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## **NEW ENERGY MINERALS LIMITED**

**ACN 090 074 785**

### **NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10.00 am

**DATE:** 19 December 2018

**PLACE:** Conference Room  
Quest East Perth  
176 Adelaide Terrace  
Perth Western Australia

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (Sydney Time) on 17 December 2018.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE TO UBEZTT (TRANCHE 1 SHARES)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 17,476,401 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 2. RESOLUTION 2 – PLACEMENT TO UBEZTT (TRANCHE 2 SHARES)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,600,522 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 3 – PLACEMENT TO UBEZTT (OPTIONS)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 23,076,923 Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY – DEBT FOR EQUITY CONVERSION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Shares to Regius Resources Group Limited (or its nominees) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of Regius Resources Group Limited (and its nominees) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 5. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS TO MVP – PROFESSIONAL SERVICES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 281,308 Shares, together with one free attaching Option for every one Share issued, on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 6 – ISSUE OF SHARES TO STOCKS DIGITAL – SERVICES

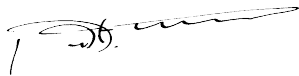
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 440,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Dated: 19 November 2018**

**By order of the Board**



**Robert Marusco  
Company Secretary**

**Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

**Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9217 2400.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE TO UBEZTT (TRANCHE 1 SHARES)

#### 1.1 General

As announced by the Company on 7 November 2018, the Company has entered into an agreement with a strategic investor, UBezTT International Investment Holdings (BVI) Ltd (**UBezTT**), pursuant to which UBezTT agreed to make a strategic equity investment in the Company (**NXE Placement**) with the option to also make a project level investment in the Company's wholly owned subsidiary, Balama Resources Pty Ltd, which holds the Company's interest in the Caula Vanadium-Graphite project (**Strategic Investment Agreement**).

The terms of the NXE Placement include the offer of 23,076,923 Shares to UBezTT at an issue price of A\$0.065 per Share to raise a total of A\$1,500,000, together with one free attaching unlisted Option for every one Share subscribed for and issued under the NXE Placement. Pursuant to the Strategic Investment Agreement, the issue of Shares to UBezTT under the NXE Placement is to be undertaken in two tranches:

- (a) an initial tranche of 17,476,401 Shares, which were issued pursuant to the Company's capacity under ASX Listing Rule 7.1 on 9 November 2018 raising A\$1,135,966 (**Tranche 1 Shares**); and
- (b) 5,600,522 Shares are to be issued following receipt of the Shareholder approval sought under Resolution 2 of this Notice, to raise the remaining \$364,034 (**Tranche 2 Shares**).

The NXE Placement will see UBezTT (and/or its nominees) acquire a shareholding of approximately 15.4% of the Company's issued capital following completion (assuming no other Shares are issued, Options or other convertible securities exercised or converted, and the relevant Shareholder approvals are obtained).

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Tranche 1 Shares (**Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of the Tranche 1 Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## **1.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification, the subject of Resolution 1:

- (a) 17,476,401 Shares were issued;
- (b) the issue price was A\$0.065 per Share;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to UBezTT pursuant to the Strategic Investment Agreement. UBezTT is not a related party of the Company; and
- (e) the funds raised from this issue will be utilised for the Caula project assays, metallurgical testing, pre-feasibility study, preparation work for Caula project phase 1 production and general working capital.

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## **2. RESOLUTION 2 – PLACEMENT TO UBEZTT (TRANCHE 2 SHARES)**

### **2.1 General**

Resolution 2 seeks Shareholder approval for the proposed issue of the Tranche 2 Shares, as set out in section 1.1 above, to raise up the remaining \$364,034 under the NXE Placement.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Tranche 2 Shares pursuant to the NXE Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### **2.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Shares, the subject of Resolution 2:

- (a) the maximum number of Shares to be issued is 5,600,522;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be A\$0.065 per Share;
- (d) the Shares will be issued to UBezTT (or its nominees). None of these subscribers are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from this issue for the Caula project assays, metallurgical testing, pre-feasibility study, preparation work for Caula project phase 1 production and general working capital.

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### **3. RESOLUTION 3 – PLACEMENT TO UBEZTT (OPTIONS)**

#### **3.1 General**

As set out in section 1.1 above, the Strategic Investment Agreement provides that UBezTT will receive one free attaching unlisted Option for every one Share subscribed for and issued under the NXE Placement.

The issue of the Options to UBezTT under the NXE Placement is subject to Shareholder approval.

Resolution 3 seeks Shareholder approval for the issue of up to 23,076,923 Options for nil cash consideration to UBezTT on the basis of one Option for every one Share subscribed for and issued under the NXE Placement.

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Options pursuant to the NXE Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### **3.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Options, the subject of Resolution 3:

- (a) the maximum number of Options to be issued is 23,076,923;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the NXE Placement on a 1:1 basis;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (e) no funds will be raised from the Options as the Options are being issued for nil cash consideration pursuant to the terms of the NXE Placement.

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### **4. RESOLUTION 4 – ISSUE OF SHARES TO RELATED PARTY – DEBT FOR EQUITY CONVERSION**

#### **4.1 General**

Regius Resources Group Limited (**Regius**), a substantial shareholder of the Company, is owed a total of approximately A\$1,000,000 (as at 1 November 2018) for outstanding invoices payable by the Company in relation to management and technical services provided by Regius during CY 2018 (**Regius Debt**).

As announced by the Company on 7 November 2018, the terms of the Strategic Investment Agreement contemplate a debt for equity conversion pursuant to which Regius will convert A\$700,000 of the Regius Debt to equity in the Company, subject to Shareholder approval (**Regius Debt Conversion**).

Under the Regius Debt Conversion, the Company has agreed (subject to Shareholder approval) to issue 10,000,000 Shares at a deemed issue price of A\$0.07 per Share to Regius to settle A\$700,000 of the Regius Debt.

The Regius Debt Conversion allows the Company to improve its balance sheet position and pay down A\$700,000 in outstanding debt which it would otherwise need to pay in cash.

Pursuant to Resolution 4 the Company is seeking Shareholder approval for the issue of up to 10,000,000 Shares at an issue price of A\$0.07 per Share to Regius (or its nominees) pursuant to the Regius Debt Conversion.

## **4.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Regius Debt Conversion will result in the issue of Shares which constitutes giving a financial benefit and Regius is a related party of the Company by virtue of being controlled by Directors, Mr Christiaan Jordaan and Mr Cobus Van Wyk.

The Directors (other than Mr Jordaan and Mr Van Wyk who both have a material personal interest in Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Regius Debt Conversion because, taking into consideration the market value of Shares as at 8 November 2018 (A\$0.058 per Share), the 10,000,000 Shares will be issued to Regius at an approximate market value of A\$580,000, which is less than the amount of Regius Debt to be converted (A\$700,000), and will therefore be issued on terms which are less favourable to Regius than arms' length terms.

In addition, the Directors (other than Mr Jordaan and Mr Van Wyk) are of the opinion that:

- (a) the Regius Debt Conversion is a reasonable and appropriate method to expedite settlement of A\$700,000 of the Regius Debt and alleviates any need for the Company to use its cash reserves, which can otherwise be focused on the Caula project;
- (b) the Regius Debt Conversion improves the balance sheet position of the Company by clearing A\$700,000 in debt; and
- (c) there are no significant opportunity costs to the Company or benefits foregone by the Company by completing the Regius Debt Conversion. Instead it provides a greater benefit to the Company given the extent of debt being settled in consideration for the current market value of Shares being issued to Regius, being approximately A\$580,000 (based on the Share price of A\$0.058 per Share as at 8 November 2018).



### 4.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the Regius Debt Conversion involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

### 4.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Regius Debt Conversion, the subject of Resolution 4:

- (a) the Shares will be issued to Regius Resources Group Limited (or its nominees), being an entity controlled by Directors, Mr Christiaan Jordaan and Mr Cobus Van Wyk;
- (b) the maximum number of Shares to be issued is 10,000,000;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Shares are being issued for nil cash consideration as they are being issued pursuant to the Regius Debt Conversion, where the Company will convert A\$700,000 of the Regius Debt to equity;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares to Regius as the Shares are being issued pursuant to the Regius Debt Conversion.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Regius Debt Conversion as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Regius (or its nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 5. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS TO MVP – PROFESSIONAL SERVICES

### 5.1 General

Resolution 5 seeks Shareholder approval for the issue of up to 281,308 Shares, together with one free attaching unlisted Option for every one Share issued, in consideration for professional services provided by MVP Capital Pty Ltd (**MVP**) to the Company (**MVP Issue**).

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Shares and Options pursuant to the MVP Issue during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 5.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the MVP Issue, the subject of Resolution 5:

- (a) the maximum number of Shares to be issued is 281,308 and the maximum number of Options to be issued is 281,308, as the Options will be issued free attaching with the Shares on a 1:1 basis;
- (b) the Shares and Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the Shares will be issued at a deemed price of A\$0.065 per Share in satisfaction of professional services provided by MVP to the Company;
- (d) the issue price of the Options will be nil as they will be issued free attaching with the Shares on a 1:1 basis;
- (e) the Shares and Options will be issued to MVP, who is not a related party of the Company;
- (f) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (h) no funds will be raised from the MVP Issue as the Shares and Options are being issued in consideration for professional services provided by MVP to the Company.

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## 6. RESOLUTION 6 – ISSUE OF SHARES TO S3 CONSORTIUM PTY LTD – SERVICES

### 6.1 General

Resolution 6 seeks Shareholder approval for the issue of up to 440,000 Shares in consideration for services provided by S3 Consortium Pty Ltd trading as **Stocks Digital** to the Company (**SD Issue**).

A summary of ASX Listing Rule 7.1 is set out in section 1.1 above.

The effect of Resolution 6 will be to allow the Company to issue the Shares pursuant to the SD Issue during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the SD Issue, the subject of Resolution 6:

- (a) the maximum number of Shares to be issued is 440,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;

- (c) the Shares will be issued at a deemed issue price of \$0.10 per Share in satisfaction of services provided by Stocks Digital to the Company;
- (d) the Shares will be issued to Stocks Digital, who is not a related party of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the SD Issue as the Shares are being issued in consideration for services provided by Stocks Digital to the Company.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means New Energy Minerals Limited (ACN 090 074 785).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**MVP** means MVP Capital Pty Ltd.

**MVP Issue** has the meaning given in Section 5.1.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**NXE Placement** has the meaning given in Section 1.1.

**Option** means an option to acquire a Share, including those options with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Regius** means Regius Resources Group Limited

**Regius Debt** means an amount of approximately A\$1,000,000 in debt owing by the Company to Regius, as noted in Section 4.1.

**Regius Debt Conversion** means the proposed conversion of A\$700,000 worth of the Regius Debt into equity pursuant to Resolution 4.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**SD Issue** has the meaning given in Section 6.1.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**Stocks Digital** means S3 Consortium Pty Ltd.

**Tranche 1 Shares** has the meaning given in Section 1.1.

**Tranche 2 Shares** has the meaning given in Section 1.1.

**UBezTT** means UBezTT International Investment Holdings (BVI) Ltd.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## **SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS**

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1. Subject to paragraph 7, each Option entitles the holder to one Share in the capital of the Company.
2. The Options may be exercised at any time prior to 5.00pm WST on the date that is 36 months from the date of issue.
3. Subject to paragraph 8, the exercise price of the Options is A\$0.14 each.
4. To exercise the Options, each Optionholder must duly complete, execute and deliver to the Company an exercise notice in the form attached hereto as Exhibit A ("Notice of Exercise"). Options may be exercised by the Optionholder in whole or in part by completing the Notice of Exercise and forwarding the same to the Secretary of the Company to be received prior to the expiry date. The Notice of Exercise must, among other things, state the number of Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by an Optionholder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.
5. All Shares issued upon the exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX in accordance with the Listing Rules for all Shares issued pursuant to the exercise of the Options to be admitted to quotation.
6. There are no participating rights or entitlements inherent in the Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Options. Thereby, the Optionholder has no rights to a change in the exercise price of the Option or a change to the number of underlying securities over which the Option can be exercised other than in relation to a Bonus Issue.
7. 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.
8. In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Optionholder shall be reconstructed (as appropriate) in accordance with the Listing Rules.
9. The Options are transferable subject to any restrictions imposed by ASX or under applicable securities laws.
10. The Options may not be exercised by or on behalf of a person in the United States unless the Options and the underlying Shares have been registered under the United State Securities Act of 1933, as amended, and applicable state securities laws, or exemptions from such registration requirements are available.