Discovery Metals Limited (Discovery Metals) announces the terms and conditions of its 2012 Share Purchase Plan announced on 8 August 2012 (SPP) and following the successful completion of the A$50 million underwritten placement to qualified and sophisticated institutional investors announced on 9 August 2012.

Full details of the SPP are set out in the attached cover letter and SPP Plan Booklet, which is expected to be dispatched to eligible shareholders on 15 August 2012.

If you have any enquiries in relation to the SPP, please call Computershare Investor Services Pty Ltd on 1300 552 270 (within Australia), or +61 3 9415 4000 (outside Australia).

Disclaimer

This market release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities. This market release is not for release in the United States of America. The securities referenced in this market release have not been, and will not be, registered under the US Securities Act of 1933 (Securities Act) or the securities laws of any state of the United States of America, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of US Persons, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable US state securities laws.
Forward looking statements

This release includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that Discovery Metals expects, are forward-looking statements. Although Discovery Metals believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

Discovery Metals Background

Discovery Metals is an ASX/BSE listed copper exploration and production company focused on the emerging Kalahari Copperbelt in north-west Botswana. The Company is a copper producer at its 100% owned Boseto Copper Project.

The Kalahari Copperbelt sediment-hosted mineralisation of the Boseto Copper Project is similar in style to the well-known and large deposits of the Central African Copperbelt of Zambia and the Democratic Republic of the Congo.

Discovery Metals has prospecting licences covering 11,872 km² along the Kalahari Copperbelt.

Further information on the Company including Mineral Resources and Ore Reserves is available on our website: www.discoverymetals.com

For further information on this release and Discovery Metals Limited, please contact:

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UK PR – Tavistock PR, Contact Jos Simson/Emily Fenton Ph +44 207 920 3150 or +44 778 855 4035

CONTACT DETAILS
Level 20, 333 Ann Street, Brisbane, QLD 4000, Australia
Phone: +61 (7) 3218 0222
Fax: +61 (7) 3218 0233
info@discoverymetals.com

Zeta Pit

Caterpillar dump truck and dozer

Crushed ore bin and flotation circuit

Continuing Fleet Assembly

Crusher circuit and flotation circuit
Figure 1. Discovery Metals’ Botswana Projects
15 August 2012

Dear Shareholder

Discovery Metals Limited – 2012 Share Purchase Plan

On 8 August 2012, Discovery Metals Limited ACN 104 924 423 (Company) announced its intention to offer existing shareholders the opportunity to participate in the 2012 share purchase plan to subscribe for fully paid ordinary shares in the Company (SPP or Plan). This is following the successful completion of its’ A$50m placement to institutional and sophisticated investors as announced on 9 August 2012 (Placement).

The Board of directors of the Company (Board) is pleased to make that offer to eligible shareholders on the terms and conditions set out in this letter, the Plan Booklet and Application Form (Plan Documents) and at the same price as the Placement.

It is intended that the proceeds raised under the Placement and SPP will be used to pursue growth and cost saving initiatives following the successful completion of construction and pre-commissioning of the Boseto Copper Project (Boseto).

Offer under the Plan

The Plan will give eligible shareholders the opportunity to apply for up to A$15,000 (Maximum) of fully paid ordinary shares in the Company (New Shares) at an issue price of AUD$1.20 per New Share (Issue Price).

The Issue Price represents an 8.9% discount to the volume weighted average price (A$1.3167) of the Company’s shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Plan, and is free of both brokerage and commission.

Shareholders eligible to participate in the Plan

The right to participate in the Plan is optional and is available exclusively to shareholders:

(a) who were registered as holders of fully paid ordinary shares in the Company; and

(b) whose registered address in the Company’s share register was in Australia or New Zealand, at 7.00pm Australian Eastern Standard Time (AEST) on 7 August 2012 (Record Date) (Eligible Shareholders).

Directors who are Eligible Shareholders also reserve the right to participate in the Plan.

The Plan is not being offered to holders of Discovery Metals Limited shares traded on the Botswana Stock Exchange.

For Eligible Shareholders who are custodians, further information on your ability to participate in the Plan is set out in the Plan Booklet.

The Company reserves the right (in its absolute discretion) to reject any application for New Shares where it believes the applicable regulatory requirements (as noted in the Plan Booklet) have not been met.
Participation

Participation in the Plan is entirely voluntary.

Subject to any scale back (discussed below), Eligible Shareholders can elect to:

(a) fully participate in the Plan up to the Maximum;
(b) partially participate in the Plan; or
(c) not participate in the Plan at all.

If you are an Eligible Shareholder and would like to participate in the Plan, you may apply to purchase New Shares under the Plan by agreeing to accept one of the following parcels:

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</tr>
<tr>
<td>PARCEL D</td>
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<td>12,500</td>
</tr>
</tbody>
</table>

*All New Shares have been rounded down to the nearest whole number of New Shares.

If you do not wish to participate in the Plan, you do not have to do anything and may disregard this letter and the other Plan Documents. In this event, the number of shares you hold in the Company will not change but the percentage of your shareholding in the Company will be diluted to the extent that other Eligible Shareholders participate in the Plan and to the extent that New Shares are issued to investors under the placement announced to the market on 8 August 2012.

Scale Back

If you are an Eligible Shareholder and elect to participate in the Plan, your participation may be scaled back to a lesser amount.

The Company is offering up to approximately 12.5 million New Shares under the Plan to raise A$15 million (Cap). The Company reserves the right (in its absolute discretion) to scale back the maximum participation amount per shareholder. The Company reserves the right to raise more than the Cap under the Plan and to accept subscriptions exceeding A$15 million if there is overwhelming shareholder demand.

Use of Proceeds

It is intended that the proceeds raised under the Plan will be used to pursue growth and cost saving initiatives following the successful completion of construction and pre-commissioning of Boseto. This includes:

(a) developing the Zeta underground mine towards its early start schedule;
(b) progressing the coal fired power station project at Boseto to secure cost savings estimated to be in excess of US$1,000,000 per month;
(c) accelerating work on the expansion of Boseto;
(d) continuing with exploration to upgrade resources in support of the above activities; and
(e) providing enhanced balance sheet flexibility during the Boseto commissioning and ramp-up phase.
Subscription and Application Procedure

Details of how to participate in the Plan are set out in the Plan Booklet.

Timetable

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The timetable is indicative only and subject to change. The Company reserves the right to change the timetable at any time or cancel the Plan at any time before the Allotment Date, subject to applicable regulatory requirements.

Enquiries

Full details of the Plan are set out in the attached Plan Booklet and the personalised Application Form that will be sent out to Eligible Shareholders along with this letter.

If you have any enquiries in relation to the Plan, please call Computershare Investor Services Pty Ltd on 1300 552 270 (within Australia), or +61 73 9415 4000 (outside Australia).

Yours faithfully

Brad Sampson
Managing Director
Discovery Metals Limited
This is an important document that should be read in its entirety.
The offer made under this Plan does not take into account the individual investment needs, objectives or financial situation of individuals.
Before making a decision on whether or not to participate in the Plan, Eligible Shareholders should consult their financial or other professional adviser.
Any questions on the Plan or how to participate in the Plan should be directed to Computershare Investor Services Pty Ltd on 1300 552 270 (within Australia), or +61 3 9415 4000 (outside Australia).
This document is not a prospectus or other disclosure document under the Corporations Act 2001 (Cth).
Not for distribution or release in the United States or to US Persons.
IMPORTANT NOTICE

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document, the share purchase plan described in this document (SPP or Plan or Offer), or the action you should take, you should consult your financial or other professional adviser who specialises in advising on the acquisition of shares and other securities before taking any action.

Application will be made for the New Shares issued under the Plan to be quoted on the Australian Securities Exchange (ASX) as set out in this document.

No action has been taken to permit the offer under the Plan in any jurisdiction other than Australia or New Zealand.

This document does not constitute an offer to sell, or solicitation of an offer to buy, shares in any jurisdiction in which such an offer or solicitation is unlawful. The distribution of this document in jurisdictions outside Australia or New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of other jurisdictions.

The New Shares issued under the Plan have not been, and will not be, registered under applicable securities laws of the United States and they may not, subject to certain exceptions, be offered or sold directly or indirectly within the United States or to, or for the account or benefit of any national, citizen or resident of the United States, except in accordance with an available exemption.

No Recommendation

The information in this document is not a recommendation to accept the Offer of New Shares under the Plan and does not constitute financial advice. Any person who intends to participate in the Plan must conduct their own investigations, assessment and analysis of the Company and its operations and prospects, or seek independent advice and must base their investment decision solely on those investigations, assessment, analysis and advice.
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1. SUMMARY EXPLANATION

1.1 The share purchase plan (SPP, Plan or Offer) offers Eligible Shareholders of Discovery Metals Limited ACN 104 924 423 (DML or Company) the opportunity to apply for up to AUD$15,000 worth of fully paid ordinary shares in the Company (New Shares) at the issue price of AUD$1.20 per New Share (Issue Price).

1.2 The Plan is established pursuant to the Corporations Act 2001 (Cth) (Act) as amended by Australian Securities and Investments Commission (ASIC) Class Order 09/425 (CO 09/425) and the ASX Listing Rules (Listing Rules) (collectively the Regulatory Requirements). Provided the Plan complies with the conditions under:

(a) CO 09/425, the Company is not required to issue a prospectus for the offer of the New Shares; and

(b) the Listing Rules, the New Shares will not count towards the Company’s 15% limit under Listing Rule 7.1.

1.3 The offers for New Shares under the Plan are personal to Eligible Shareholders. Eligible Shareholders cannot transfer their right to acquire New Shares under the Plan to another person.

2. TIMETABLE

2.1 Opening Date

The Offer opens at 10.00am Australian Eastern Standard Time (AEST) on 15 August 2012 (Opening Date).

2.2 Closing Date

The Offer closes at 5.00pm AEST on 12 September 2012 (Closing Date).

2.3 Timetable

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3. SHAREHOLDERS ELIGIBLE TO PARTICIPATE

3.1 Eligible Shareholders

(a) Subject to this clause 3, all persons:

(i) registered as holders of fully paid ordinary shares in the Company (Shares); and

(ii) whose registered address in the share register of the Company is situated in Australia or New Zealand,

at 7.00pm AEST on 7 August 2012 (Record Date) may participate in the Plan (Eligible Shareholders).

Directors who are Eligible Shareholders also reserve the right to participate in the Plan.

(b) The Plan is not being offered to holders of DML’s shares traded on the Botswana Stock Exchange.

(c) The Plan is not being offered to shareholders with registered addresses in countries outside of Australia or New Zealand.

(d) Optionholders who did not exercise their options before the Record Date are not eligible to participate in the Plan in relation to those options.

(e) The Company reserves the right (in its absolute discretion) to reject any application for New Shares where it believes the applicant under the Plan is not an Eligible Shareholder.

3.2 Individual Shareholders

If you are the only registered Eligible Shareholder of a holding of Shares at the Record Date, but you receive more than one Offer to participate in the Plan (for example you have multiple single holdings), you may only apply for New Shares up to a maximum amount of AUD$15,000 (Maximum).

3.3 Joint Shareholders

Subject to the terms and conditions for custodians and nominees set out in clause 3.4, where two or more persons are recorded in the register of members as jointly holding Shares in the Company, they will be taken to be a single registered holder for the purposes of the Plan and the offer made under the Plan is made to them jointly.

3.4 Custodians and nominees

(a) Where a registered holder is a ‘custodian’ (as that term is defined under CO 09/425 (Custodian)) that holds Shares in a class on behalf of a beneficiary (whether directly or indirectly through one or more interposed Custodians), the Company can only issue New Shares totalling more than the Maximum in any consecutive 12-month period to that Custodian if, on application for the New Shares, a certificate is provided in accordance with clauses 3.5 and 3.6.

(b) If you hold Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply (see clause 3.3).

(c) If you are an Eligible Shareholder and hold Shares as a Custodian, you may apply for up to the Maximum for each beneficiary for whom you act as Custodian, provided you submit with your application a certificate that certifies the following information (Custodian Certificate):

(i) that you hold Shares in the Company (directly or indirectly) on behalf of one or more other persons (beneficiaries);

(ii) the number of beneficiaries;

(iii) the name and address of each beneficiary for whom you are applying for New Shares;

(iv) for each beneficiary, the number of Shares that you hold on behalf of that beneficiary;

(v) for each beneficiary, the number or dollar amount of the New Shares the beneficiary or another Custodian has instructed you to apply for on behalf of the beneficiary;

(vi) for each beneficiary, that the value of the New Shares applied for on their behalf, and any other shares in the class applied for on their behalf under a similar arrangement in the previous 12 months (excluding Shares applied for but not issued), does not exceed the Maximum;

(vii) confirmation that a copy of this Plan Booklet was given to each beneficiary; and

(viii) where you hold Shares on behalf of a beneficiary indirectly through one or more interposed Custodians, the name and address of each interposed Custodian.
3.5 Company’s satisfaction with Custodian Certificate

[a] The Company must be reasonably satisfied that, in any 12-month period, the total value of the New Shares issued to any beneficial owner is not more than the Maximum (excluding Shares applied for by the Custodian on behalf of a beneficiary but not issued), whether New Shares are issued to the beneficiary in their own right as a registered holder, or to the Custodian.

[b] If the Company is not satisfied with the Custodian Certificate (for whatever reason), the Company cannot and will not issue New Shares to the Custodian on behalf of the beneficiary.

3.6 Custodian Certificate

Custodians must request a Custodian Certificate when making an application on behalf of beneficiaries. To request a Custodian Certificate or for further information about the Custodian application process, a shareholder or Custodian should contact the Company’s share registry, Computershare Investor Services Pty Ltd on 1300 552 270 (within Australia), or +61 3 9415 4000 (outside Australia), between 8.30am to 5.30pm (AEST time) Monday to Friday. Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.

3.7 Foreign shareholders

Participation in the Plan is not being offered to any shareholder whose registered address in the Company’s share register as at the Record Date is not situated in Australia or New Zealand.

The New Shares have not been, and will not be, registered under applicable securities laws of the United States or any other jurisdiction outside of Australia or New Zealand and they may not, subject to certain exceptions (such as an available exemption under the US Securities Act of 1933 or applicable securities laws of another jurisdiction), be offered or sold directly or indirectly to the United States or any other jurisdiction outside of Australia or New Zealand, or for the account or benefit of any national, citizen or resident of the United States or any other jurisdiction outside of Australia or New Zealand.

Therefore, shareholders who hold Shares on behalf of persons who reside outside Australia or New Zealand including those who are a national, citizen or resident of the United States or who act for the account or benefit of any national, citizen or resident of the United States are not entitled to participate in the Plan.

4. ISSUE PRICE

4.1 The Issue Price of each New Share under the Plan is AUD$1.20. This represents a 8.9% discount to the volume weighted average price (VWAP) of the Company’s Shares traded on the Australian Securities Exchange (ASX) during the 5 trading days immediately prior to the announcement date of the Plan, and is free of brokerage, stamp duty and commission.

4.2 The Issue Price is the same issue price as that offered to investors under the placement that was announced to the market on 8 August 2012.

4.3 The Issue Price is fixed, regardless of any changes in the market price of the Shares during the offer period of the Plan.

5. RISKS

This clause does not seek to describe all the risks to which the Company or an investment in the Company is exposed.

5.1 Share price

[a] Eligible Shareholders wishing to participate in the Plan should be aware that there is a risk that the market price of the Company’s Shares may change between the date of the offer under this Plan and the date when the New Shares are issued to Eligible Shareholders.

[b] In this event, the price or value of the New Shares that Eligible Shareholders receive may:

[i] be adversely affected; and

[ii] mean that up to or after the date on which the New Shares are issued to you, you may be able to buy ordinary shares in the Company on the market at a lower price than the price offered to you under this Plan.

5.2 Disclosure

This Plan Booklet is not a prospectus and does not require the types of disclosures required for a prospectus under the Act. If you require further information on the Company, you should look at the announcements the Company has made to the ASX or if necessary, consult your professional adviser.

5.3 Trading New Shares

If you trade in any New Shares before you receive your Share statement, you do so at your own risk.
6. APPLYING FOR NEW SHARES

6.1 Participation

(a) Participation in the Plan is entirely voluntary and subject to any scale back (see clause 7). Eligible Shareholders can elect to:

(i) fully participate in the Plan up to the Maximum;
(ii) partially participate in the Plan; or
(iii) not participate in the Plan at all.

(b) To participate in the Plan you need to follow the instructions set out in clause 8 and on the Application Form.

6.2 Full or partial participation

(a) If you are an Eligible Shareholder and would like to participate in the Plan, you may apply to purchase New Shares by agreeing to accept one of the following parcels:

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*All New Shares have been rounded down to the nearest whole number of New Shares.

6.3 No participation

(a) If you do not wish to participate in the Plan, you do not have to do anything and may disregard this document. In this event, the number of Shares you hold in the Company will not change but the percentage of your shareholding in the Company will be diluted to the extent that other Eligible Shareholders participate in the Plan and to the extent that New Shares are issued to investors under the placement announced to the market on 8 August 2012.

(b) The offer under the Plan is personal to you. You may not transfer your right to purchase New Shares under the Plan to anyone else.

6.4 Fractions

(a) No fractions of New Shares will be issued.

(b) Any fraction of a New Share will be rounded down to the nearest whole number of New Shares.

7. SCALE BACK

7.1 If you are an Eligible Shareholder and elect to participate in the Plan, your participation may be scaled back to a lesser amount than the amount for which you apply.

7.2 The Company is offering up to approximately 12.5 million New Shares under the Plan to raise up to AUD$15 million (Cap).

7.3 The maximum number of New Shares that will be issued under the Plan will be equal to the Cap determined in accordance with clause 7.2.

7.4 The Company reserves the right to scale back applications in its absolute discretion to the extent and in the manner that it sees fit (Scale Back).

7.5 If a Scale Back occurs, you may be allocated New Shares to a value which is less than the parcel for which you applied. In this event, the difference between the Subscription Amount and the number of New Shares you are issued with under the Plan will be refunded to you by direct credit (to your nominated account as recorded on the Company’s share register) or cheque as soon as practicable, without interest.

7.6 The Company reserves the right in its absolute discretion to increase the Cap and accept subscriptions in excess of AUD$15 million if there is overwhelming Shareholder demand.
8. SUBSCRIPTION AND APPLICATION PROCEDURE

8.1 Payment options

If you are an Eligible Shareholder and would like to participate in the Plan, the following payment options are available to you:

(a) Application Form and accompanying cheque, money order or bank draft.

Eligible Shareholders wishing to pay by cheque, money order or bank draft must follow the instructions on the Application Form and complete the Application Slip at the bottom of the Application Form, provide a cheque, money order or bank draft that is payable to “Discovery Metals Limited” and crossed “Not Negotiable”, and return the completed Application Slip and cheque, money order or bank draft to the following address:

Discovery Metals Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Victoria 3001

The Application Slip and accompanying cheque, money order or bank draft that is payable must be received by the share registry no later than the Closing Date.

(b) Payment by BPAY®

Eligible Shareholders wishing to pay by BPAY® must use the specific biller code and customer reference numbers detailed on their personalised Application Form and have their BPAY® payment processed by the Closing Date. You should check the processing cut-off time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the Closing Date.

If you choose to pay via BPAY® you are not required to submit your Application Slip.

8.2 BPAY®

(a) If you make a payment via BPAY® and the Company receives an amount which is not equal to AUD$2,500, AUD$5,000, AUD$10,000 or AUD$15,000, the Company will round down the value of the New Shares which you are applying for to the next lowest parcel.

(b) If the Company receives less than AUD$2,500, the Company will reject your application and will refund any subscription monies to you which are not used to purchase the New Shares, without interest.

(c) The Application Form will set out a unique identifier that must be provided by you when making a payment using BPAY®. By making the application via BPAY® you represent to the Company that you have complied with the matters set out in clause 9 of this Plan Booklet.

(d) Your payment will not be accepted after the Closing Date and no New Shares will be issued to you in respect of that application. You should check the processing cut-off time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the Closing Date. If you have multiple holdings you will have multiple BPAY® customer reference numbers. To ensure you receive your New Shares under the Plan in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you inadvertently use the same Customer Reference Number for more than one of your applications, you will be deemed to have applied only for the application to which that customer reference number applies and any excess amount will be refunded.

8.3 Multiple Offers

Eligible Shareholders who receive more than one Offer under the Plan (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may only apply for New Shares with an aggregate value up to the Maximum.

8.4 Company may reject your application

The Company may either accept or reject your application for New Shares at its absolute discretion. The Company may reject your application in (among others) the following circumstances:

(a) your Application Slip is incorrectly completed, incomplete or otherwise determined by the Company to be invalid;

(b) you have applied for less than AUD$2,500 worth of New Shares;

(c) your cheque is dishonoured;

(d) the cheque, money order or bank draft that you enclose with your Application Slip is not made out for the amount corresponding to the amount of New Shares you have selected to purchase;
your BPay® payment is not received by the Closing Date or is otherwise incomplete or invalid;
(f) the Company believes that you are applying either directly or indirectly (such as through a trust) to buy New Shares with an aggregate value exceeding the Maximum;
(g) the Company believes that you and one or more other registered holders of the same or similar name or address are applying to buy New Shares with an aggregate value exceeding the Maximum;
(h) your Application Slip or BPay® payment is received after the Closing Date. Late payments will be refunded (without interest);
(i) the Company believes you are not an Eligible Shareholder having regard to compliance with the Regulatory Requirements; or
(j) your name is not recorded in the register of members on the Record Date. For example, applications by people claiming an interest in Shares through a registered holder of Shares will not be accepted if the registered holder of Shares is not noted on the register of members as holding the Shares on account of another person.

9. EFFECT OF MAKING AN APPLICATION

If you complete and return an Application Slip or submit a BPay® payment:

(a) you acknowledge and warrant that you are an Eligible Shareholder;
(b) you irrevocably and unconditionally agree to the terms and conditions of this document and those set out in the Application Form and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the Plan;
(c) you acknowledge your application for New Shares under the Plan is irrevocable and unconditional;
(d) you certify that [aggregating all securities issued to you, whether directly as registered holder or in a joint capacity], the following does not exceed the Maximum:
   (i) the New Shares the subject of your application;
   (ii) any other New Shares or any similar arrangement in the 12 months before the date of your application;
   (iii) any other New Shares which you have instructed a Custodian to acquire on your behalf under the Plan; and
   (iv) any other Shares issued to a Custodian under an arrangement similar to the Plan in the 12 months before the date of your application for New Shares as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such Shares, even though you may have received more than one Offer under the Plan or received Offers in more than one capacity under the Plan;
(e) you authorise the Company to correct minor errors in your Application Form and to complete the Application Slip by inserting any missing minor detail;
(f) you acknowledge that the Company may determine that your Application Slip is valid, in accordance with these terms and conditions, even if the Application Slip is incomplete, contains errors or is otherwise defective;
(g) you acknowledge that the Company reserves the right (in its absolute discretion) to:
   (i) reject any application for New Shares where it believes the applicant under the Plan is not an Eligible Shareholder;
   (ii) change the timetable at any time or cancel the Plan at any time before the New Shares are issued and allotted under the Plan;
   (iii) Scale Back the New Shares issued under the Plan;
   (iv) reject any Custodian Certificate that is not to the Company's satisfaction;
   (v) increase the Cap and accept subscriptions in excess of AUD$15 million;
   (h) you accept the risk associated with any refund that may be dispatched to you to your address or nominated bank account as shown on the Company’s register;
   (i) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
   (j) you acknowledge that no interest will be paid on any subscription monies held pending the allotment of the New Shares or subsequently returned to you for any reason;
   (k) you acknowledge that you have not been provided with investment advice or financial product advice by the Company;
(l) you acknowledge that the Company is not liable for any exercise of its discretions referred to in this document;

(m) you acknowledge that the New Shares have not, and will not, be registered under the US Securities Act or the securities law of any state or other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;

(n) you agree not to send any materials relating to the offer under the Plan to any person in the United States or that is or is acting for the account or benefit of a US person; and

(o) you acknowledge that the market price of Shares may rise or fall between the date of this Offer and the Allotment Date and that the Issue Price you pay for the New Shares may exceed the market price of the New Shares on the Allotment Date.

10. THE NEW SHARES

10.1 Following the allotment of New Shares issued under the Plan, those New Shares will rank equally in all respects with existing Shares quoted on ASX, with the same voting rights, dividend rights and other entitlements.

10.2 The Company will apply for New Shares issued under the Plan to be quoted on ASX.

10.3 If the New Shares are not quoted on ASX, the New Shares will not be issued and all funds received will be refunded, without interest.

12. DISPUTE RESOLUTION

The Company may in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan. The Company’s decision will be conclusive and binding. The Company reserves the right to waive strict compliance with the terms of the Plan. The Board or any authorised delegate may exercise the powers of the Company under the terms and conditions of the Plan.

13. WAIVER AND WITHDRAWAL

The Company may, at its absolute discretion:

(a) waive compliance with any provision of the terms and conditions of this document; and

(b) withdraw the offer under the Plan at any time up to the Allotment Date.

14. GOVERNING LAW

The terms and conditions set out in this Plan Booklet are governed by the laws in force in Queensland, Australia.

15. OTHER TERMS AND CONDITIONS

By accepting the offer to acquire New Shares under the Plan, Shareholders will be bound by the constitution of the Company and the terms and conditions of this Plan Booklet.