ASX Announcement and Media Release

Tuesday, 21 November 2017

Acquiring three Pilbara Conglomerate Gold Mining Leases and Proposed Issues of Securities

Highlights

- Acquiring three Pilbara conglomerate gold mining leases (Tambina Project), that have a small-scale mining operation currently in place
- Importantly, this geological setting is similar to Novo Resources' (TSX-V: NVO) Purdy's Reward conglomerate gold project in West Pilbara and West Wits' Mt Cecelia project area – all part of the Lower Fortescue Group
- As the acquisition is on three mining leases which are already producing small scale mining the intention of West Wits is to expand operations at the Tambina Project
- Based on the geology, the Tambina Project has significant potential to host a palaeo-placer gold deposit associated with the pyritic conglomerates of the Bellary Formation that are part of the Lower Fortescue Group
- With mining operations producing cashflow in the Witwatersrand Basin and Pilbara conglomerate gold regions, West Wits will be positioned well ahead of numerous peers still at the pre-exploration phase
- Leveraging West Wits geology team's Witwatersrand Basin experience, the Board expects to understand the full extent of mineralisation across the Tambina Project quickly
- Excluding the gold producing assets, there is still significant resource size and exploration upside across West Wits' Witwatersrand Basin and Pilbara assets (West Wits already holds a 1.381m oz resource in the Witwatersrand)
- Receipt of commitments for a two tranche capital raising of approximately $500,000 at 2.2 cents per share confirmed by CPS Capital Group Pty Ltd
- Proposed issues of approximately 6.82 million shares to Directors to reduce cash expenditure on remuneration, up to 17 million incentive options to executive directors and up to 12 million options to a long term geological consultant

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West Wits Mining Limited (ASX: WWI) ("the Company" or "West Wits") is delighted to announce it has entered into a binding Terms Sheet to acquire 100% of the issued capital of Tambina Gold Pty Ltd ("Tambina") ("Proposed Transaction"). Tambina holds the rights to acquire three mining leases 150km southeast of Port Hedland that have a small-scale gold mining operation. Further, the mining leases have significant potential to host a palaeo-placer gold deposit associated with the pyritic conglomerates of the Bellary Formation that are part of the Lower Fortescue Group. A summary of the Proposed Transaction and key terms are detailed in Appendix A to this announcement.

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Michael Quinert, Chairman commented: "*West Wits has moved quickly to secure its second Pilbara conglomerate gold asset, that is part of the Lower Fortescue Group, with the strategic and opportunistic acquisition of the Tambina project. With three mining leases already approved, the Board intends to rapidly scale up the existing gold mining operations given the Tambina project's significant potential to host a palaeo-placer gold deposit. The Tambina project acquisition will make West Wits the only gold producer with operations in both regions that have conglomerate gold mineralisation. More broadly, leveraging its Witwatersrand Basin geology expertise, the Board is focused on proving up West Wits global JORC compliant resource across the Pilbara and Witwatersrand Basin assets."*

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TAMBINA GOLD OVERVIEW

Corporate

Consideration shares to be issued to Tambina shareholders to acquire all the issued shares of Tambina will account for circa 9.83% of the expanded issued capital of West Wits at completion of the Proposed Transaction including the proposed capital raising referred to below. Further, the Board notes that none of the vendors are related parties to West Wits.

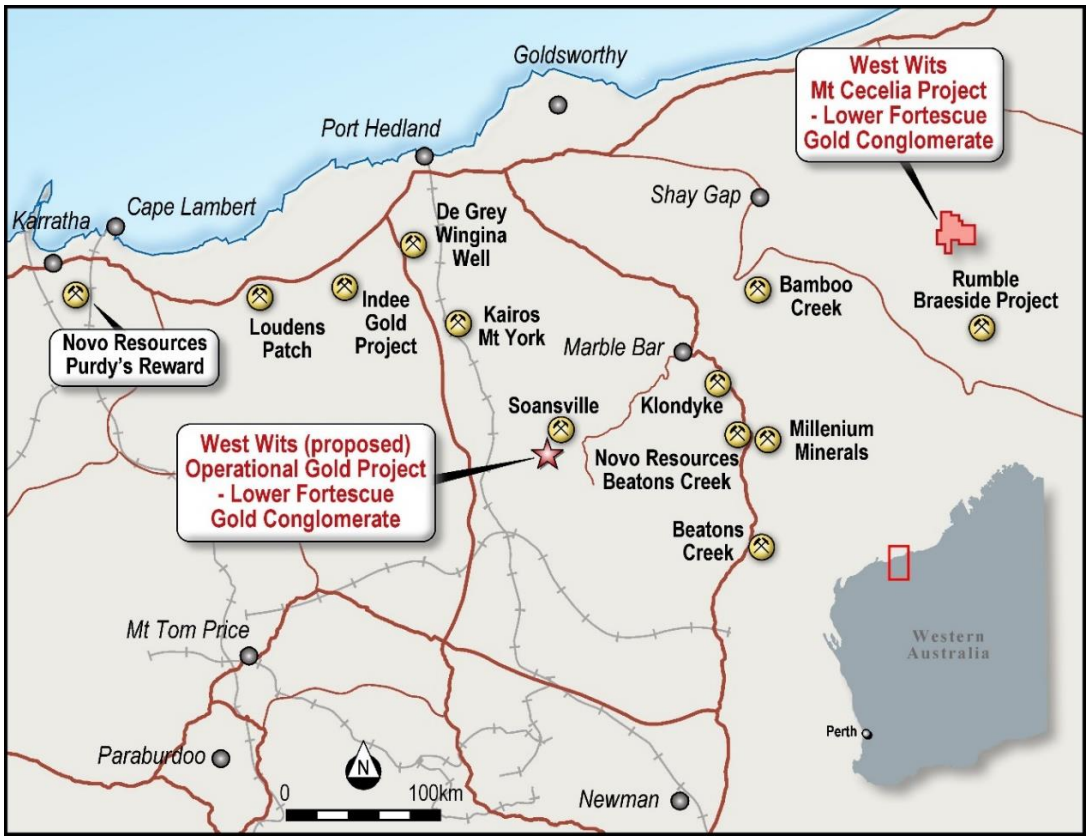
Tambina project

Tambina was established to secure highly prospective tenements in Western Australia to explore and develop gold producing assets. The Tambina project comprises three mining leases (M45/988; M45/990; M45/991), granted between 2004-06, covering a total area of 102 hectares. A small-scale gold mining operation is in progress, focused on areas of outcropping mineralized conglomerate.

The Tambina project is located in the east Pilbara, circa 150km southeast of Port Hedland and, like West Wits' Mt Cecelia project area, is part of the Lower Fortescue Group (Figure 1). Access to the Tambina project is via a well-maintained road and exploration tracks.

The Tambina project is currently managed for Tambina by the Mineral Edge group.

FIGURE 1: TAMBINA AND MT CECELIA PROJECTS

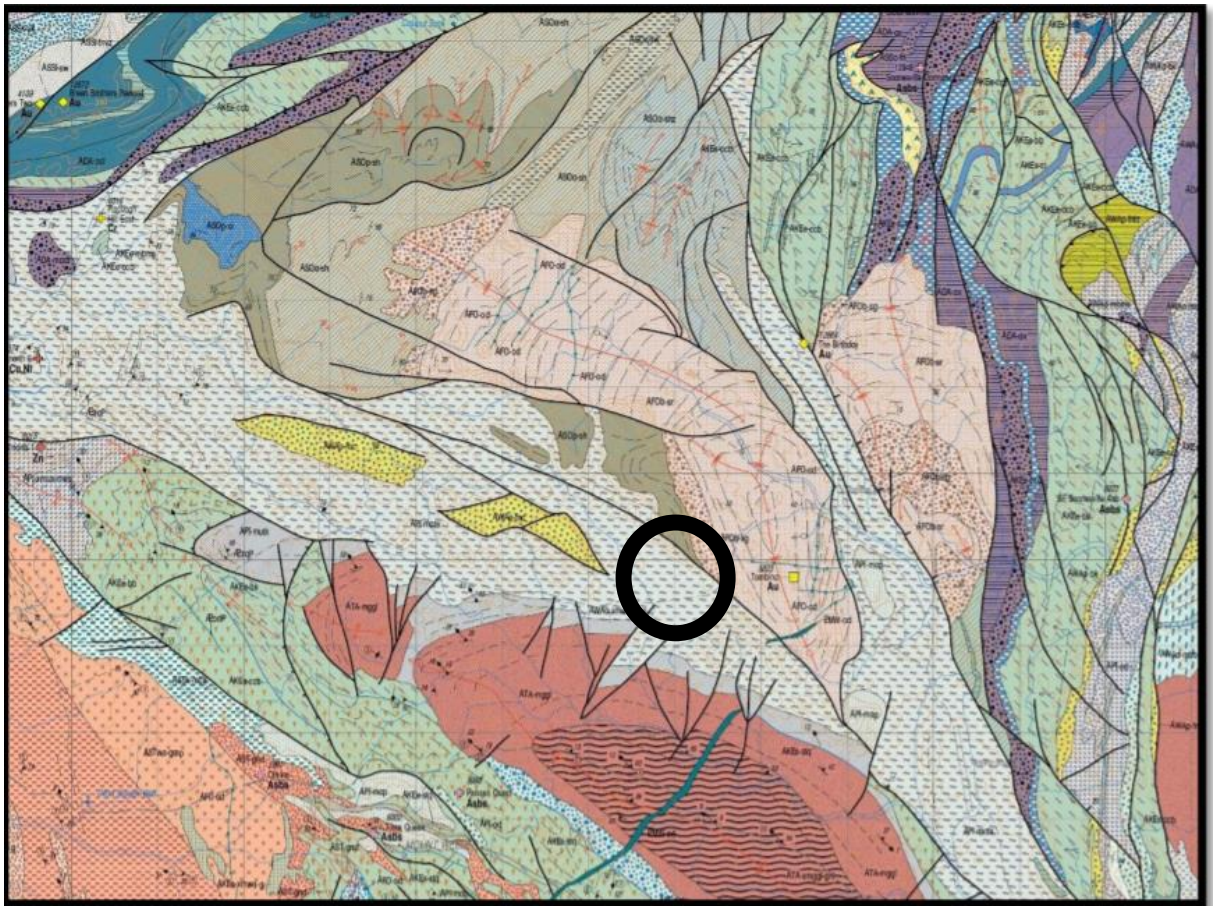


Highly favourable geology

The Tambina project is located in an Archaean fault bounded synclinal sub-basin infilled with coarse grained, shallow to moderately dipping clastic rocks of the Bellary Formation (Lower Fortescue Group). Notably, it contains an extensive area of gold and pyrite mineralised conglomerates, while the formation is a similar geological setting to Novo Resources' (TSX-V: NVO) Purdy's Reward asset in the west Pilbara.

Figure 2 is a geological map that shows the sub-basin Fortescue Group sandstones and conglomerates of the Bellary Formation (pale brown). The location of the Tambina project is shown as a small yellow box within the black circle.

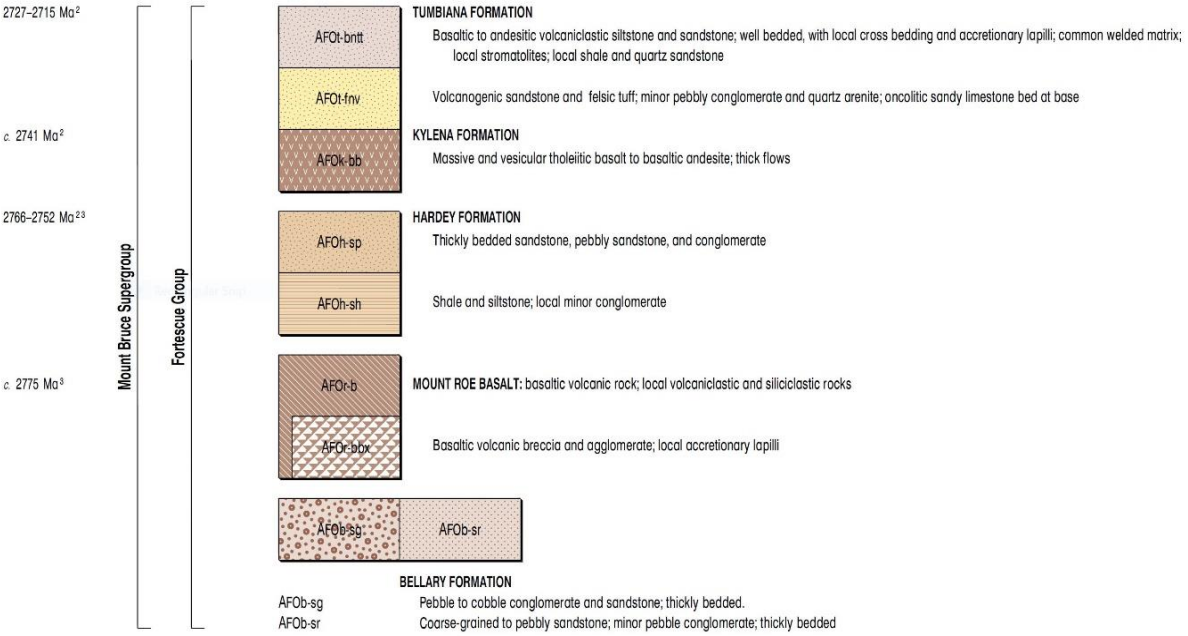
FIGURE 2: TAMBINA PROJECT RELATIVE TO UNDERLYING GEOLOGY



Source: GSWA

Figure 3 shows the detailed legend highlighting the stratigraphic location of the Bellary Formation conformably underlying the Mt Roe Basalt.

FIGURE 3: STRATIGRAPHIC LEGEND LINKED TO FIGURE 2 ABOVE



Source: GSWA; Footnotes cited in source: 2. T.S. Blake et al., 2004, Precambrian Research, v133, p143-173; 3. N.T. Arndt et al., 1991, Australian Journal of Earth Sciences, v 38, p261-281.





Drilling down further, the lowermost stratigraphy is a basal conglomeratic unit within the Tambina project's footprint that is circa 30m thick and contains boulders up to 2m in diameter. The remainder of the sequence comprises medium to coarse grained feldspathic / quartzfeldspar sandstones, with subordinate conglomerates, diamictites and minor mudstones.





Clasts in the conglomerates include silicified shale, sandstone and less commonly chloritic schist and black chert derived from greenstone protoliths. Heavy mineral placer deposits (including chromite, pyrite and gold) occur in association with the coarse clastic units. The coarse conglomerates were deposited on proximal alluvial fans, with sandstones and pebbly sandstones deposited as more distal alluvial fans and braided stream deposits.

Internal faulting of the sequence is minimal and generally restricted to basin margin parallel faults, while the sequence is intruded by several dolerite/gabbro dykes.

Previous exploration

Historical exploration on the Tambina project includes mapping, rock chip, stream sediment and bulk sampling, RC drilling, and eluvial and colluvial prospecting.

Talga Gold Limited (ASX: TLG) (now Talga Resources Limited) ("Talga Gold") previously held an option to acquire the Tambina project.

The following previous exploration results were included in Talga Gold's 2012 Annual Report, which was released to ASX as an announcement on 24 October 2014 and which can be downloaded from the ASX website www.asx.com.au under the code "TLG". Those exploration results were reported under the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code"), as identified in a competent persons statement which accompanied those results. The reporting of the exploration results may not conform to the requirements in the JORC Code 2012. See also the following Important Note and the information under the heading "Status of prior results and intentions for evaluation and/or exploration work", below.

- **Texasgulf Exploration Limited (1976):** 50g gold from four 8 tonne bulk samples taken from two ferruginious gold bearing conglomerate horizons. The 32 tonne sample gave an average grade of 1.56g/t Au;

- **Goldstream Mining NL (1986 – 91):** extended Texasgulf's results by carrying out further work, identifying four gold mineralised heavy mineral placers. Of 283 rock chip samples taken, 33 returned greater than 1g/t Au, (maximum assay of 55g/t Au). 22 trenches were also dug, with results including 15m @ 1.45g/t Au, 5m @ 2.27g/t Au and 15m @ 2.66g/t Au. RC drilling beneath these trenches was reported as returning best results of 1m @ 3.1g/t Au from 28m and 1m @ 5.4g/t Au from 10m. Reporting by Goldstream to the WA Mines Department (A31676-1990-Report on Operations Tambina project A98274 dated May 2013) disclosed the program included 20 RC holes drilled with best intercepts of 1m @ 3.29g/t Au from 28m (T104) and 1m @ 4.33g/t Au from 10m (T107), and that it was believed bulk samples processed by the State Battery were diluted colluvial material not the targeted primary gold bearing horizons; and

- **Talga Gold (2011)**: close spaced soil sampling (100m x 25m) over the Tambina project (1,096 samples). The soil geochemical survey was reported as having defined a number of robust gold anomalies (>100ppb gold) individually up to 500m strike length situated on or adjacent to conglomerate horizons.

IMPORTANT NOTE – Exploration results reported by a former option holder:

- The above exploration results have not been reported in accordance with the JORC Code 2012;
- a competent person has not done sufficient work to disclose the exploration results in accordance with the JORC Code 2012;
- it is possible that following further evaluation and/or exploration work that the confidence in the prior reported exploration results may be reduced when reported under the JORC Code 2012;
- nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former option holder's exploration results; but
- the acquirer has not independently validated the former option holder's exploration results and therefore is not to be regarded as reporting, adopting or endorsing those results.

The above also applies to the following Talga Gold historical exploration results.

Further exploration results were reported by **Talga Gold (2012 – 13)** under the 2004 Edition of the JORC Code in its Quarterly Activities Review for the period ending 31 December 2012 which was released to ASX on 31 January 2013 (and can be downloaded from the ASX website www.asx.com.au under the code "TLG") for a 22 hole 1,349m RC drilling program targeting mineralised pyritic conglomerate units. The target conglomerate horizons were intersected in all holes with downhole thickness of 1-20m apparent over single stacked (parallel) intersections. Subsequent reporting by Talga to the WA Mines Department (report A98274 dated May 2013) disclosed the program returned anomalous gold intersections in most holes and that the tenor of gold mineralisation was typically quite low; analytical problems with the assay techniques indicated gold assay results may be under-reporting due to the nature of the particulate gold, and other metallurgical issues. The reporting of the exploration results may not conform to the requirements in the JORC Code 2012. See also the above Important Note about exploration results reported by a former option holder.

Status of prior results and intentions for evaluation and/or exploration work

While the Company is not in a position to adopt or endorse the above previously reported exploration results (and expressly does not do so), it considers that having regard to the earlier results having been reported by an ASX listed company in an annual report and a competent person's statement regarding exploration results being proximate to that information, the nature of subject matter of the results, and the extent of Talga Gold's 22 hole RC drilling program, it is reasonable to treat the information as sufficiently reliable despite having been reported under a previous edition of the JORC Code. The work programs upon which the exploration results were based were summarised in the announcements referred to above.

The Company's intentions regarding evaluation and/or exploration work that would need to be completed to report the above exploration results in accordance with the JORC Code 2012, the timing of such work, and how the Company

would intend to fund that work, if the Proposed Transaction proceeds, are described below under "Next Steps: fast tracking scaling up mining operations".

Next steps: fast tracking scaling up mining operations

Assuming the Proposed Transaction is complete, the Board intends to move quickly to undertake further work with a view to potentially proving up a resource and scale up mining operations at the Tambina project, considering:

- The evidence suggests there is significant potential to host a sizeable palaeo-place gold deposit; and
- Due to the project being covered by three granted mining leases, timeframes and budgets to expand operations are materially reduced relative to peers at the pre-exploration phase.

To expedite this objective, the next most important phase is further detailed geological work to locate the highest-grade areas within the Tambina project (see examples Figure 4). This will initially involve reviewing all past work and then conducting a ground geophysical survey to locate the areas of greatest pyrite concentrations. Note, pyrite is an excellent electrical conductor and strongly associated with gold mineralisation.

FIGURE 4: ROCKCHIP SAMPLE AND OUTCROPPING AT TAMBINA PROJECT





While some sites preliminary drill holes have already been identified, by the vendor further work needs to be undertaken to ensure these are optimal. Once finalised a drilling program will be rolled out to investigate the degree of gold mineralisation.

Progressing gold mining operations on two fronts

Strategically, West Wits will now be progressing to expand and scale up gold mining operations at its Witwatersrand Basin and Tambina assets. There is significant potential to expand the resource size at both project areas.

Once the Mt Cecelia project area is granted, then the geology team will commence executing a thorough exploration program to understand the degree of conglomerate gold mineralisation and put plans in place for a future drilling program.

Consideration

The consideration payable by West Wits for the purchase of all of the issued share capital in Tambina will be made up of the following:

1. A non-refundable cash payment of $100,000 upon execution of the Terms Sheet;

2. A further cash payment of $200,000 upon completion of the acquisition;
3. 70,000,000 fully paid ordinary West Wits shares to be issued at completion of the acquisition to the Tambina vendors at a deemed issue price of $0.022 (2.2 cents) per share;
4. Up to a further 30,000,000 fully paid ordinary West Wits shares upon the satisfaction of certain milestones described further in Annexure A; and
5. The grant of an aggregate net smelter royalty of 2% of net revenue from production within the three mining leases.

Capital raising

West Wits has received confirmation from CPS Capital Group Pty Ltd ("CPS Capital") of the receipt of commitments for a further capital raising by way of a placement of fully paid ordinary West Wits shares to sophisticated investors who do not require disclosure under Chapter 6D of the Corporations Act at an issue price of $0.022 (2.2 cents) per share to raise approximately $500,000 (which will be pursued regardless of whether the proposed acquisition of Tambina proceeds).

The placement will be undertaken in two tranches, being:

1. Tranche 1 to raise approximately $315,000 via the issue of fully paid ordinary West Wits shares to be issued without shareholder approval under the Company's remaining 7.1 and 7.1A capacity (12,254,025 shares will be issued under Listing Rule 7.1 and 2,064,156 shares will be issued under Listing Rule 7.1A); and

2. Tranche 2 to raise approximately $185,000 via the issue of fully paid ordinary West Wits shares to be issued subject to the Company's 7.1 and 7.1A capacities being sufficiently refreshed at the Company's upcoming Annual General Meeting scheduled to be held on 29 November 2017.

The Company executed a mandate agreement for CPS Capital to undertake the capital raising on a best endeavours basis. CPS Capital will be paid fees equating to 6% of the funds raised.

Pro-forma capital structure

The indicative capital structure of the Company following the acquisition of Tambina (including all of the milestone shares forming part of the acquisition consideration) and the placement is as set out below:

Event	Number of Shares
Current fully paid ordinary shares	619,438,589
Proposed Transaction vendor shares	70,000,000
Milestone shares (subject to satisfaction of relevant milestone)	30,000,000
Tranche 1 Placement shares	14,318,182
Tranche 2 Placement shares	8,409,091
Total	**742,165,862**

Notes to table: The Company has also agreed to issue up to 35,000,000 fully paid ordinary shares to the vendors of Northern Reserves Pty Ltd upon the satisfaction of certain milestones. Further details of the Company's acquisition of Northern Reserves Pty Ltd can be found in the Company's announcement to ASX of 25 October 2017.

Indicative timetable

The indicative timetable for the Proposed Transaction and the placement is set out in the table below:

Event	Date
Execution of Terms Sheet	20 November 2017
Tranche 1 Placement shares issued	29 November 2017
2017 Annual General Meeting of West Wits	29 November 2017
Tranche 2 Placement shares issued	4 December 2017
Due Diligence Date for Proposed Transaction	20 December 2017
Anticipated completion	22 January 2018

Notes to table: The dates in the above table are indicative only and may change without notice.

Proposed issues of shares and options to Directors and Consultants

Shares

In order to maximise the preservation of cash for the Company's activities, the Directors have agreed, subject to shareholder approval being received by the end of January 2018 to accept shares in partial reduction of past fees and other remuneration.

None of the Directors have been paid fees or other remuneration for a lengthy period. Rather than using funds which will be received from investors to pay outstanding remuneration, a total of 6,818,182 shares will be issued, calculated on the basis that at the 2.2 cent capital raising price that number of shares would have been required to be issued to fund payment in cash.

The Directors have agreed not to require payment of their outstanding entitlements while shareholder approval is sought, in order to accommodate the requirement that shareholder approval is obtained to comply with the listing rules and to avoid the costs of an additional meeting, to enable that approval to be sought at the meeting which will be called to seek approvals for the Proposed Transaction. Mr Pretorius' and Mr Scholes' participation is subject to confirming all relevant regulatory requirements applicable to them are satisfied.

Subject to receiving shareholder approval, shares are proposed to be issued as follows:

Director (and/or nominee(s))	***Number of shares***
Michael Quinert	2,272,727
Vincent Savage	2,272,727
Niel Pretorius	1,136,364
Hulme Scholes	1,136,364
TOTAL	**6,818,182**

The shares would be issued to the above Directors (or their nominee(s)) without requiring a prospectus or other disclosure document. The purpose of and consideration for the issues would be the discharge of approximately $150,000 of outstanding remuneration.

Further details will be included in the notice of meeting.

Options

As part of incentivising two Executive Directors and a consultant, it is proposed to issue up to a total of 29 million options having an exercise price of 5 cents (an approximately 72.4% premium to the last closing price of the Company's shares before this the date of announcement) and expiring five years after issue.

12 million of the options are proposed to be issued to a long term geological consultant to the Company, Dr Andrew Tunks. These options would be issued without further shareholder approval if the Company has sufficient capacity to do so following the AGM, or after obtaining shareholder approval at the subsequent general meeting referred to above if not. The options issued to Dr Tunks (and/or his nominee(s)) would, subject to the terms of the options set out in Appendix 2, vest as follows:

Vesting	***Number of options***
Upon issue	4,000,000
9 months after issue	4,000,000
18 months after issue	4,000,000
TOTAL	**12,000,000**

The issue of the balance of 17 million options to two Directors (or their respective nominee(s) will be subject to shareholder approval being obtained at the general meeting referred to above. These options would be issued to two executive directors and, subject to the terms of the options set out in Appendix 2, would vest as follows:

Director (and/or nominee(s))	***Vesting on issue***	***Vesting 9 months after issue***	***Vesting 18 months after issue***	***Total***
Michael Quinert	4,000,000	4,000,000	4,000,000	12,000,000
Vincent Savage	2,000,000	1,500,000	1,500,000	5,000,000
TOTAL	**6,000,000**	**5,500,000**	**5,500,000**	**17,000,000**

The options would be issued as incentive remuneration, for nil cash consideration, without requiring a prospectus or other disclosure document. Further details will be included in the notice of meeting.

The Company also intends to issue 10,000,000 options to Hartleys Limited (or its nominees) in consideration of consultancy advice in relation to market research, opportunity identification and market promotion and assistance. The options will have an exercise price of 5 cents per option, an expiry date of 30 November 2020 and otherwise not be subject to vesting conditions. These options would be issued without further shareholder approval if the Company has sufficient capacity to do so following the AGM, or after obtaining shareholder approval at the subsequent general meeting referred to above if not.

For and on behalf of the Board



Michael Quinert
Chairman
West Wits Mining Limited

For further information visit: www.westwitsmining.com
Or Contact
Tim Chapman Telephone: +61 3 8692 9049

Competent Persons Statement

The information in this announcement that relates to exploration results is based on and fairly represents information and supporting documentation prepared and/or compiled by Mr Brian Richardson, a Competent Person who is a Member of the Australian Institute Of Mining and Metallurgy, which information is stated by him to be an accurate representation of the available data and studies for the Tambina project.

Mr Richardson is a consulting geologist to Tambina Gold Pty Ltd, owner of the mining leases comprising the Tambina project and the entity which the Company will acquire if the Proposed Transaction is completed. Mr Richardson will be a financial beneficiary if the Proposed Transaction is completed and Tambina Gold Pty Ltd is sold to the Company (i.e. if the Proposed Transaction is completed).

Mr Richardson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Richardson consents to the inclusion in announcement of the matters based on his information in the form and context in which it appears.

APPENDIX A: KEY TERMS OF PROPOSED ACQUISITION

West Wits has entered into a binding Terms Sheet with Tambina and a director and shareholder of Tambina setting out the terms of the proposed acquisition of Tambina (referred to in this Appendix as the "Proposed Transaction").

The key terms of the Proposed Transaction are as follows:

1. Completion of the Proposed Transaction is conditional upon each of the following being satisfied (each being a Condition):
    a. **Due Diligence**: West Wits completing and being reasonably satisfied with the outcome of due diligence investigations by the date which is 30 days after the date of the Terms Sheet.
    b. **Formal Documentation:** The execution of formal documentation as contemplated by the date for completion of due diligence.
    c. **Mining Leases**: None of the three mining leases being withdrawn or revoked by the relevant statutory bodies prior to completion of the Proposed Transaction.
    d. **Regulatory Consents**: Any approval or waiver required by, or to be given by, ASIC/Corporations Act, ASX/ASX Listing Rules, any third parties or governmental authorities in connection with the Proposed Transaction having been obtained on terms reasonably satisfactory to West Wits.

e. **Material Adverse Event**: There being no material adverse event occurring prior to the date of completion of the Proposed Transaction which adversely affects the rights or interests proposed to be acquired by West Wits under the Terms Sheet.

The parties will act in good faith and provide reasonable assistance to each other as necessary to seek to enter into all formal documentation required and satisfy the Conditions and complete the Proposed Transaction as expediently as possible. Unless otherwise agreed by the parties, if West Wits has not indicated that the due diligence investigations are satisfactory or if all Conditions are not satisfied within 60 days of the date of the Terms Sheet, then either party may terminate the Terms Sheet by written notice to the other.

2. **Consideration:** The purchase price of the vendors' Tambina shares will be paid by way of the issue/ grant of:
    a. A non-refundable cash payment of $100,000 on execution of the Terms Sheet;
    b. A cash payment of $200,000 on completion of the Proposed Transaction;
    c. 70,000,000 fully paid ordinary WWI shares at a deemed issue price of $0.022 (2.2 cents) per share issued on completion of the Proposed Transaction;
    d. A further 30,000,000 fully paid ordinary WWI shares issued in the following tranches and upon the satisfaction of the following milestones:
        i. 15,000,000 fully paid ordinary WWI shares issued upon WWI's total ground exploration expenditure in relation to the Tambina mining leases reaching $300,000; and
        ii. 15,000,000 fully paid ordinary WWI shares issued upon the delineation of an Inferred Mineral Resource (as defined by The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of at least 50,000 ounces of gold on the Tambina mining leases,

    with the parties agreeing to act reasonably to refine or amend the above milestones as necessary to satisfy the ASX of the suitability of same; and
    e. The grant of an aggregate net smelter royalty of 2% of net revenue from production within the mining leases.
3. **Warranties:** The parties have **agreed** that the formal document will contain warranties that are customary to a transaction of this nature.
4. **Exclusivity:** During the term of the Terms Sheet, the parties to the Terms Sheet must not enter into negotiations or take action to enter into certain transactions which deal with the rights and interests relevant to the Proposed Transaction.
5. **Maintaining the status quo:** During the **exclusivity** period, West Wits and Tambina agree (amongst other things) to manage, operate and conduct their respective businesses with all due care in accordance with normal practice and in compliance with all applicable laws and to use their best endeavours to maintain the value of their respective business and assets. Tambina also agrees not to enter into any material contract or incur any material liability, declare any dividends or vary its capital structure without the prior written consent of West Wits.

Otherwise, the Terms Sheet contains clauses typical for binding agreements of this nature.

APPENDIX B – PROPOSED OPTION TERMS

(a) Each option entitles the holder to acquire one ordinary fully paid share in the capital of the West Wits Mining Limited [ABN 89 124 894 060] ("the Company).

(b) The exercise price is 5 cents ($0.05) per option, payable in full on exercise.

(c) The Options will vest as provided for in the terms of issue *[described in the announcement of which this Appendix B forms part]* provided that any unvested Options will vest immediately upon:

(i) a notice or purported notice under section 203D or 249N of the Corporations Act 2001 (Cth) ("the Act") is received by the Company, or a general meeting is called or purported to be called under section 249F of the Act, in respect of the proposed removal of any Director (whether or not in combination with, or dependent upon, any other matter); or

(ii) a takeover bid (within the meaning of the Act) being made, or any person stating or implying that it intends to make a takeover bid, in respect of any securities of the Company.

Unvested Options will lapse and not be capable of being exercised if the Director resigns or retires as a Director other than where required to resign or retire by rotation at an annual general meeting.

(d) Vested options are exercisable at any time prior to 5:00 pm Melbourne time on the date 5 years after the issue of the options ("the Expiry Date") by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the options are exercised to the registered office of the Company. Any option that has not been exercised prior to the 5:00pm Melbourne time on Expiry Date automatically lapses.

(e) Subject to the Corporations Act, the ASX Listing Rules, and the Constitution of the Company, vested options are freely transferable.

(f) All Shares issued upon exercise of vested options will rank *pari passu* in all respects with, and will have the same terms as, the Company's then issued fully paid ordinary shares. The Company will apply for official quotation by ASX of all shares issued upon valid exercise of options.

(g) An option will not give any right to participate in dividends until Shares are issued pursuant to the exercise of a vested option.

(h) There are no participation rights or entitlements inherent in the options. Option holders are not entitled to participate in new issues of securities offered to shareholders without first exercising vested options. Subject to any waiver granted by ASX, the Company will send notices to holders of vested options at the time required by the Listing Rules prior to the record date applying to offers of securities made to shareholders during the currency of the options.

(i) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of options or the exercise price of the options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction. An option does not otherwise 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.