

ASX Announcement

CORPORATE DIRECTORY

Chairman
PAUL KRISTENSEN

Founder, Managing Director
DAVID BUDGE

Business Development
and Marketing Director
NATHAN HENRY

Non-Executive Director
MEL ASHTON

Non-Executive Director
and Company Secretary
MATHEW WHYTE

FAST FACTS

Issued Capital: 65.4m
Quoted Options: 3.7m
Unquoted Options: 12.4m
Market Cap: \$36.6m
Cash: \$5.76m
(as at 31 March 2018)

CONTACT DETAILS

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Bibra Lake, WA
AUSTRALIA 6163

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auroralabs3d.com

ASX CODE: A3D
ACN: 601 164 505

Results of General Meeting and Issue of Securities

Aurora Labs Limited (Aurora Labs or the “Company”) is pleased to provide the results of its General Meeting (EGM) held this morning.

In accordance with ASX listing rule 3.13.2 and Section 251 AA of the Corporations Act 2001, the details of the resolutions and the proxies received in respect of each resolution are as follows:

1. Ratification of issue of New shares to Placement Participants

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
28,829,315	48,627	522,827	6,200

The motion was carried on a show of hands as an ordinary resolution.

2. Approval to issue New Options to Placement Participants

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
28,831,215	48,627	522,827	4,300

The motion was carried on a show of hands as an ordinary resolution.

3. Approval to issue New Shares and New Options under the Security Purchase Plan and Shortfall Offer

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
28,831,215	48,627	522,827	4,300

The motion was carried on a show of hands as an ordinary resolution.

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4. Approval to issue remaining New Shares and New Options following close of Shortfall Offer

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
28,833,515	48,627	522,827	2,000

The motion was carried on a show of hands as an ordinary resolution.

5. Approval to issue New Shares and New Options under the Security Purchase Plan and Shortfall Offer to a Director – Mel Ashton

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
28,778,418	105,724	522,827	None

The motion was carried on a show of hands as an ordinary resolution.

6. Approval to issue New Shares and New Options under the Security Purchase Plan and Shortfall Offer to a Director – Nathan Henry

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
27,946,267	105,724	522,827	None

The motion was carried on a show of hands as an ordinary resolution.

7. Approval to issue New Options to the Lead Manager – Hunter Capital

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
28,790,318	100,824	515,827	None

The motion was carried on a show of hands as an ordinary resolution.

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8. Issue of Employee Options to Director under Employee Incentive Plan – Paul Kristensen

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
4,003,382	61,824	522,827	40,000

The motion was carried on a show of hands as an ordinary resolution.

9. Issue of Employee Options to Director under Employee Incentive Plan – Mel Ashton

The instructions given to validly appointed proxies in respect of the resolution were as follows:

For	Against	Proxy's Discretion	Abstain
4,003,382	61,824	522,827	40,000

The motion was carried on a show of hands as an ordinary resolution.

Issue of Securities

The Company now provides an *Appendix 3B New Issue Announcement* in relation to the issue of Securities as approved by shareholders.

For further information please contact:

enquiries@auroralabs3D.com

ASX Announcement

ABOUT AURORA LABS

Aurora Labs Limited ("the Company") (ASX: A3D), an industrial technology and innovation company that specialises in the development of 3D metal printers, powders, digital parts and their associated intellectual property.

Aurora Labs is listed on the Australian Securities Exchange (ASX: A3D).

To learn more about Aurora Labs please visit: www.auroralabs3d.com

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated or at all given that many of the events are outside Aurora's control.

Accordingly, Aurora and the directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur.

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

Aurora Labs Limited

ABN

44 601 164 505

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 | a. Ordinary shares (fully paid)
b. Options (quoted)
c. Options (unquoted) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a. 132,000 Ordinary shares (fully paid)
b. 3,686,000 Options (quoted)
c. 200,000 Options (unquoted) |
| 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) | a. The shares are fully paid ordinary shares.
b. The Options (quoted) are exercisable at \$1.00 and expire at 5.00pm (WST) on 17/4/ 2020. (Refer Schedule 1)
c. The unquoted Options are exercisable at \$1.08 and expire at 5.00pm (WST) on 31/1/2021. (Refer Schedule 2) |
| 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: <ul style="list-style-type: none"> • the date from which they do | a. Shares – yes.
b. Quoted Options – no.
c. Unquoted Options – no. |

- 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

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5 Issue price or consideration

- | |
|---|
| <p>a. 132,000 Shares:</p> <ul style="list-style-type: none"> i. 122,000 at \$0.80 per share (issued pursuant to the offer under the security purchase plan made pursuant to the prospectus by Aurora dated 7/3/ 2018 (SPP)) ii. 10,000 at \$0.20 per share (issued on exercise of 10,000 unquoted options expiring 31/12/2018, A3DAH) <p>b. 3,686,000 Options (quoted):</p> <ul style="list-style-type: none"> i. 3,125,000 options – nil (issued under the placement announced by Aurora on 26/2/2018 (Placement)) as free-attaching to Placement participants’ shares, on a 1 for 2 basis) ii. 61,000 options – nil (issued as free-attaching to SPP participants’ shares, on a 1 for 2 basis) iii. 500,000 options – nil cash consideration (Issued to the lead manager of the Placement) <p>c. 200,000 unquoted Options – nil cash consideration (issued to related parties pursuant to the Company’s Employee Incentive Plan and as approved by Shareholders at general meeting on 17/4/2018)</p> |
|---|

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

<p>The funds raised under the Placement and the SPP (including any shortfall offer to the SPP) will be used to support the acceleration of the development of Aurora’s Large Format Technology and general working capital requirements.</p> <p>Refer the announcement by the Company on 26/2/2018 and 5/4/2018, and prospectus dated 7/3 2018.</p>

6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?

<p>Yes.</p>

If Yes, complete sections 6b – 6h

+ See chapter 19 for defined terms.

	<i>in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</i>	
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2017.
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable.
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Shareholder approval was granted on 17/4/2018 for the issue of the following securities: <ul style="list-style-type: none"> • 122,000 shares under the SPP • 3,686,000 Options under the SPP • 200,000 Unquoted options
6f	Number of securities issued under an exception in rule 7.2	<ul style="list-style-type: none"> • 10,000 Shares.
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.	Not applicable.
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	Not applicable.
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	LR 7.1: 9,762,665 LR 7.1A: 6,531,908
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	17/4/2018

	Number	+Class
8	33,093,575	Ordinary shares
	3,686,000	Options exercisable at \$1.00 & Expiry 17/4/2020

	Number	+Class
9	32,260,696	Ordinary Shares (restricted securities (A3DAF))
	1,010,425	Unquoted Options Exercisable at \$0.20 Expiring 31/12/2018 (A3DAH)
	9,092,500	Restricted Unquoted Options Exercisable at \$0.20 Expiring 31/12/2018 (A3DAG)
	480,000	Unquoted Options Exercisable at \$2.23 Expiring 30/11/2019 (A3DAI)
	931,000	Unquoted Options Exercisable at \$3.00 Expiring 31/03/2020 (A3DAI)
	40,000	Unquoted Options Exercisable at \$1.17 Expiring 30/06/2020 (A3DAI)
	477,000	Unquoted Options Exercisable at \$0.79 Expiring 31/08/2020 (A3DAI)
	50,000	Unquoted Options Exercisable at \$0.72 Expiring 30/09/2020 (A3DAI)
	100,000	Unquoted Options Exercisable at \$0.95 Expiring 31/07/2020 (A3DAI)
	200,000	Unquoted Options Exercisable at \$1.08 Expiring 31/01/2021 (A3DAI)

+ See chapter 19 for defined terms.

14,700,000	Performance Shares (A3DAJ): <ul style="list-style-type: none"> • 7,087,500 Class B • 7,612,500 Class C
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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) Not applicable.

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required? Not applicable.

12 Is the issue renounceable or non-renounceable? Not applicable.

13 Ratio in which the +securities will be offered Not applicable.

14 +Class of +securities to which the offer relates Not applicable.

15 +Record date to determine entitlements Not applicable.

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? Not applicable.

17 Policy for deciding entitlements in relation to fractions Not applicable.

18 Names of countries in which the entity has +security holders who will not be sent new issue documents Not applicable.

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 Not applicable.

20 Names of any underwriters Not applicable.

21 Amount of any underwriting fee or commission Not applicable.

22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable.
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable.
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	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Despatch date	Not applicable.

+ See chapter 19 for defined terms.

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 a. and b. (Only)

(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	Not applicable.	
39	Class of +securities for which quotation is sought	Not applicable.	
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	Not applicable.	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	Not applicable.	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		Not applicable.	

+ See chapter 19 for defined terms.

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:


(Director & Company Secretary)

Date: 17 April 2018

Print name: Mathew Whyte

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+ See chapter 19 for defined terms.

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	57,900,000
<p>Add the following:</p> <ul style="list-style-type: none"> • 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 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</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> 	<ul style="list-style-type: none"> • 194,000 (shares issued on 29/08/2017) • 167,500 (shares issued on 03/10/2017) • 196,075 (shares issued on 13/11/2017) • 125,000 (shares issued on 19/12/2017) • 354,500 (shares issued on 02/03/2018) • 10,000 (shares issued on 17/04/2018) on exercise of Options (LR 7.2 exception 4) • 6,250,000 (Shares issued under placement on 02/03/2018 ratified at EGM held on 17/4/2018); and • 122,000 (Shares issued under SPP on 17/04/2018 ratified at EGM held on 17/04/2018) <p style="text-align: center;">N/A</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	65,319,075

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	[Note: this value cannot be changed]
Multiply “A” by 0.15	9,797,861
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> 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> 	35,196 (shares issued on 19/12/2017)
“C”	35,196
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	9,797,861
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	35,196
Total [“A” x 0.15] – “C”	9,762,665
	[Note: this is the remaining placement capacity under rule 7.1]

+ See chapter 19 for defined terms.

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>	65,319,075
Step 2: Calculate 10% of “A”	
“D”	<i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	6,531,908
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> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

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>	6,531,908
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	6,531,908 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

Schedule 1 – Terms of New Options

1. Entitlement

Each New Option entitles the holder (**Option Holder**) to subscribe for 1 fully paid ordinary Share in the Company.

2. Exercise price

The exercise price of each New Option is \$1.00 (**Exercise Price**).

3. Expiry date

- (a) Each New Option may be exercised at any time before 5.00pm (WST) on 17 April 2020 (**Expiry Date**).
- (b) A New Option that is not exercised by the Expiry Date will automatically expire.

4. Certificate or holding statement

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of New Options issued to the Option Holder;
- (b) the Exercise Price of the New Options; and
- (c) the date of issue of the New Options.

5. Transfer

- (a) The New Options are transferable, subject to any restrictions on transfer under the Corporations Act or the Listing Rules, as applicable.
- (b) Subject to the Corporations Act or the Listing Rules, the Option Holder may transfer some or all of the New Options at any time before the Expiry Date by:
 - (i) a proper ASX Settlement transfer or any other method permitted by the Corporations Act; or
 - (ii) a prescribed instrument of transfer.

6. Instrument of transfer:

An instrument of transfer of a New Option must be:

- (a) in writing;
- (b) in any usual form or in any other form approved by the Directors that is otherwise permitted by law;
- (c) subject to the Corporations Act, executed by or on behalf of the transferor, and if required by the Company, the transferee; and
- (d) delivered to the Company, at the place where the Company's register of Option Holders is kept, together with the certificate (if any) of the New Option to be transferred and any other evidence as the Directors require to prove the title of the transferor to that New Option, the right of the transferor to transfer that New Option and the proper execution of the instrument of transfer.

7. Quotation

- (a) The Company will apply to ASX for official quotation of the New Options.
- (b) The Company will apply to ASX for official quotation of Shares issued on exercise of New Options.

8. Rights of participation

(a) New issues

- (i) The Option Holder is not entitled to participate in any new issue to the Company's shareholders of securities in the Company unless they have exercised their New Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares.
- (ii) The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

(b) Bonus issues

If the Company makes a bonus issue of Shares or other securities to shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) (**Bonus Issue**) and a Share has not been issued in respect of the New Option before the record date for determining entitlements to the Bonus Issue, then the number of underlying Shares over which the New Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the New Option before the record date for determining entitlements to the Bonus Issue.

(c) Pro rata issues

If the Company makes a pro rata issue of Shares (except a Bonus Issue) to shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) (**Pro Rata Issue**) and a Share has not been issued in respect of the New Option before the record date for determining entitlements to the Pro Rata Issue, the Exercise Price of each New Option will be reduced in accordance with the Listing Rules.

9. Reorganisation

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company (**Reorganisation**), then the rights of the Option Holder (including the number of New Options to which the Option Holder is entitled and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the Reorganisation.
- (b) Any calculations or adjustments which are required to be made will be made by the Company's Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any New Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of a New Option.

10. Exercise

- (a) To exercise New Options, the Option Holder must give the Company or its securities registry, at the same time:
 - (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of New Options being exercised and Shares to be issued;

- (ii) payment of the Exercise Price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company; and
 - (iii) any certificate for the New Options.
- (b) The Option Holder may only exercise New Options in multiples of 10,000 Options unless the Option Holder exercises all Options held by the Option Holder.
- (c) New Options will be deemed to have been exercised on the date the exercise notice is lodged with the Company or its securities registry.

11. Re-issue of certificate or holding statement:

If the Option Holder exercises less than the total number of New Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their New Option certificate (if any); and
- (b) the Company must cancel the Option certificate (if any) and issue the Option Holder a certificate or holding statement stating the remaining number of New Options held by the Option Holder.

12. Issue

- (a) The Company must issue the Option Holder the number of Shares specified in an application for exercise of New Options by the later of:
 - (i) 10 days after receiving an application for exercise of New Options and payment by the Option Holder of the Exercise Price; and
 - (ii) the last Business Day of the calendar month in which the application for exercise of New Options and payment by the Option Holder of the Exercise Price is received by the Company.
- (b) Subject to the Company's Constitution, all Shares issued on the exercise of New Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.

13. Governing law

These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

14. Amendments required by ASX

These terms and conditions of New Options may be amended as necessary by the Company's Board of Directors in order to comply with the Listing Rules or any directions of ASX (if applicable) regarding the terms and conditions of New Options.

Schedule 2 – Terms of Employee Options

1. Employee Incentive Plan

- (a) Each Employee Option is issued pursuant to the Employee Incentive Plan (**Plan**).
- (b) Terms defined in the rules of the Plan (**Rules**) will, when used in these Terms of Employee Options (**Terms**), have the same meaning given to those terms under the Rules unless expressly stated otherwise in these Terms.
- (c) Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth), will apply (subject to the conditions in that Act) to the Employee Options.

2. Entitlement

Each Employee Option entitles the holder (**Option Holder**) to subscribe for 1 Share in the Company.

3. No payment on issue

The Option Holder is not required to pay any amount on the issue of an Employee Option.

4. Exercise price

The exercise price of each Employee Option is \$1.08 (**Exercise Price**).

5. Expiry date

Each Employee Option not exercised by 5.00pm (WST) on 31 January 2021 (**Expiry Date**) will automatically lapse and terminate.

6. Certificate or holding statement

The Company must give the Option Holder a certificate or holding statement stating:

- (a) the number of Employee Options issued to the Option Holder;
- (b) the Exercise Price of the Employee Options; and
- (c) the date of issue of the Employee Options.

7. Restrictions on dealing and transfer

- (a) An Option Holder must not sell, transfer, mortgage, pledge, charge, grant a security interest over or otherwise dispose of (**Dispose**) any Employee Options, or agree to do any of the same, without the prior consent of the Board, except where such Disposal occurs by force of law.
- (b) The transfer of any Employee Option is subject to any restrictions on transfer under the Corporations Act or the Listing Rules.

8. Quotation of Employee Options

The Company will not apply for quotation of any Employee Options.

9. New issues

The Option Holder is not entitled to participate in any new issue to Shareholders of securities in the Company unless they have exercised their Employee Options before the record date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.

10. Bonus issues

If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Employee Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Employee Option is exercisable will be increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Employee Option before the record date for determining entitlements to the issue.

11. Pro rata issues:

If the Company makes a pro rata issue of Shares (except a bonus issue) to Shareholders (except an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of the Employee Option before the record date for determining entitlements to the issue, the Exercise Price of each Employee Option will be reduced in accordance with the Listing Rules.

12. Reorganisation

- (a) If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Employee Options to which the Option Holder is entitled to and the Exercise Price) will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
- (c) The Company must, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Employee Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of an Employee Option.

13. Exercise

- (a) Subject to paragraph 13(b), an Option Holder may:
 - (i) not exercise an Employee Option during the period (**Restriction Period**) commencing on the date that an Employee Option is issued and expiring on the later of:
 - A. the date that the last Vesting Condition (if any) is satisfied or waived by the Company; and
 - B. the date when the last Exercise Condition (if any) is satisfied or waived by the Company; and
 - (ii) only exercise an Employee Option after the expiry of the Restriction Period but prior to the Expiry Date.
- (b) Notwithstanding paragraph 13(a), an Employee Option may be exercised:
 - (i) in the Board's absolute discretion, at any time after a Change of Control Event has occurred;
 - (ii) at any time after the announcement of a proposed capital reorganisation referred to in paragraph 12;
 - (iii) in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
 - (iv) in the Board's absolute discretion, within 12 months, if any of the following occurs in relation to a Participant, in relation to Employee Options held by or on behalf of that Participant:

- A. the illness or incapacity of the Participant necessitating the permanent withdrawal of the Participant from the work force, as accepted to the satisfaction of the Board; or
 - B. any other circumstances which the Board considers should be treated as permanent disablement of the Participant for the purposes of the Plan.
- (c) To exercise Employee Options, the Option Holder must give the Company or its securities registry, at the same time:
- (i) a written exercise notice (in the form approved by the board of the Company from time to time) specifying the number of Employee Options being exercised and Shares to be issued;
 - (ii) payment of the Exercise Price for the Employee Options the subject of the exercise notice, by way of bank cheque or by other means of payment, approved by the Company;
 - (iii) the option certificate, or documentary evidence satisfactory to the Board that the option certificate was lost or destroyed; and
 - (iv) where required by the Company in accordance with rule 19.2 of the Rules, payment in full of the amount of Withholding Tax Amount that the Company is required to remit as a result of the exercise of the Employee Option.
- (d) Where the payment received by the Company under paragraph 13(c)(iv), those moneys will be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant as soon as reasonably practicable.
- (e) The Option Holder may only exercise Employee Options in multiples of 500 Employee Options unless the Option Holder holds less than 500 Options.
- (f) A notice of exercise in relation to any Employee Options only becomes effective when the Company has received the full amount of the Exercise Price for the number of Employee Options specified in the notice, in cleared funds.
- (g) Employee Options will be deemed to have been exercised on the date the exercise notice is lodged with the Board.

14. Re-issue of option certificate or holding statement

If the Option Holder exercises less than the total number of Employee Options registered in the Option Holder's name:

- (a) the Option Holder must surrender their option certificate (if any); and
- (b) the Company must cancel the option certificate (if any) and issue the Option Holder a new option certificate or holding statement stating the remaining number of Employee Options held by the Option Holder.

15. Issue of Shares

Within 10 days after receiving an application for exercise of Employee Options and payment by the Option Holder of the Exercise Price, the Company must issue the Option Holder the number of Shares specified in the application.

16. Equal ranking

Subject to the Company's Constitution, all Shares issued on the exercise of Employee Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary Shares of the Company at the date of issue.

17. Quotation of Shares

The Company will apply to ASX for official quotation of the Shares issued on exercise of Employee Options.

18. Bad Leaver

Each Employee Option that has not been exercised and not expired will automatically lapse and be forfeited if the Participant to which the Employee Option relates ceases employment or engagement as a Contractor with the Group Companies as a Bad Leaver.

19. Good Leaver

An Employee Option will not lapse and be forfeited if the Participant to which the Employee Option relates ceases employment or engagement as a Contractor with any Group Companies as a Good Leaver.

20. Governing law

These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.