

SHARE OPTION PLAN RULES

Resolution Minerals Ltd

ACN 617 789 732

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1 DEFINITION AND INTERPRETATION

1.1 Definition

In these Rules, unless the contrary intention appears:

“**Associate**” has the meaning given under the Corporations Act;

“**Associated Body Corporate**” means a:

- (a) related body corporate of the Company under section 50 of the Corporations Act;
- (b) body corporate that has voting power in the Company of not less than 20%; or
- (c) body corporate in which the Company has voting power of not less than 20%;

“**ASX**” means ASX Limited ABN 98 008 624 691;

“**Board**” means all or some of the directors of the Company acting as a board;

“**Business Day**” means any day that is not Saturday, Sunday or a public holiday in South Australia;

“**Change of Control**” means:

- (a) in the case of a Takeover Bid, an offeror who previously had voting power of less than 50% in the Company obtains voting power of more than 50%;
- (b) shareholders of the Company approve a proposed compromise or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies at a meeting convened by the Court pursuant to section 411(4)(a) of the Corporations Act;
- (c) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) section 414 of the Corporations Act (compulsory acquisition following a scheme or contract); or
 - (ii) Chapter 6A of the Corporations Act (compulsory acquisition of securities);
- (d) a selective capital reduction is approved by shareholders of the Company pursuant to section 256C(2) of the Corporations Act which results in a person who previously had voting power of less than 50% in the Company obtaining voting power of more than 50%; or
- (e) in any other case, a person obtains voting power in the Company which the Board (which for the avoidance of doubt will comprise those directors holding office immediately prior to the person acquiring that voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board;

“**Class Order**” means a class order published by the Australian Securities and Investments Commission;

“**Company**” means Resolution Minerals Ltd ACN 617 789 732;

“**Control**” has the meaning given to that term in section 50AA of the Corporations Act;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Eligible Employee**” means a director, senior executive or full or part time employee or contractor of the Company or an Associated Body Corporate, who is invited by the Board to participate in the Plan and is granted Options under the Plan, and includes a nominee of the director, senior executive or employee or contractor;

“**Essential Terms**” means the terms of grant of Options set out in the Schedule;

“**Exercise Price**” means in relation to a Share to be issued upon exercise of an Option the issue price of that Share;

“**Expiry Date**” means in relation to an Option the date determined by the Board, being a specified number of years after the Grant Date;

“**Grant Date**” means the date determined by the Board as the date on which an Option is granted;

“**Listing Rules**” means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any waiver by ASX;

“**Nominee**” is defined in Rule 2.4.

“**Offer**” means an offer made to an Eligible Employee to subscribe for one or more Options under the Plan as set out in an Offer Document.

“**Offer Document**” means an offer document in a form as required by the Board from time to time consistent with the Corporations Act and the Class Order.

“**Official List**” means the official list of entities that ASX has admitted and not removed;

“**Option**” means an option to subscribe for Shares which:

- (a) are granted under this Plan; or
- (b) the Board resolves to bring under the terms of the Plan in accordance with **Rule 2.10**;

“**Participant**” means an Eligible Employee to whom an Option has been granted or, following the death or bankruptcy of the Eligible Employee, his or her personal representative or trustee in bankruptcy;

“**Performance Condition**” means one or more conditions which must be satisfied or circumstances which must exist before an Option vests, as determined by the Board;

“**Performance Period**” means the period in respect of which a Performance Condition is to be satisfied;

“**Plan**” means this Share Option Plan as in force and amended from time to time;

“**Relevant Interest**” has the meaning set out in sections 608 and 609 of the Corporations Act;

“**Rules**” means these rules as altered or added to from time to time and a reference to a provision of these rules is a reference to that provision as altered or added to from time to time, and for the avoidance of doubt, includes the Essential Terms;

“**Schedule**” means the schedule to, and forming part of, these Rules;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Takeover Bid**” has the meaning given to that term in section 9 of the Corporations Act;

“**Takeover Period**” means in relation to a Takeover Bid in respect of Shares the period referred to in section 624 of the Corporations Act, provided that where a Takeover Bid is publicly announced prior to the service of a bidder’s statement on the Company in relation to that Takeover Bid, the takeover period shall be deemed to have commenced at the time of that announcement;

“**Tax Act**” means the *Income Tax Assessment Act 1997* (Cth); and

“**Vesting Date**” means the date of vesting set by the Board.

1.2 Interpretation

For the purposes of these Rules, unless the contrary intention appears:

- (a) the singular includes the plural and vice-versa;
- (b) words denoting a gender include all genders;
- (c) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (d) a reference to a related body corporate of the Company is a reference to a body corporate which is so related within the meaning of the Corporations Act;
- (e) a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements or any of them; and
- (f) any power, authority or discretion vested in the Company or the Board may be exercised at any time and from time to time and unless expressed otherwise, in their absolute discretion.

1.3 Application of subdivision 83A-C

For the purposes of sections 83A-105(4)(b)(iii) and 83A-105(6)(b)(ii) of the Tax Act, subdivision 83A-C applies to this plan (subject to the requirements of the Tax Act).

2 GRANT OF OPTIONS

2.1 General Eligibility

At any time and from time to time, the Board may in its absolute discretion offer to grant Options to an Eligible Employee (or to a nominee as the Eligible Employee directs) having regard, in each case, to:

- (a) the contribution to the Company which has been made by the Eligible Employee;
- (b) the period of employment or engagement of the Eligible Employee with the Company, including (but not limited to) the years of service by that Eligible Employee;
- (c) the potential contribution of the Eligible Employee to the Company; and
- (d) any other matters which the Board considers in its absolute discretion, to be relevant.

2.2 Offer Document

An Offer must be made using an Offer Document.

2.3 Personal Offer

Subject to Rule 2.4, an Offer is personal and is not assignable.

2.4 Renunciation

Upon receipt of an Offer, an Eligible Employee may, by notice in writing to the Board, nominate an associate (as defined in the Tax Act) of that Eligible Employee in whose favour the Eligible Employee wishes to renounce the Offer (Nominee). The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision. If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Employee will procure that the permitted Nominee accepts the Offer made to that Eligible Employee and that both the Eligible Participant and the Nominee agree to be bound by the Rules.

2.5 Acceptance Time Period

An Eligible Employee (or permitted Nominee) may only accept an Offer within the time period specified in the Offer Document.

2.6 Price of Options

Options are to be granted to Eligible Employees at a price the Board considers to be appropriate, but in any case must be for no more than nominal consideration.

2.7 Grant of Options

Subject to Rule 9.1, each Option must be granted on the terms of these Rules, including the Schedule, and each Eligible Employee will be taken to have agreed to be bound by these Rules on acceptance by that Participant of an Option.

2.8 Information to be Provided at Time of Grant

The Board must determine and advise each Eligible Employee at the time of grant of any Options the following:

- (a) the number of Options being offered (each entitling its holder to be issued one Share upon vesting and exercise of that Option);
- (b) the Expiry Date;
- (c) the Grant Date;
- (d) details of the applicable Vesting Date or Dates;

- (e) the Exercise Price;
- (f) whether the Options will be subject to a Performance Condition, and if so, details of the Performance Condition; and
- (g) any other relevant conditions to be attached to the Options (including any post exercise restrictions on dealing with Shares allocated or granted to the Participant under this Plan).

2.9 Performance Conditions

When granting Options the Board may make its vesting conditional on the satisfaction of a Performance Condition. Subject to **Rule 5**, the Board may at any time waive or change a Performance Condition in accordance with its terms or if anything happens which causes the Board reasonably to consider it appropriate to do so.

2.10 Options Previously Granted

At any time and from time to time, the Board may, with the consent of a Participant, resolve to bring options previously granted to that Participant under this Plan, provided that the terms of the options previously granted are consistent with the terms of this Plan.

2.11 Overriding Restrictions on Grant and Exercise

Notwithstanding anything else in these Rules or in the terms of any Option, an Option may not be offered, granted or exercised if to do so:

- (a) would contravene the Corporations Act or the Listing Rules; or
- (b) would contravene the local laws of, or the rules or requirements of any regulatory or statutory body in, a Participant's country of residence or in the opinion of the Board compliance with those local laws, rules or requirements would be impractical or result in any unnecessary or unreasonable expense in the circumstances.

2.12 Administrative Errors

If the Board grants an Option which is inconsistent with these Rules, the Company's constitution, the Listing Rules or any law of a jurisdiction in which a Participant resides, the Option will lapse immediately to the extent of the inconsistency.

3 MAXIMUM NUMBER OF OPTIONS

3.1 5% Limit

Subject to **Rule 3.2**, an Option may not be granted if, immediately following its grant, the Shares to be received on exercise of the Option when aggregated with:

- (a) the number of shares in the same share class which would be issued if each unvested Option granted under the Plan (provided that such Option has not lapsed) or any other employee incentive scheme of the Company were to vest and be exercised; and
- (b) the number of shares in the same class issued during the previous 3 years under the Plan or any other employee incentive scheme of the Company.

exceeds 5% of the total number of issued shares in that share class of the Company at the time the Option is granted, provided that the Board may, in its absolute discretion, increase this percentage, subject to any applicable Corporations Act, Listing Rule (including the conditions and restrictions on issuing securities in Listing Rule 7.1) or Class Order requirements.

3.2 Exceptions

When aggregating the number of shares for the purposes of **Rule 3.1**, the Company may disregard any offer made, option acquired or share issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer outside of Australia;
- (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or

- (c) an offer made under a disclosure document in accordance with Chapter 6D of the Corporations Act.

4 TERMS OF OPTIONS

4.1 Essential Terms

An Option must be granted on the Essential Terms and may be granted on such other additional terms, conditions or restrictions, not being inconsistent with these Rules or the Essential Terms, as the Board determines either generally or in relation to particular Options.

4.2 Variation of Terms

Despite anything to the contrary in these Rules, to the full extent permissible by the Listing Rules and the law, the Board may from time to time vary the terms and conditions to which an Option is subject to or any of them.

5 AMENDMENT OF RULES

5.1 Board's Powers

Subject to this **Rule 5**, the Listing Rules and the law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan (including this **Rule 5.1**).

5.2 Restrictions on Amendments

- (a) Participant consent is required for any change to the Rules or terms of any Options which prejudicially affects the rights of the Participant in relation to the Options.
- (b) Notwithstanding **Rule 5.2(a)**, the Board may change the Rules and/or the terms of any Options granted under it and need not obtain Participant consent for any changes:
- (i) to benefit the administration of the Plan;
 - (ii) to comply with or take account of the provisions of any proposed or existing legislation, Listing Rules, or regulatory practice;
 - (iii) to take account of any changes to legislation or the Listing Rules; or
 - (iv) to obtain or maintain favourable tax, exchange control or regulatory treatment of the Company, any Associated Body Corporate or any present or future Participant.

5.3 Notice

The Board is not required to give written notice of any changes made to any Participant affected.

6 COMPANY'S RIGHTS NOT WAIVED

The Company's right to terminate or vary the terms of employment or engagement of any Participant shall not be prejudiced in any way by the Company or any Participant participating in the Plan or anything contained in these Rules or both. Further, participation in the Plan and the rights or benefits of a Participant under these Rules or the inability or restricted ability of a Participant to exercise an Option or any of them, shall not be used as grounds for granting or increasing damages in any action brought by any Participant against the Company whether in respect of any alleged wrongful dismissal or otherwise.

7 SUSPENSION OR TERMINATION OF THE PLAN

The Board may suspend or terminate the Plan at any time, in which case the Company shall not make any further grants of Options under the Plan during the suspended or terminated period. However, during that period the Board shall otherwise continue to administer the Plan in accordance with these Rules until all Options have vested or lapsed.

8 ADMINISTRATION OF THE PLAN

8.1 Delegation

The Plan shall be in all respects administered under the directions of the Board or a committee of the Board. The Board or committee may appoint, for the proper administration and management of the Plan, such secretarial or executives or staff or other persons as it considers desirable and may delegate to those persons such powers and authorities (other than this power of delegation) as may be necessary or desirable for the administration and management of the Plan.

8.2 Procedures

Subject to these Rules, the Board may make such regulations and establish such procedures for the administration and management of the Plan as it considers appropriate. If any disagreement or dispute with respect to the interpretation of these Rules or the terms of grant of any Option arises, such disagreement or dispute shall be referred to the Board and the decision of the Board shall, in the absence of manifest error, be final and binding upon all parties.

8.3 Covenant or Exercise of Discretion

The Company or an Associated Body Corporate or the Board may, subject to any express provision in these Rules, the Listing Rules or the law to the contrary:

- (a) do any act, matter or thing or make any decision, determination or resolution; or
- (b) conditionally or unconditionally give or withhold any consent or approval,

as contemplated by these Rules in its absolute uncontrolled and unexaminable discretion and is not obliged to give reasons for so doing.

9 GENERAL

9.1 Waiver of Terms and Conditions

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Performance Condition) in relation to any Option granted to any Participant.

9.2 Non-Australian Residents

When an Option is granted under the Plan to a person who is not a resident of Australia, the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to any Associated Body Corporate in relation to the Option.

9.3 Governing Law

This Plan and these Rules shall in all respects be governed by and shall be construed in accordance with the laws of South Australia.

9.4 Severance

If any provision in these Rules is void, voidable by any party or illegal, it shall be read down so as to be valid and enforceable or, if it cannot be so read down, the provision (or where possible, the offending words) shall be severed from these Rules without affecting the validity, legality or enforceability of the remaining provisions (or parts of those provisions) of these Rules which shall continue in full force and effect.

9.5 Notices

Notices may be given by the Company to the Participant in the manner prescribed by the constitution of the Company for the giving of notices to members of the Company and the relevant provisions of the constitution of the Company apply with all necessary modification to notices to Participants.

9.6 Right to Accounts

The Company is not obliged to give a Participant copies of any notices, circulars and other documents sent by the Company to its shareholders until that Participant becomes a shareholder by the exercise of any vested Options.

9.7 No Representation as to Share Price

None of the Company, its directors, officers or employees represents that the Company's share price will attain, maintain or exceed the Exercise Price. A Participant who chooses to exercise any Option does so at his own risk in that he may suffer financial detriment if the Company's share price falls.

9.8 ASIC Instruments and Listing Rules

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by the Australian Securities and Investments Commission in respect of employee share plans pursuant to its power to exempt or modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.
- (b) To the extent these Rules are inconsistent with the Listing Rules, the Listing Rules will prevail.
- (c) To the extent that any covenant or other provision is deemed by this **Rule 9.8** to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

SCHEDULE

TERMS OF GRANT OF OPTIONS

1 ENTITLEMENT

- 1.1 Upon the grant of Options, a certificate or an uncertified holding statement for the Options will be issued by the Company to the Participant.
- 1.2 Each Option will entitle its holder to subscribe for and be issued, credited as fully paid, one Share (upon vesting and exercise of that Option).
- 1.3 The Exercise Price of a Share to be issued upon exercise of an Option shall be as determined by the Board (in its discretion) on or before the Grant Date provided that in no event shall the Exercise Price be less than the weighted average sale price of Shares sold on ASX during the five Business Days prior to the Grant Date or such other period as determined by the Board (in its discretion).
- 1.4 Subject to these Rules, the Company must allot and issue Shares on the exercise of Options which have vested to the Participant (or the Participant's nominee or personal representative, as the case may be) in accordance with the Listing Rules and in any event no later than 30 days after the date of exercise of the Option and shall either issue a certificate, or cause a holding statement to be issued, for Shares so issued within 5 Business Days after the date the Shares are issued.
- 1.5 Shares issued on the exercise of Options will rank equally in all respects with the existing Shares in the capital of the Company from the date of issue of those Shares, subject to the restrictions on transfer set out in **clause 6.2** of this Schedule. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of issue.
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2 OPTION CONDITIONS

2.1 Option Conditions

The Board may, or its delegate, in its absolute discretion, determine:

- (a) the time periods (if any) after which the Options granted will vest in the Participant and the percentage of Options granted which will vest at each particular time; and
- (b) any Performance Conditions which must be satisfied before the Options vest in the Participant or are otherwise exercisable by the Participant.

2.2 Performance Conditions

Where the vesting of an Option is subject to a Performance Condition, as soon as reasonably practicable after the end of the Performance Period the Board, or its delegate, will determine whether and to what extent any Performance Condition has been satisfied or waived, subject to the Participant's continued employment until the Vesting Date.

3 LAPSE OF OPTIONS

3.1 An unvested Option will immediately lapse upon the first to occur of:

- (a) its Expiry Date;
- (b) the Performance Conditions (if any) not being satisfied prior to the date specified by the Board in accordance with **Rule 2.8(f)** by which the Performance Conditions were required to be satisfied;
- (c) the transfer or purported transfer of the Option in breach of **clause 6.1** of this Schedule;
- (d) the day that is 3 months following the date the Participant (or, in the case of an Option held by a nominee, the nominating Participant) ceases to be employed or engaged by the Company or an Associated Body Corporate by virtue of the Participant resigning voluntarily and the Participant

has not recommenced employment with the Company or an Associated Body Corporate before the expiration of those 3 months;

- (e) subject to **clause 3.3(b)** of this Schedule, the day which is 3 months following the date the Participant (or, in the case of an Option held by a nominee, the nominating Participant) ceases to be employed or engaged by the Company or an Associated Body Corporate by reason of his or her death, disability, bona fide redundancy, or any other reason with the approval of the Board and the Participant has not recommenced employment with the Company or an Associated Body Corporate before the expiration of those 3 months;
- (f) termination of the Participant's (or, in the case of an Option held by a nominee, the nominating Participant's) employment or engagement with the Company or an Associated Body Corporate on the basis that the Participant acted fraudulently, dishonestly, in breach of the Participant's obligations or otherwise for cause; and
- (g) the day which is 6 months after an event which gives rise to a vesting under **clauses 4.1 to 4.4** of this Schedule.

3.2 An Option which has vested but has not been exercised will immediately lapse upon the first to occur of:

- (a) close of business on the Expiry Date;
- (b) the transfer or purported transfer of the Option in breach of **clause 6.1** of this Schedule;
- (c) termination of the Participant's (or, in the case of an Option held by a nominee, the nominating Participant's) employment or engagement with the Company or an Associated Body Corporate on the basis that the Participant acted fraudulently, dishonestly, in breach of the Participant's obligations or otherwise for cause; and
- (d) the day which is 6 months after an event which gives rise to a vesting under **clauses 4.1 to 4.4** of this Schedule.

3.3 Where a Participant (or, in the case of an Option held by a nominee, the nominating Participant) ceases to be employed or engaged by the Company or an Associated Body Corporate by reason of his or her death, disability, bona fide redundancy, or other reason with the approval of the Board, then:

- (a) if any of the Participant's Options have vested but have not been exercised, they will remain exercisable by that Participant's estate or legal representative who has been recognised by the Company as the holder of the Participant's Options in accordance with **clause 6.1** of this Schedule until the Options lapse in accordance with **clause 3.2** of this Schedule;
- (b) if any of the Participant's Options have not vested, the Board will determine as soon as reasonably practicable after the date the Participant ceases to be employed or engaged, how many (if any) of those Participant's Options will be deemed to have vested; and
- (c) to the extent to which, under **clause 3.3(b)** of this Schedule, the Participant's Options:
 - (i) are deemed to have vested, they will be exercisable by that Participant's estate or legal representative who has been recognised by the Company as the holder of the Participant's Options in accordance with **clause 6.1(b)** of this Schedule until the Options lapse in accordance with **clause 3.2** of this Schedule; and
 - (ii) are not deemed to have vested, they will lapse immediately upon the Board making its determination.

3.4 Where an Option lapses, the Company will repay to the Participant the price paid for the grant (if any) of the Options, except in the case where the Participant acted fraudulently, dishonestly, in breach of the Participant's obligations or otherwise for cause.

4 CHANGE OF CONTROL AND RECONSTRUCTION

4.1 The Board may declare that all or a specified number of any unvested Options granted to a Participant which have not lapsed under **clause 3.1** of this Schedule immediately vest if, in the opinion of the Board:

- (a) a Change of Control has occurred, or is likely to occur; and

(b) the Participant's pro-rata performance is in line with the Performance Conditions applicable to those Options (if any) during the period from the Grant Date to the date the Change of Control event occurred or the date the Board becomes aware that a Change of Control Event is likely to occur.

4.2 The Board may declare that all or a specified number of any unvested Options granted to a Participant which have not lapsed under **clause 3.1** of this Schedule immediately vest if in the opinion of the Board:

- (a) any person or corporation has a Relevant Interest in more than 90% of the Shares; and
- (b) the Participant's pro-rata performance is in line with the Performance Conditions applicable to those Options (if any) during the period from the Grant Date to the date when the person or corporation has a Relevant Interest in more than 90% of the Shares.

4.3 Subject to **clause 4.4** of this Schedule, the Board may in its absolute discretion declare the vesting of an Option during such period as the Board determines where:

- (a) the Company passes a resolution for the voluntary winding up of the Company;
- (b) an order is made for the compulsory winding up of the Company; or
- (c) the Company passes a resolution in accordance with Listing Rule 11.2 to dispose of its main undertaking.

4.4 If there is any internal reconstruction, reorganisation or acquisition of the Company which does not involve a significant change in the identity of the ultimate shareholders of the Company, this clause applies to any Option which has not vested by the day the reconstruction takes effect. The Board may declare in its sole discretion whether and to what extent Options will vest. The Board may amend (or waive) any Performance Condition as it considers appropriate, subject to all applicable laws.

4.5 The Company will notify the Participant in writing as soon as practicable after the Board declares an Option to vest pursuant to **clauses 4.1 to 4.4** of this Schedule and the Company shall confirm in the notice to the Participant the extent to which the Options held by the Participant have vested or otherwise.

4.6 A condition or restriction as to the disposal of any Options will cease to apply where there is a takeover or restructure of the Company and as a result of the takeover or restructure the holder of the Options ceases to hold them and acquires securities in another company and these securities, because of section 83A-130 of the Tax Act, are treated, for the purposes of division 83A of the Tax Act, as if they were a continuation of the Options.

5 EXERCISE OF OPTIONS

5.1 Subject to **clause 3** of this Schedule, an Option is exercisable by the holder lodging with the Company Secretary:

- (a) a notice of exercise of that Option in the form attached to this Schedule;
- (b) a cheque for the Exercise Price for each Share to be issued upon the exercise of that Option; and
- (c) the holding statement or certificate for that Option issued under **clause 1.1** of this Schedule.

In the event of the death of a holder of Options, those Options that are not transmitted in accordance with **clause 6.1(b)** of this Schedule are exercisable by the executor of the estate of the holder in the same manner as set out above.

5.2 A Participant may, subject to this **clause 5**, only exercise its Option:

- (a) subject to **clauses 4.1 to 4.4** of this Schedule, if the Option was subject to a Performance Condition, to the extent the Performance Condition was satisfied in accordance with **clause 2.2** of this Schedule;
- (b) after the Vesting Date;
- (c) before its Expiry Date; and
- (d) if the Option has not lapsed in accordance with these Rules.

- 5.3 The exercise of some Options only does not affect the Participant's right to exercise other Options at a later time. If the Participant exercises less than all Options represented by the certificate then the Company will cancel the certificate and issue a new certificate for the balance.
- 5.4 The lapse conditions imposed on the Option under these Rules cease to apply to the Shares transferred or allotted to the Participant upon exercise of the Options in accordance with these Rules.

6 TRANSFER

- 6.1 A Participant may only transfer an Option granted under the Plan:
- (a) with the consent of the Board; or
 - (b) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- 6.2 A Participant may not transfer any Shares issued under the Plan without the prior consent of the Board until the expiration of the period (if any) advised to the Participant under **Rule 2.8(g)** at the time of grant of the Option.

7 QUOTATION OF OPTIONS AND SHARES

- 7.1 Options will not be listed for quotation on the ASX, however, the Company will apply for official quotation of the Shares issued upon the exercise of any vested Options to ASX and to each other stock exchange on which Shares are listed at that time.
- 7.2 Notwithstanding **clause 7.1** of this Schedule, the Shares issued on the exercise of vested Options will be subject to the transfer restrictions set out in **clause 6.2** of this Schedule and may not be traded on the ASX while those transfer restrictions apply.

8 FUTURE ISSUES OF SECURITIES

8.1 New Issues

There are no participating rights or entitlements inherent in the Options and Participants will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that the record date for determining entitlements to any such issue will be at least 5 Business Days after the issue is announced so as to afford Participants the opportunity to exercise all Options which they are entitled to exercise pursuant to these Rules prior to the date for determining entitlements to participate in any such issue.

8.2 Rights Issues

In the event the Company is listed on the ASX and offers a pro rata issue of securities to holders of Shares, the Exercise Price in respect of any unexercised Options may be adjusted in accordance with the adjustment formula for pro rata issues set out in the Listing Rules at the time when the Options were granted under this Plan. If the Company is not listed on the ASX at the time of the pro rata issue, the Exercise Price will be adjusted in such manner determined as fair by the Board in its absolute discretion.

8.3 Bonus Issues

In the event the Company makes a bonus issue of securities to holders of Shares, the rights of a Participant in respect of an unexercised Option will be modified such that the Participant will receive, upon exercise of an Option, one Share plus such additional securities which the Participant would have received had the Participant been entitled to participate in the bonus issue by virtue of its holding of an Option.

9 RECONSTRUCTION OF CAPITAL

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each Participant

is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board which complies with the provisions of the Listing Rules.

10 NATURE OF RIGHTS

A Participant does not have a legal or beneficial interest in any Shares by virtue of acquiring or holding an Option. A Participant's rights under the Options are purely contractual and personal. In particular, a Participant is not entitled to participate in or receive any dividend or other shareholder benefits until its Options have vested and been exercised and Shares have been allocated to the Participant as a result of the exercise of those Options.

11 ASSIGNMENT OF OPTIONS DURING TAKEOVER PERIOD

Subject to **clause 6.1** of this Schedule, a Participant may not assign or transfer an Option except during a Takeover Period, in which case the Options may only be transferred by the Participant to the bidder or its nominees in accordance with the Corporations Act.

12 RISK OF FORFEITURE

A Share issued to a Participant on the exercise of an Option is issued to a Participant on the terms that it will be forfeited upon the Participant perpetrating fraud as against the Company or an Associated Body Corporate, acting dishonestly or committing a breach of the Participant's obligations to Company or an Associated Body Corporate.

12.1 When risk of forfeiture ceases

The right of the Company to cause a Share held by a Participant to be forfeited extinguishes:

- a) upon the termination of employment of the Participant other than for fraud, dishonesty or a breach of the Participant's obligations to Company or an Associated Body Corporate;
- b) upon the sale or transfer of the Share by the Participant to a third party;
- c) on the day after a period of 7 years from the date of grant of the Option upon the exercise of which the Share was granted.

12.2 Company to notify and record forfeiture

When a Share is forfeited, the Company must:

- a) notify the Participant that the Share is forfeited; and
- b) record the forfeiture and date of forfeiture in the register of shareholders.

A failure to do this does not invalidate the forfeiture.

12.3 Consequences of forfeiture

The forfeiture of a Share extinguishes:

- a) the Participant's interest in the Share; and
- b) all claims against the Company in respect of the Share, including (without limitation) all dividends presently payable by the Company on the Share.

12.4 Disposal of forfeited Share

Subject to the Listing Rules:

a) the Participant grants to the Board an irrevocable power of attorney to sell, dispose, transfer or otherwise deal with a forfeited Share on any terms and in any way the Board may decide, with such power able to be exercised by the Board in the event that the Share is liable to be forfeited; and

b) if the Board sells, disposes, transfers or otherwise deals with a forfeited Share, then the Participant acknowledges and agrees that they are not entitled to any proceeds in respect of such dealing, and the Board and the Company is not under any obligation to act in the interests of the Participant in respect of such dealing and the Company may retain all net proceeds (if any) of any such dealing.

12.5 Waiver by Board

The Board may:

a) waive any of the rights of the Company under this clause; or

b) before any sale, disposal, transfer or other dealing of a forfeited Share, declare the forfeiture void on any terms the Board decides.

ATTACHMENT TO SCHEDULE

Form of Notice of Exercise

The Company Secretary
Resolution Minerals Ltd
Level 4, 29-31 King William Street
ADELAIDE SA 5000

Dear Sir/Madam

[Name of Optionholder] hereby gives notice of the exercise of **[number of Options]** granted pursuant to the Company's Share Option Plan and exercisable at **[\$*]**.

The certificate for these Options, along with a cheque made payable to "Resolution Minerals Ltd" for **[\$*]** (being the total of the exercise price payable on the exercise of these Options), is enclosed.

By lodging this Notice of Exercise and cheque for the exercise money the Optionholder hereby:

1. Applies for the number of Shares equivalent to the number of Options exercised;
2. Agrees to be bound by the constitution of the Company; and
3. Acknowledges that he/she received a copy of the Company's Share Option Plan attached to this Notice of Exercise before exercising his/her Options.

Individual:

Signed by [OPTION HOLDER] in the presence of:

Signature of Witness

Name of Witness (print)

Company:

**Executed by RESOLUTION MINERALS LTD
ACN 617 789 732** in accordance with section 127 of the
Corporations Act 2001 (Cth) by or in the presence of:

Director Signature

Secretary/Director Signature

Name of Director (print)

Name of Secretary/Director (print)