



Dampier
Gold

ABN 43 141 703 399

Terms and Conditions of Unlisted Options Exercisable at \$0.20 Expiring at 5.00pm WST on 31 December 2011:

An Option will entitle the holder to subscribe for an ordinary fully paid common share in the capital of the Company on the following terms:

1. Each Option entitles the holder to subscribe for one fully paid ordinary share in the Company (**Share**) at an issue price of AUD \$0.20 (20 cents) per Share.
2. The Options expire at 5pm Western Standard Time on 31 December 2011 (**Expiry Date**). Any Options not exercised on or before the Expiry Date will automatically lapse.
3. The Options may be exercised at any time prior to the Expiry Date wholly or in part by delivering a duly completed form of notice of exercise together with payment of the exercise price of AUD \$0.20 (20 cents) per Option exercised to the Company.
4. All Shares allotted on the exercise of Options will rank equally in all respects with the Company's then existing fully paid ordinary common shares.
5. The Options are freely transferable but no application will be made to ASX Ltd (**ASX**) for quotation of Options.
6. If the Company's ordinary shares are quoted by ASX, the Company must apply for quotation of all Shares allotted pursuant to the exercise of Options not later than 10 business days after the date of allotment.
7. The holders of an Option may only participate in new issues of securities to holders of ordinary shares in the Company if the Option has been exercised and Shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give to holders of Options at least 7 business days notice of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
8. There will be no change to the exercise price of the Option or the number of Shares over which an Option is exercisable in the event of the Company making a pro rata issue of shares or other securities to the holders of ordinary shares in the Company (other than a bonus issue).
9. If there is a bonus issue (**Bonus Issue**) to the holders of ordinary shares in the Company, 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 the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of that class on issue as the date of issue of the Bonus Shares.
10. If prior to the Expiry Date there is a reorganisation of the issued capital of the Company, the rights of a holder of Options will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

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