1 will be to allow the Directors to issue the Shares during the three month period after the Meeting (or a longer period, if allowed by ASX), without using up the Company's 15% placement capacity under Listing Rule 7.1.

The Company has not yet made any agreement or arrangement to issue the Shares or the number of Shares to be issued, and there is no certainty that it will proceed with the issue.

3.2 Specific Information Required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the Placement Facility is provided as follows:

- (a) The maximum number of securities the Company can issue under the Placement Facility is 20,000,000 Shares;

- (b) The Shares under the Placement Facility will be issued no later than three (3) months after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of Listing Rule 7.3.2);
- (c) The Shares to be issued under the Placement Facility will be issued by the Company at an issue price of not less than 80% of the average market price for Shares on the last five days on which sales in the Shares were recorded before the day on which the issue is made;
- (d) As subscriptions to the Placement Facility have not yet been arranged, the allottees will be identified at the Directors' discretion, but will not be related parties or associates of related parties of the Company;
- (e) The Shares to be issued will be fully paid ordinary shares in the capital of the Company;
- (f) The funds proposed to be raised by the Company from this Placement Facility will be used to fund further exploration and feasibility study expenditure on its existing assets, assessing new projects and for general working capital;
- (g) Allotment of the Shares to be issued under the Placement Facility may occur progressively; and
- (h) A voting exclusion statement is included in the Notice.

4. Resolution 2 – Issue of Options to Mr Leigh Ryan as a Director

4.1 General

Resolution 2 seeks Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of 1,000,000 Options to Mr Leigh Ryan as a Director (or his nominees).

The purpose of the grant of the Options to Mr Leigh Ryan is for the Company to retain directors of high calibre and to provide cost effective remuneration to Mr Ryan for his ongoing commitment and contribution to the Company in their role as a Director.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed. If the Options are not granted, the Company could remunerate Mr Ryan for additional amounts of cash. However, the Board considers it reasonable for the remuneration of Mr Ryan to have a cash component and an equity component to further align Mr Ryan's interests with Shareholders and maintain a strong cash position for the Company.

The Company acknowledges that the grant of the Options to non-executive Directors is contrary to recommendation 8.2 of the Corporate Governance Principles and Recommendations. However, the Board considers the grant of Options in Resolution 2 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining a cash reserve.

4.2 Listing Rule 10.1 and Section 208 of the Corporations Act

Pursuant to Listing Rule 10.11, a related party of a listed company is precluded from participating in any issue of securities in the company without the prior approval of shareholders.

Pursuant to section 208 of the Corporations Act, a listed company must obtain shareholder approval before giving a financial benefit to a related party.

A “related party” for the purposes of the Corporations Act is defined widely and includes a director of a public company and former directors of a public company.

A “financial benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

Mr Ryan is regarded as a related party of the Company by reason of his position as a Director.

Furthermore, Shareholder approval of the grant of the Options means that the grant of the Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The Chairman will cast all available proxies in favour of Resolution 2.

4.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act:

- (a) The Options will be granted to Mr Ryan (or his nominees).
- (b) The maximum number of Options to be granted under Resolution 2 is 1,000,000.
- (c) The Company will grant the Options no later than one (1) month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) Each Option will have an issue price of zero.
- (e) Each Option entitles the holder to subscribe for one (1) Share at an exercise price of not less than the higher of 20 cents or 120% of the Volume Weighted Average Price (**VWAP**) of the Company's fully paid ordinary shares on the ASX over the 20 trading days preceding the day on which the board resolves to issue the Options.
- (f) Upon exercise of the Options, the Shares issued will rank pari passu with the Company's existing Shares on issue. Further terms and conditions of the Options are in Schedule 2.
- (g) Each Option shall have an expiry date of 3 years after the date of issue.
- (h) Mr Ryan has an interest in Resolution 2 and therefore believes it inappropriate to make a recommendation. The other Directors each recommend the grant of the 1,000,000 Options to Mr Ryan as it aligns the interests of the Company and Mr Ryan to maximise Shareholder value.
- (i) A voting exclusion statement is included for Resolution 2 in the Notice.
- (j) No funds will be raised by the grant of the Options as each Option is being granted for nil cash consideration.

- (k) On the basis of the assumptions below the Company has determined the technical value of one Option approximates \$0.097. This valuation imputes a total value of \$97,000 to the Options. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
- (i) interest rate set at the Australian Government 3 year bond rate of 6.25%;
 - (ii) the date of valuation for the purposes of settling the current market value of a Share is 30 January 2012;
 - (iii) at this date the Share price was \$0.20 which is the price used in the valuation;
 - (iv) the estimated volatility used in the valuation is 75%;
 - (v) for the purposes of the valuation, the Company is not expected to pay a dividend during the life of the Options; and
 - (vi) the Options will be exercisable upon grant.
- (l) Mr Ryan does not have any security holdings in the Company.
- (m) The remuneration and emoluments from the Company to Mr Ryan for the current financial year is \$30,000 (plus superannuation). Mr Ryan did not receive any remuneration in the previous financial year
- (n) If the Shareholders approve the issue of the Options, the exercise of those Options will result in a dilution of all other Shareholders' holdings in the Company of:
- (i) 4.3% based on issued Shares as at the date of this Notice;
 - (ii) 2.7% on a fully diluted basis (including the Options issued to Mr Hardcastle under Resolution 3).
- (o) The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.
- (p) As at the date of this Notice the Share price of the Shares are trading on ASX lower than the exercise price of the Options.
- (q) Historical share price information for the last three months is as follows:

	Price	Date
Highest	\$0.21	31 January 2012
Lowest	\$0.16	25 January 2012
Last	\$0.21	31 January 2012

- (r) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 2.

(s) The Chairman will cast all available proxies in favour of Resolution 2.

5. Resolution 3 – Issue of Options to Mr Bryn Hardcastle as a Director

5.1 General

Resolution 3 seeks Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act for the grant of 500,000 Options to Mr Bryn Hardcastle a Director (or his nominees).

The purpose of the grant of the Options to Mr Bryn Hardcastle is for the Company to retain directors of high calibre and to provide cost effective remuneration to Mr Hardcastle for his ongoing commitment and contribution to the Company in their role as a Director.

The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed. If the Options are not granted, the Company could remunerate Mr Hardcastle for additional amounts of cash. However, the Board considers it reasonable for the remuneration of Mr Hardcastle to have a cash component and an equity component to further align Mr Hardcastle's interests with Shareholders and maintain a strong cash position for the Company.

The Company acknowledges that the grant of the Options to non-executive Directors is contrary to recommendation 8.2 of the Corporate Governance Principles and Recommendations. However, the Board considers the grant of Options in Resolution 3 to be reasonable in the circumstances given the Company's size, stage of development, and the need to attract and retain directors of high calibre, whilst still maintaining a cash reserve.

5.2 Listing Rule 10.1 and Section 208 of the Corporations Act

Pursuant to Listing Rule 10.11, a related party of a listed company is precluded from participating in any issue of securities in the company without the prior approval of shareholders.

Pursuant to section 208 of the Corporations Act, a listed company must obtain shareholder approval before giving a financial benefit to a related party.

A “related party” for the purposes of the Corporations Act is defined widely and includes a director of a public company and former directors of a public company.

A “financial benefit” for the purposes of the Corporations Act has a very wide meaning. It includes the public company paying money or issuing securities to the related party. In determining whether or not a financial benefit is being given, it is necessary to look to the economic and commercial substance and effect of what the public company is doing (rather than just the legal form). Any consideration which is given for the financial benefit is to be disregarded, even if it is full or adequate.

Mr Hardcastle is regarded as a related party of the Company by reason of his position as a Director.

Furthermore, Shareholder approval of the grant of the Options means that the grant of the Options will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

The Chairman will cast all available proxies in favour of Resolution 3.

5.3 Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Listing Rule 10.13 and section 219 of the Corporations Act require that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.11 and Chapter 2E of the Corporations Act:

- (a) The Options will be granted to Mr Hardcastle (or his nominees).
- (b) The maximum number of Options to be granted under Resolution 3 is 500,000.
- (c) The Company will grant the Options no later than one (1) month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) Each Option will have an issue price of zero.
- (e) Each Option entitles the holder to subscribe for one (1) Share at an exercise price of not less than the higher of 20 cents or 120% of the Volume Weighted Average Price (**VWAP**) of the Company's fully paid ordinary shares on the ASX over the 20 trading days preceding the day on which the board resolves to issue the Options.
- (f) Upon exercise of the Options, the Shares issued will rank pari passu with the Company's existing Shares on issue. Further terms and conditions of the Options are in Schedule 2.
- (g) Each Option shall have an expiry date of 3 years after the date of issue.
- (h) Mr Hardcastle has an interest in Resolution 3 and therefore believes it inappropriate to make a recommendation. The other Directors each recommend the grant of the 500,000 Options to Mr Hardcastle as it aligns the interests of the Company and Mr Hardcastle to maximise Shareholder value.
- (i) A voting exclusion statement is included for Resolution 3 in the Notice.
- (j) No funds will be raised by the grant of the Options as each Option is being granted for nil cash consideration.
- (k) On the basis of the assumptions below the Company has determined the technical value of one Option approximates \$0.097. This valuation imputes a total value of \$48,500 to the Options. The value may go up or down after that date as it will depend on the future price of a Share. Black & Scholes methodology has been used, together with the following assumptions:
 - (i) interest rate set at the Australian Government 3 year bond rate of 6.25%;
 - (ii) the date of valuation for the purposes of settling the current market value of a Share is 30 January 2012;
 - (iii) at this date the Share price was \$0.20 which is the price used in the valuation;
 - (iv) the estimated volatility used in the valuation is 75%;
 - (v) for the purposes of the valuation, the Company is not expected to pay a dividend during the life of the Options; and
 - (vi) the Options will be exercisable upon grant.

- (l) The current relevant interest in security holdings of Mr Hardcastle is 60,000 Shares and 30,000 Options.
- (m) The remuneration and emoluments from the Company to Mr Hardcastle for the current financial year is \$30,000 (plus superannuation). Mr Hardcastle did not receive any remuneration in the previous financial year
- (n) If the Shareholders approve the issue of the Options, the exercise of those Options will result in a dilution of all other Shareholders' holdings in the Company of:
 - (i) 2.2% based on issued Shares as at the date of this Notice;
 - (ii) 1.3% on a fully diluted basis (including the Options issued to Mr Ryan under Resolution 2).
- (o) The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company.
- (p) As at the date of this Notice the Share price of the Shares are trading on ASX lower than the exercise price of the Options.
- (q) Historical share price information for the last three months is as follows:

	Price	Date
Highest	\$0.21	31 January 2012
Lowest	\$0.16	25 January 2012
Last	\$0.21	31 January 2012

- (r) Other than the information above and otherwise in this Explanatory Memorandum, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 3.
- (s) The Chairman will cast all available proxies in favour of Resolution 3.

6. Resolution 4 – Re-election of Mr Leigh Ryan as a Director

Resolution 4 deals with the re-election of Mr Leigh Ryan to the Board.

Article 16.3 of the Constitution gives the Directors authority to appoint other Directors.

Mr Ryan was appointed a Director on 23 January 2012.

The Constitution states any Director appointed in accordance with Article 16 must retire at the next general meeting and is eligible for re-election.

Accordingly, Mr Ryan resigns as a Director at this Meeting and being eligible seeks approval to be re-elected as a Director.

The Board supports the re-election of Mr Ryan.

7. Resolution 5 – Re-election of Mr Bryn Hardcastle as a Director

Resolution 5 deals with the re-election of Mr Bryn Hardcastle to the Board.

Article 16.3 of the Constitution gives the Directors authority to appoint other Directors.

Mr Hardcastle was appointed a Director on 8 December 2011.

The Constitution states any Director appointed in accordance with Article 16 must retire at the next general meeting and is eligible for re-election.

Accordingly, Mr Hardcastle resigns as a Director at this Meeting and being eligible seeks approval to be re-elected as a Director.

The Board supports the re-election of Mr Hardcastle.

Schedule 1 – Definitions

In this Explanatory Memorandum and Notice of General Meeting:

Article means an article of the Constitution.

ASIC means Australian Securities and Investments Commission.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of directors of the Company.

Chair or **Chairman** means the person appointed to chair the Meeting of the Company convened by this Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company or **Attila** means Attila Resources Limited ACN 142 165 080.

Constitution means the constitution of the Company as at the date of the Meeting.

Corporations Act means the Corporations Act 2001 (Cth).

Director means the director of the Company.

Explanatory Memorandum means the explanatory memorandum to the Notice.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice.

Notice means this Notice of General Meeting.

Option means an option to acquire a Share on the terms and conditions in Schedule 2.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution referred to in this Notice.

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

Shareholder means a shareholder of the Company.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 2 –Terms and Conditions of Options

Each Option entitles the holder to subscribe for Shares on the following terms and conditions:

1. Each Option gives the Optionholder the right to subscribe for one Share. To obtain the right given by each Option, the Optionholder must exercise the Options in accordance with the terms and conditions of the Options.
2. The Options will expire at 5:00 pm (WST) on 3 years after the date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
3. The amount payable upon exercise of each Option will be not less than the higher of 20 cents or 120% of the Volume Weighted Average Price (**VWAP**) of the Company's fully paid ordinary shares on the ASX over the 20 trading days preceding the day on which the board resolves to issue the Options (**Exercise Price**).
4. An Optionholder may exercise their Options by lodging with the Company, before the Expiry Date:
 - (a) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (b) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised (**Exercise Notice**).
5. An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
6. 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.
7. All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.
8. The Company will not apply for quotation of the Options on ASX.
9. If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
10. 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.
11. 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.
12. An Option shall be transferable.