



Proteomics International

LABORATORIES LTD

ABN 78 169 979 971

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Thursday, 28 January 2021

Time of Meeting

11:30 am (AWST)

Place of Meeting

Harry Perkins Institute
QEI Medical Centre QQ Block
6 Verdun Street, Nedlands, WA, 6009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ THIS DOCUMENT IN ITS ENTIRETY AND SEEK INDEPENDENT ADVICE BEFORE DECIDING HOW TO VOTE ON THE RESOLUTIONS.

If you are in doubt how to deal with this document or how to vote on the Resolutions, please consult your financial or other professional adviser.

Should you have any questions regarding the matters in this document please do not hesitate to contact the Company Secretary via email at enquiries@proteomicsinternational.com

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of Proteomics International Laboratories Ltd (**Company** or **PILL**) is to be held on Thursday, 28 January 2021, at the Harry Perkins Institute, QEII Medical Centre QQ Block, 6 Verdun Street, Nedlands, WA, 6009, commencing at 11:30 am (AWST).

The Explanatory Memorandum that accompanies and forms part of this Notice describes the matters to be considered at this Meeting.

BUSINESS

Resolution 1 – Ratification of Prior Issue – Shares under Placement

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

"That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue of 12,500,000 Shares under the Placement on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

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 is a counterparty to the agreement being approved (namely the Placement Participants); or
- an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 – Approval of Issue of Options to Euroz Hartleys

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

"That, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 1,100,000 Options to Euroz Hartleys Securities Limited (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."

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) (namely Euroz Hartleys Securities Limited) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Approval of Issue of Options to Candour Advisory

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

"That, for the purposes of Listing Rule 7.1, and for all other purposes, approval is given for the Company to issue 1,100,000 Options to Candour Advisory Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."

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) (namely Candour Advisory Pty Ltd) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY MEMORANDUM

The Explanatory Memorandum is incorporated in and comprises part of this Notice. Shareholders are referred to the Definitions in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice and the Explanatory Memorandum.

ACTIONS TO BE TAKEN BY SHAREHOLDERS

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.

If Shareholders have questions about the Meeting and voting arrangements, please email the Company Secretary at enquiries@proteomicsinternational.com.

VOTING BY PROXY

The Proxy Form provides further details on appointing proxies and lodging proxy votes. Proxy votes (together with any authority under which the Proxy Form was signed or a certified copy of the authority) must be received before 11:30 am (AWST) on Tuesday, 26 January 2021.

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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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.



Proteomics International

LABORATORIES LTD

VOTING ENTITLEMENTS

For the purposes of section 1074E(2) of the Corporations Act and regulation 7.11.37 of the *Corporations Regulations 2001*, the Company has determined that members holding ordinary shares as set out in the Company's share register at 4:00 pm (AWST) on Tuesday, 26 January 2021 will be entitled to attend and vote at the Annual General Meeting.

CORPORATE REPRESENTATIVE

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with an original (or certified copy) certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. The appointment must comply with section 250D of the Corporations Act.

ATTORNEYS

If an attorney is to attend the Meeting on behalf of a Shareholder, a properly executed original (or originally certified copy) of an appropriate power of attorney must be received by the Company by the deadline for the receipt of Proxy Forms, being no later than 11:30 am (AWST) on Tuesday, 26 January 2021. Previously lodged powers of attorney will be disregarded by the Company.

QUESTIONS

Shareholders are encouraged to submit questions in respect of the items of business as well as general questions in respect of the Company and its operations in advance of the Meeting by email to the Company Secretary at enquiries@proteomicsinternational.com.

DATED THIS 22ND OF DECEMBER 2020

BY ORDER OF THE BOARD

Karen Logan
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Meeting of Proteomics International Laboratories Ltd (**Company** or **PILL**).

The Directors recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

1. Resolution 1 – Ratification of Prior Issue – Shares under Placement

1.1 General

On 2 November 2020, the Company announced that it had completed a placement to institutional, sophisticated and professional investors, through the issue of 12,500,000 Shares at an issue price of \$0.48 per Share (**Placement Shares**) raising \$6,000,000 before costs (**Placement**). Euroz Hartleys Securities Limited (ACN 089 314 983) (**Euroz Hartleys**) acted as Sole Lead Manager and Bookrunner to the Placement, and Candour Advisory Pty Ltd (ACN 628 454 839) (**Candour Advisory**) acted as Corporate Advisor to the Placement.

1.2 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of the period.

The issue of Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

1.3 ASX Listing Rule 7.4

Listing Rule 7.4 allows shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to be approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks shareholder approval of the issue of Placement Shares under and for the purposes of Listing Rule 7.4.

1.4 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the issue of Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date of the Placement Shares.

If Resolution 1 is not passed, the issue of Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date of the Placement Shares.

1.5 Technical information required by ASX Listing Rule 7.5

Pursuant to, and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue of Placement Shares:

- (a) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) a total of 12,500,000 Placement Shares were issued under the placement capacity available to the Company under Listing Rule 7.1;

- (c) the issue price was \$0.48 per Placement Share;
- (d) the Placement 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;
- (e) the Placement Shares were issued on 2 November 2020;
- (f) the Placement Shares were issued to institutional, sophisticated and professional investors who were identified and selected by Euroz Hartleys acting as Sole Lead Manager and Bookrunner and Candour Advisory acting as Corporate Advisor to the Placement. None of the subscribers were related parties of the Company;
- (g) the purpose of the issue of the Placement Securities was to raise \$6,000,000 before costs, which will be applied towards funding:
 - (i) manufacture and up-scaling of reagent inventory for the PromarkerD predictive test;
 - (ii) marketing of, and accelerating regulatory approvals for PromarkerD;
 - (iii) accelerating the development and commercialisation of the Company's Promarker™ pipeline;
 - (iv) strengthening the Company's balance sheet for future licensing negotiations;
 - (v) costs of the Placement; and
 - (vi) general working capital.
- (h) the Placement Shares were not issued under an agreement; and
- (i) a voting exclusion statement has been included for this Resolution.

1.6 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

1.7 Voting Intention

The Chair of the Meeting intends to vote all available proxies in favour of the Resolution.

2. Resolution 2 – Approval of Issue of Options to Euroz Hartleys

2.1 General

The Company entered into an engagement letter for services on 9 October 2020 (**Lead Manager Agreement**) pursuant to which it has agreed to issue 1,100,000 Options to Euroz Hartleys (or its nominee) in lieu of cash payment for corporate advisory services to be provided by Euroz Hartleys for a six month period following completion of the Placement.

2.2 Material terms of the Lead Manager Agreement

Pursuant to the terms of the Lead Manager Agreement, Euroz Hartleys agreed to act as Sole Lead Manager and Bookrunner to the Placement which was completed and announced on 2 November 2020.

Under the terms of the Lead Manager Agreement, the Company agreed to pay/issue to Euroz Hartleys (or its nominee):

- (a) management fee of 2% of the total amount raised under the Placement;
- (b) equity raising fee of 4% of the total amount raised under the Placement; and
- (c) corporate advisory fee of \$10,000 per month for a six month period following completion of the Placement, payable in advance in cash or options (**Corporate Advisory Fee**).

On 22 October 2020, subject to the Company obtaining prior shareholder approval or having sufficient capacity under Listing Rule 7.1, the Company agreed to issue, and Euroz Hartleys agreed to accept, 1,100,000 Options in lieu of cash payment of the Corporate Advisory Fee.

The Company was obligated to reimburse all expenses incurred by Euroz Hartleys in relation to the Placement.

The Company agreed to grant Euroz Hartleys a first right of refusal to act as joint lead manager on any equity raising conducted by the Company within six months after the date of the Lead Manager Agreement.

The Lead Manager Agreement otherwise contains provisions considered standard for an agreement of its nature (including

representations and warranties, indemnities and confidentiality provisions).

2.3 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

The proposed issue of Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

Resolution 2 seeks the required shareholder approval for the issue of Options under and for the purposes of Listing Rule 7.1.

2.4 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the issue of Options will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

In the event Resolution 2 is not passed, the Company will issue the Options under Listing Rule 7.1 provided the Company has sufficient capacity available.

2.5 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 issue of Options:

- (a) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (b) the Options will be issued to Euroz Hartleys or its nominee;
- (c) the maximum number of Options to be issued is 1,100,000;
- (d) the terms and conditions of the Options are set out in Schedule 1;
- (e) 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 Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (f) the Options will be issued at an issue price of \$0.0001 per Option (total cash consideration of \$110) in lieu of cash payment for Corporate Advisory Services under the Lead Manager Agreement;
- (g) the Options will be issued pursuant to the terms of the Lead Manager Agreement. A summary of the material terms of the Lead Manager Agreement is set out in Section 2.2;
- (h) the purpose of the issue of Options is to satisfy the Company's obligations under the Lead Manager Agreement;
- (i) the Options are not being issued under, or to fund, a reverse takeover; and
- (j) a voting exclusion statement has been included for the Resolution.

2.6 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

2.7 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolution.

3. Resolution 2 – Approval of Issue of Options to Candour Advisory

3.1 General

On 22 October 2020, the Company agreed to issue 1,100,000 Options to Candour Advisory (or its nominee) in consideration for services provided by Candour Advisory as Corporate Advisor to the Placement.

3.2 Material terms of the Agreement

The Company entered into an investor relations and corporate advisory agreement with Candour Advisory on 22 April 2020 (**IR and Corporate Advisory Agreement**). The IR and Corporate Advisory Agreement has an initial term of 12 months from 22 April 2020 and may be extended by mutual agreement. The IR and Corporate Advisory Agreement may be terminated by either party by providing one (1) months' notice.

Under the terms of the IR and Corporate Advisory Agreement:

- (a) the Company pays to Candour Advisory a monthly retainer of \$7,500 for the provision of investor relations and corporate advisory services;
- (b) the Company issued Candour Advisory 1,250,000 unquoted options on 18 August 2020 with an exercise price of \$0.50 per option and an expiry date of 18 August 2023. These options were issued under the Company's 15% placement capacity under Listing Rule 7.1;
- (c) in the event of a capital raising:
 - (i) Candour Advisory, in conjunction with the Company and its other advisor(s) agree to negotiate in good faith the distribution of the 5% capital raising fee and any other capital raising specific fees;
 - (ii) the Company will pay Candour Advisory a 1% Capital Raising Success Fee;
- (d) the Company is obligated to pay all reasonable out of pocket expenses of Candour Advisory.

On 22 October 2020, subject to the Company obtaining prior shareholder approval or having sufficient capacity under Listing Rule 7.1, the Company agreed to issue, and Candour Advisory agreed to accept, 1,100,000 Options in lieu of cash payment of the Capital Raising Success Fee due in relation to the Placement.

The IR and Corporate Advisory Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties, indemnities and confidentiality provisions).

3.3 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in Section 1.2 above.

The proposed issue of Options does not fall within any of the exceptions to Listing Rule 7.1 and exceeds the limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

Resolution 3 seeks the required shareholder approval for the issue of Options under and for the purposes of Listing Rule 7.1.

3.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the issue of Options will be excluded from the calculation of the number of equity securities that the Company can issue without shareholder approval under Listing Rule 7.1.

In the event Resolution 3 is not passed, the Company will issue the Options under Listing Rule 7.1 provided the Company has sufficient capacity available.

3.5 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 issue of Options:

- (a) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;



- (b) the Options will be issued to Candour Advisory or its nominee;
- (c) the maximum number of Options to be issued is 1,100,000;
- (d) the terms and conditions of the Options are set out in Schedule 1;
- (e) 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 Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (f) the Options will be issued at an issue price of \$0.0001 per Option (total cash consideration of \$110) in lieu of cash payment of the Capital Raising Success Fee due under the IR and Corporate Advisory Agreement;
- (g) the Options will be issued pursuant to the terms of the IR and Corporate Advisory Agreement. A summary of the material terms of the IR and Corporate Advisory Agreement is set out in Section 3.2;
- (h) the purpose of the issue of Options is to satisfy the Company's obligations under the IR and Corporate Advisory Agreement;
- (i) the Options are not being issued under, or to fund, a reverse takeover; and
- (j) a voting exclusion statement has been included for the Resolution.

3.6 Board recommendation

The Directors recommend that Shareholders vote in favour of the Resolution.

3.7 Voting Intention

The Chair of the Meeting intends to vote all undirected proxies in favour of the Resolution.

DEFINITIONS

\$ means an Australian dollar.

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules and **Listing Rules** mean the official listing rules of ASX.

AWST means Australian Western Standard Time, being the time in Perth.

Board means the board of directors of the Company.

Chair (or Chairperson) means the person appointed to chair the Meeting convened by this Notice.

Company or **PILL** means Proteomics International Laboratories Ltd (ACN 169 979 971).

Constitution means the Company's constitution.

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

Director means a Director of the Company and **Directors** means the directors of the Company.

Explanatory Memorandum means this explanatory memorandum accompanying the Notice of Meeting.

Extraordinary General Meeting means the extraordinary general meeting the subject of this Notice.

Listing Rules means the official listing rules of the ASX.

Meeting means the meeting of Shareholders convened by the Notice of Meeting.

Notice or **Notice of Meeting** means the notice of extraordinary general meeting accompanying this Explanatory Memorandum.

Option means an option which entitles the holder to subscribe for one Share.

Optionholder means an option holder of the Company.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution in the Notice.

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

Shareholder means a shareholder of the Company.

SCHEDULE 1

Terms and Conditions of the Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

a) *Exercise Price*

The exercise price per Option is \$0.75.

b) *Entitlement*

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) *Option Period*

The Options will expire at 5:00pm WST on the date that is two years after the date of grant of the Options (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not so exercised shall automatically lapse on the Expiry Date.

d) *Ranking of Share Allotted on Exercise of Option*

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

e) *Voting*

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

f) *Transfer of an Option*

Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX.

g) *Method of Exercise of an Option*

(i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.

(ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of \$0.75 per Share.

(iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.

(iv) Within 14 business days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.

(v) If the Company is listed on the ASX, the Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.

(vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

h) *Reconstruction*

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Corporations Act and ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

i) *Participation in New Share Issues*

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be such date required under the Listing Rules in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

j) *No Change of Options' Exercise Price or Number of Underlying Shares*

The Options do not confer the right to a change in exercise price or change to the number of underlying securities except in the circumstances outlined in Listing Rule 6.22. There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend investment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.