



12. ADDITIONAL INFORMATION

12.2 OPTION TERMS

At the date of ASX listing the Company will have the following Options on issue.

Type	Total Number of Options ^{1 and 2}	Vesting Hurdle	Exercise Price	Expiry Date
Series A Options ¹	11,500,000	Nil (at ASX listing)	25 cents	31 December 2017
Series C Options	5,250,000	Vest 6 months after admission to the Official List of ASX provided the Option holder (or nominee) has continued to be engaged as an employee, contractor, consultant or Board member of the Company prior to the vesting date	25 cents	31 December 2018
Series D Options	5,250,000	Vest 18 months after admission to the Official List of ASX provided the Option holder (or nominee) has continued to be engaged as an employee, contractor, consultant or Board member of the Company prior to the vesting date	40 cents	31 December 2019
Series E Options	10,000,000	Nil	30 cents	31 December 2018

1. The Series A Options are primary Options which upon exercise of each Series A Option result in the issue of one Share and one Series B Option (a secondary Option). A Series B Option has an exercise price of 40 cents and an expiry date of 31 December 2020. If all the Series A Options are exercised there will be 11,500,000 Series B Options on issue. The full terms of the Series B Options are set out below.
2. As set out in Sections 3.12 and 12.3, the Company intends to issue future Entitlements Options on the basis of 1 Option for every 4 Shares held at the relevant record date. Based on the Shares at ASX listing, up to 15,298,001 Entitlements Options will be issued.



The terms of each of the Series A Options, Series B Options, Series C Options, Series D Options and Series E Options are set out below.

Series A Options

- (a) Each Option entitles the holder to one Share (fully paid ordinary share).
- (b) The exercise price of the Options is 25 cents.
- (c) The Options vest upon the Company being admitted to the Official List of ASX.
- (d) Subject to the vesting hurdle being met, the Options are exercisable at any time prior to 5.00 pm WST on 31 December 2017 (Expiry Date).
- (e) The Options are only transferable with Board approval and are subject to any ASX escrow restrictions. The Options are not intended to be quoted.
- (f) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (g) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued with:
 - (1) one Share ranking equally with the then issued Shares; and
 - (2) one Series B Option (or secondary Option).
- (h) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (i) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the 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 profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (j) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

Series B Options

- (a) Each Option entitles the holder to one Share (fully paid ordinary share).
- (b) The exercise price of the Options is 40 cents.
- (c) The Options are exercisable at any time prior to 5.00 pm WST on 31 December 2020 (Expiry Date).
- (d) The Options are only transferable with Board approval and are subject to any ASX escrow restrictions. The Options are not intended to be quoted.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued with a Share ranking equally with the then issued Shares.
- (g) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is



announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

- (h) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the 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 profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

Series C Options

- (a) Each Option entitles the holder to one Share (fully paid ordinary share).
- (b) The exercise price of the Options is 25 cents.
- (c) The Options vest 6 months after the Company is admitted to the Official List of ASX provided that the Option holder (or nominee) has continued to be engaged as an employee, contractor, consultant or Board member of the Company prior to the vesting date.
- (d) Subject to the vesting hurdle being met, the Options are exercisable at any time prior to 5.00 pm WST on 31 December 2018 (Expiry Date).
- (e) The Options are only transferable with Board approval and are subject to any ASX escrow restrictions. The Options are not intended to be quoted.
- (f) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (g) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (h) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (i) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the 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 profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (j) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

Series D Options

- (a) Each Option entitles the holder to one Share (fully paid ordinary share).
- (b) The exercise price of the Options is 40 cents.
- (c) The Options vest 18 months after the Company is admitted to the Official List of ASX provided that the Option holder (or nominee) has continued to be engaged as an employee, contractor, consultant or Board member of the Company prior to the vesting date.

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- (d) Subject to the vesting hurdle being met, the Options are exercisable at any time prior to 5.00 pm WST on 31 December 2019 (Expiry Date).
- (e) The Options are only transferable with Board approval and are subject to any ASX escrow restrictions. The Options are not intended to be quoted.
- (f) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (g) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (h) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (i) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the 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 profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (j) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

Series E Options

- (a) Each Option entitles the holder to one Share (fully paid ordinary share).
- (b) The exercise price of the Options is 30 cents.
- (c) The Options are exercisable at any time prior to 5.00 pm WST on 31 December 2018 (Expiry Date).
- (d) The Options are freely transferable and are subject to any ASX escrow restrictions.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (g) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the 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 profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.



12.3 ENTITLEMENTS OPTIONS ISSUE

The Company intends to undertake a non-renounceable entitlements issue of Entitlements Options to registered Shareholders at a time approximately 3 months after admission to the Official List. The Entitlements Options are intended to be offered for subscription at a price of 1 cent each and on the basis of 1 Entitlements Option for every 4 Shares held. The Entitlements Option will have an exercise price of 30 cents and an expiry date of 31 December 2018.

It is proposed that all Shareholders registered on the applicable record date and resident in Australia or New Zealand will be entitled to participate in the non-renounceable entitlements issue of Entitlements Options. A disclosure document for the issue of the Entitlements Options will be issued and mailed to eligible Shareholders. Anyone who wishes to acquire Entitlements Options will need to complete an application form which will be in or accompanying the disclosure document.

Application will be made for the Entitlements Options to be granted quotation on the ASX. Any offer will be subject to then prevailing market conditions.

Upon payment of the subscription price of 1 cent each, the terms of the Entitlements Options are the same as the Series E Options. The terms are set out below.

- (a) Each Option entitles the holder to one Share (fully paid ordinary share).
- (b) The exercise price of the Options is 30 cents.
- (c) The Options are exercisable at any time prior to 5.00 pm WST on 31 December 2018 (Expiry Date).
- (d) The Options are freely transferable. The Company will apply for quotation of the Options on ASX.
- (e) The Company will provide to each Option holder a notice that is to be completed when exercising the Options (Notice of Exercise). The Options may be exercised wholly or in part by completing the Notice of Exercise and delivering it together with payment to the secretary of the Company to be received any time prior to the Expiry Date. The Company will process all relevant documents received at the end of every calendar month.
- (f) Upon the exercise of an Option and receipt of all relevant documents and payment, the holder will be issued a Share ranking equally with the then issued Shares.
- (g) There will be no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. However, the Company will ensure that the Optionholder will be notified of a proposed issue after the issue is announced. This will give an Optionholder the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (h) If there is a bonus issue (Bonus Issue) to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder would have received if the 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 profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue, and upon issue will rank equally in all respects with the other Shares on issue as at the date of issue of the Bonus Shares.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of an Optionholder are to be changed in a manner consistent with the Listing Rules.

12.4 COMPANY TAX STATUS AND FINANCIAL YEAR

We will be taxed in Australia as a public company. Our financial year ends on 30 June annually.

12.5 DIVIDEND POLICY

We anticipate that significant expenditure will be incurred in the development of our technology. These activities are expected to dominate the two year period following the date of this Prospectus. Income growth in the form of dividends will only eventuate if our planned development of the technology is commercially successful. We have no immediate intention to declare or distribute dividends.

Any future determination as to the payment of dividends generally by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors.