



ABN 42 127 042 773

(Option Holder Name and Address)

Application Form on Exercise of Unlisted Options Expiring 31 December 2019

To the Directors, Scotgold Resources Limited

I/We hereby exercise [ ] option(s) and hand you herewith my/our cheque for [ ]

being @ £0.40 per share on application for [ ] ordinary shares in the capital of the Company.

I/We request that you allot me that number of shares and I/we agree to accept that number of shares on the terms below and the Constitution of the Company, and I/we authorise you to place my/our name on the register.

My/Our Security Number (as shown on my/our Certificate) is [ ]

Sign Here – This section must be signed for your instructions to be executed

I/We authorise you to act in accordance with my/our instructions set out above.

Individual or Securityholder 1 Securityholder 2 Securityholder 3
Director Director/Company Secretary Sole Director and Sole Company Secretary

Note: when signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Day/Date Month Year
/ /

Terms and Conditions attached

LODGEMENT INSTRUCTIONS

Cheques shall be in Pounds Sterling currency made payable to Scotgold Resources Limited and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged at the Company's Registry, Computershare Investor Services Pty Limited, GPO Box D182, Perth WA 6840.

### 1.17. Terms and conditions of the Unlisted Options expiring 31<sup>st</sup> December 2019

The terms and conditions of the New Options are as follows:

- (a) Each New Option entitles the holder to one Share.
- (b) The New Options shall vest on issue (the **Vesting Date**).
- (c) The New Options shall expire at 5:00pm WST on 31 December 2019 (the **Expiry Date**).
- (d) The New Options shall be exercisable at any time from the Vesting Date, up to and including the Expiry Date by completing the Option Exercise Form and providing payment for the number of Shares in respect of which the New Options are exercised to the registered office of the Company.
- (e) The New Options are not transferable, and application will not be made for admission to trading of the New Options.
- (f) The exercise price of the New Options is £0.40 per New Option.
- (g) The New Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 10 must be exercised on each occasion.
- (h) An Optionholder may exercise their New Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of New Options specifying the number of New Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the exercise price for the number of New Options being exercised.
- (i) All Shares issued upon exercise of New Options will rank pari passu in any respects with the Company's then issued Shares.
- (j) The Company will apply for admission to trading on AIM for all Shares issued upon exercise of the New Options.
- (k) There are no participating rights and entitlements inherent in the New Options and Optionholders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the New Options without exercising their New Options. However, the Company will ensure that Optionholders will be allowed 7 business days' notice to convert their New Options to Shares to participate in an entitlement issue on the same basis as Shareholders.
- (l) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of New Options or the exercise price of the New Options or both shall be reconstructed in accordance with the AIM Rules.
- (m) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment):

  - (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the New Option before the record date for the bonus issue; and
  - (ii) no change will be made to the exercise price.
- (n) Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the exercise price of a New Option will be reduced according to the following formula: New exercise price =  $O - E [P - (S+D)] / N+1$ , where: O = the old Exercise Price of the New Option, E = the number of underlying Shares into which one New Option is exercisable, P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date, S = the subscription price of a Share under the pro rata issue, D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue) and N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.