

Terms & Conditions of Partly Paid Shares

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid Shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

The following contains the full terms of the rights of the holders of Partly Paid Shares. This is not exhaustive nor does it constitute a definitive statement of the rights and liabilities attaching to Partly Paid Shares:

- a. Each Partly Paid Share is issued at a price of 20 cents of which 1 cent is paid on issue with the balance of the issue price payable at the election of the holder at any time, and subject to points (b) and (c) below.
- b. The holder shall have the right to pay calls in advance on the Partly Paid Shares issued. Any notice of payment of calls in advance by the holder (**Payment Notice**) shall be in writing and delivered to the registered office of the Company. The Payment Notice shall specify the number of Partly Paid Shares in respect of which such payment is being made, the amount per share which is being paid up, and shall be accompanied by the appropriate payment for the number of partly paid shares specified in the Payment Notice. The Directors of the Company must, within 3 days after receipt of the Payment Notice, accept payment, credit the amount paid up and issue the appropriate holding statement for fully paid shares in respect of any shares which have been fully paid up.
- c. Subject to the Corporations Act and the Company's Constitution, the Company shall only be entitled to make a call on the Partly Paid Shares on that date which is one (1) day before the five (5) years from the date of issue of the Partly Paid Shares. If a call is not paid when made, the Partly Paid Shares shall be subject to forfeiture in accordance with the procedure set out in Section 254Q of the Corporations Act.
- d. A statement of holding will be issued for the Partly Paid Shares and will be forwarded to the holder together with the terms and conditions of the Partly Paid Shares.
- e. Dividends may be declared in respect of any of the Partly Paid Shares notwithstanding that the issue price of such Partly Paid Shares has not been paid in full. The Partly Paid Shares will participate in any dividends on the same basis as if the Partly Paid Shares were fully paid.

- f. The holder will be entitled to exercise any vote attaching to a Partly Paid Share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, partly paid shares have a vote prorata to the proportion of the total issue price paid up. Amounts paid in advance of a call will be ignored when calculating the proportion.
- g. Partly Paid Shares allotted to the holder will participate in all issues of securities (including issues of shares, options and convertible notes) made to shareholders of the Company pro-rata to the proportion of the total issue price paid up. In respect of an issue of bonus securities, amounts paid in advance of a call will be ignored when calculating the proportion.
- h. The Company will ensure that, at least 6 business days before the record date to determine entitlement to any such new entitlements issue, the Company will announce to ASX details of the proposed new entitlements issue. This will afford the holder an opportunity to pay up all or some of the partly paid shares prior to the record date of any such new entitlements issue.
- i. In the event of a reconstruction (including consolidation, sub division, reduction or return) of the issued capital of the Company, the number of partly paid shares shall be reconstructed in accordance with the Listing Rules.
- j. Subject to the Partly Paid Shares becoming fully paid, the Company will apply for listing of the fully paid shares on the ASX.
- k. In the event of death of the holder, the right of the holder to pay up the Partly Paid Shares which are not at the time of the death of the holder fully paid up, will vest in the holder's executor and/or administrator as the case may be and such executor and/or administrator shall have the same rights to pay up the Partly Paid Shares as such deceased holder would have had but for the holder's death.
- l. Upon becoming fully paid, each Partly Paid Share will rank equally in all respects with the other issued fully paid ordinary shares in the Company.
- m. Subject to the ASX Listing Rules, the Partly Paid Shares, whilst partly paid, shall be capable of transfer or assignment either in whole or in part without the approval of the Directors.