

Tawana Resources NL
(Incorporated in Australia)
(Registration number ACN 085 166 721)
Share code on the JSE Limited: TAW
ISIN: AU000000TAW7
Share code on the Australian Stock Exchange Limited: TAW
ISIN: AU000000TAW7
("Tawana" or "the Company")

Section 708 Notice

Tawana Resources NL (ASX: TAW) - Secondary Trading Notice Pursuant To Section 708A(5)(E) Of The Corporations Act 2001

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("**Act**").

The Company has issued options to acquire ordinary fully paid shares in the capital of the Company ("**Securities**") as per the Appendix 3B lodged with the ASX today.

The Company advises that the Securities were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Act.

As at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Act.

For further information:

Winton Willesee
Joint Company
Secretary
Tawana Resources NL

12 February 2014

Sponsor
PricewaterhouseCoopers Corporate Finance (Pty) Ltd

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

TAWANA RESOURCES NL

ABN

69 085 166 721

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1 +Class of +securities issued or to be issued	Class C Incentive Options (3.9c, 20 Jan 2017) Class D Incentive Options (4.2c, 7 Feb 2017)
2 Number of +securities issued or to be issued (if known) or maximum number which may be issued	1 million Class C Incentive Options (3.9c, 20 Jan 2017) 5 million Class D Incentive Options (4.2c, 7 Feb 2017)
3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Terms and conditions of Class C and Class D Incentive Options are attached.
4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: – the date from which they do – the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment – the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No – the Class C and Class D Incentive Options represent new classes of securities. Shares issued upon the exercise of the incentive options and placement options will rank equally with existing fully paid ordinary shares.
5 Issue price or consideration	Incentive Options were issued for nil cash consideration as part of the remuneration package offered to certain Company employees.

6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Incentive Options were issued for nil cash consideration as part of the remuneration package offered to certain Company employees.	
6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes	
6b The date the security holder resolution under rule 7.1A was passed	31 May 2013	
6c Number of +securities issued without security holder approval under rule 7.1	1 million Class C Incentive Options (3.9c, 20 Jan 2017) 5 million Class D Incentive Options (4.2c, 7 Feb 2017)	
6d Number of +securities issued with security holder approval under rule 7.1A	Nil	
6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f Number of securities issued under an exception in rule 7.2	Nil	
6g If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	N/A	
6h If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	177,844,356 remaining under LR7.1 122,562,904 remaining under LR7.1A	
7 Dates of entering +securities into uncertificated holdings or despatch of certificates	12/02/2014	
8 Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
	1,225,629,043	Ordinary Fully Paid Shares
9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	Number	+Class
	25,000,000	Options (1c, 8 Mar 2014)
	5,000,000	Options (5c, 9 Sept 2014)
	1,250,000	Options (5c, 10 Nov 2015)
	28,500,000	Options (3.6c, 30 April 2015)
	10,000,000	Options (1.8c, 12 Dec 2016)

	10,000,000 10,000,000 10,000,000 31,500,000 10,000,000 1,000,000 5,000,000	Class A Performance Options Class B Performance Options Class C Performance Options Class A Incentive Options (1.5c, 12 Dec 2016) Class B Incentive Options (4.6c, 12 Dec 2016) Class C Incentive Options (3.9c, 20 Jan 2017) Class D Incentive Options (4.2c, 7 Feb 2017)
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged	

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or nonrenounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19 Closing date for receipt of acceptances or renunciations	
20 Names of any underwriters	
21 Amount of any underwriting fee or commission	
22 Names of any brokers to the issue	
23 Fee or commission payable to the broker to the issue	
24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25 If the issue is contingent on +security holders' approval, the	

date of the meeting	
26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28 Date rights trading will begin (if applicable)	
29 Date rights trading will end (if applicable)	
30 How do +security holders sell their entitlements <i>in full</i> through a broker?	
31 How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32 How do +security holders dispose of their entitlements (except by sale through a broker)?	
33 +Despatch date	

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000

100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought					
39 Class of +securities for which quotation is sought					
40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?					
If the additional securities do not rank equally, please state: – the date from which they do – the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment – the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41 Reason for request for quotation Now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class				

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

– The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

– There is no reason why those +securities should not be granted +quotation.

– An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of

the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

– Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

– If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: _____ Date: 12 February 2014
(Company secretary)

Print name: Winton Willesee

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital		
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated		
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue		876,629,043
Add the following: - Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid ordinary securities that became fully paid in that 12 month period <i>Note:</i> - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	25/02/2013	50,000,000
	13/08/2013	50,000,000
	18/10/2013	244,000,000
	18/12/2013	5,000,000
Subtract the number of fully paid ordinary securities		-

cancelled during that 12 month period	
"A"	1,225,629,043
Step 2: Calculate 15% of "A"	
"B"	0.15 <i>[Note: this value cannot be changed]</i>
Multiply "A" by 0.15	183,844,356
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> - <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> - <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> - <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
"C"	6,000,000
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15	183,844,356
<i>Note: number must be same as shown in Step 2</i>	
Subtract "C" <i>Note: number must be same as shown in Step 3</i>	
Total ["A" x 0.15] – "C"	177,844,356
	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,225,629,043
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	122,562,904
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	-
“E”	-

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	122,562,904
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	122,562,904

	<i>Note: this is the remaining placement capacity under rule 7.1A</i>
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Terms & Conditions
Class C Incentive Options
(3.9c, 20 January 2017)

1. General

- 1.1 No monies will be payable for the issue of the Incentive Options.
- 1.2 Each Incentive Option shall carry the right, subject to any Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- 1.3 Subject to these terms, the Incentive Options will automatically vest upon the completion of one consecutive year of full time employment with the Company (**Vesting Date**) and are exercisable at any time after the Vesting Date until 20 January 2017 (**Expiry Date**).
- 1.4 The Options are forfeited if the Incentive Optionholder's employment with the Company ceases prior to the Options vesting.
- 1.5 Incentive Options may be exercised in whole or in part in parcels. An exercise of only some Incentive Options shall not affect the rights of the party holding the Option (**Incentive Optionholder**) to the balance of the Incentive Options held by the Incentive Optionholder.
- 1.6 The exercise price of each Class C Incentive Option is AU\$0.039, being the 5 day VWAP of Shares traded on the ASX as at 20 January 2014 (**Exercise**

Price).

- 1.7 The Exercise Price for the Incentive Options shall be payable in full on exercise of those Incentive Options.
- 1.8 Incentive Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Incentive Options being exercised and must be accompanied by:
- (a) the option certificate for those Incentive Options for cancellation by the Company; and
 - (b) payment of the Exercise Price for each Share to be issued on exercise of the Incentive Options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.

- 1.9 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Incentive Options.
- 1.10 Incentive Options may be exercised into Shares to be held in the name of the Incentive Optionholder's nominee.
- 1.11 The Incentive Options are transferable with Board approval. It is not intended that an application will be made to ASX for the quotation of the Incentive Options.
- 1.12 Shares allotted pursuant to an exercise of Incentive Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.
- 1.13 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Incentive Options listed for official quotation on the ASX, if the Company is listed on the ASX at the time.
- 1.14 The Incentive Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Incentive Optionholder exercises the Incentive Options before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares. The Company must give the Incentive Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.
- 1.15 If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of

issue of the Bonus Shares.

- 1.16 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency, and prior to the exercise, of any Incentive Options, the Exercise Price of an Incentive Option and the number of Shares over which the Incentive Options are exercisable will not be adjusted.
- 1.17 If, prior to the expiry of any Incentive Options, there is a reorganisation of the issued capital of the Company, then the rights of the Incentive Optionholder (including the number of Incentive Options to which each Incentive Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- 1.18 The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.

2. Lapse of Incentive Options

- 2.1 Incentive Options not validly exercised on or before the Expiry Date will automatically lapse.
- 2.2 If at any time prior to the Expiry Date an Incentive Optionholder dies, the deceased Incentive Optionholder's legal personal representative may:
 - (a) elect to be registered as the new holder of the deceased Incentive Optionholder's Incentive Options;
 - (b) whether or not he or she becomes so registered, exercise those Incentive Options in accordance with and subject to these terms as if he were the Incentive Optionholder of them; and
 - (c) if the deceased Incentive Optionholder had already given the Company a notice of exercise of his or her Incentive Options, pay the Exercise Price in respect of those Incentive Options.
- 2.3 Subject to clause 2.4, and notwithstanding that the Board has discretion to waive this accelerated lapsing provision, in the event that the Incentive Optionholder resigns as an employee of the Company, or is terminated by the Company for any reason, the Incentive Options shall lapse 28 days following the resignation or removal.
- 2.4 Clause 2.3 does not apply if any of the following change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company:
 - (a) a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
 - (b) a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or
 - (c) a person or a group of associated persons becomes entitled to

sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

Should any of the above change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company, the Options will not lapse within 28 days of the date of cessation of the Incentive Optionholder's engagement with the Company and the respective Expiry Date referred to in clause 1.3 will apply.

Terms & Conditions Class D Incentive Options (4.2c, 7 February 2017)

1. General

- 1.1 No monies will be payable for the issue of the Incentive Options.
- 1.2 Each Incentive Option shall carry the right, subject to any Shareholder approval required under the Corporations Act or the Listing Rules, to subscribe for one fully paid ordinary share in the capital of the Company (**Share**).
- 1.3 Subject to these terms, the Incentive Options will automatically vest upon the completion of two consecutive years of full time employment with the Company (**Vesting Date**) and are exercisable at any time after the Vesting Date until 7 February 2017 (**Expiry Date**).
- 1.4 The Options are forfeited if the Incentive Optionholder's employment with the Company ceases prior to the Options vesting.
- 1.5 Incentive Options may be exercised in whole or in part in parcels. An exercise of only some Incentive Options shall not affect the rights of the party holding the Option (**Incentive Optionholder**) to the balance of the Incentive Options held by the Incentive Optionholder.
- 1.6 The exercise price of each Class C Incentive Option is AU\$0.042, being 135% of the 5 day VWAP of Shares traded on the ASX as at 7 February 2014 (**Exercise Price**).
- 1.7 The Exercise Price for the Incentive Options shall be payable in full on exercise of those Incentive Options.

1.8 Incentive Options are only exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of Incentive Options being exercised and must be accompanied by:

- (a) the option certificate for those Incentive Options for cancellation by the Company; and
- (b) payment of the Exercise Price for each Share to be issued on exercise of the Incentive Options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.

1.9 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the Incentive Options.

1.10 Incentive Options may be exercised into Shares to be held in the name of the Incentive Optionholder's nominee.

1.11 The Incentive Options are transferable with Board approval. It is not intended that an application will be made to ASX for the quotation of the Incentive Options.

1.12 Shares allotted pursuant to an exercise of Incentive Options shall rank, from the date of allotment, equally with existing Shares of the Company in all respects.

1.13 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Incentive Options listed for official quotation on the ASX, if the Company is listed on the ASX at the time.

1.14 The Incentive Optionholder is not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless the Incentive Optionholder exercises the Incentive Options before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares. The Company must give the Incentive Optionholder, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

1.15 If there is a bonus share issue (**Bonus Issue**) to the holders of Shares, the number of Shares over which an Incentive Option is exercisable will be increased by the number of Shares which the Incentive Optionholder would have received if the Incentive Option had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

1.16 If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency, and prior to the exercise, of any Incentive Options, the Exercise Price of an Incentive Option and the number of Shares over which the Incentive Options are exercisable will not be adjusted.

1.17 If, prior to the expiry of any Incentive Options, there is a reorganisation of the issued capital of the Company, then the rights of the Incentive Optionholder (including the

number of Incentive Options to which each Incentive Optionholder is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

1.18 The Incentive Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Incentive Options.

2 Lapse of Incentive Options

2.1 Incentive Options not validly exercised on or before the Expiry Date will automatically lapse.

2.2 If at any time prior to the Expiry Date an Incentive Optionholder dies, the deceased Incentive Optionholder's legal personal representative may:

- (a) elect to be registered as the new holder of the deceased Incentive Optionholder's Incentive Options;
- (b) whether or not he or she becomes so registered, exercise those Incentive Options in accordance with and subject to these terms as if he were the Incentive Optionholder of them; and
- (c) if the deceased Incentive Optionholder had already given the Company a notice of exercise of his or her Incentive Options, pay the Exercise Price in respect of those Incentive Options.

2.3 Subject to clause 2.4, and notwithstanding that the Board has discretion to waive this accelerated lapsing provision, in the event that the Incentive Optionholder resigns as an employee of the Company, or is terminated by the Company for any reason, the Incentive Options shall lapse 28 days following the resignation or removal.

2.4 Clause 2.3 does not apply if any of the following change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company:

- (a) a party acquires a relevant interest in more than 50% of the Shares in the Company under a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) a party acquires a relevant interest in more than 50% of the Company's ordinary Shares pursuant to a takeover bid; or
- (c) a person or a group of associated persons becomes entitled to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board and such changes to the Board are implemented.

Should any of the above change of control events occur subsequent to the grant of the Options but prior to the cessation of the Incentive Optionholder's engagement with the Company, the Options will not lapse within 28 days of the date of cessation of the Incentive Optionholder's engagement with the Company and the respective Expiry Date referred to in clause 1.3 will apply.