

UraniumSA Limited
 Registered Office
 Level 1, 67 Greenhill Road
 Wayville, Adelaide
 South Australia 5034

UraniumSA

TERMS AND CONDITIONS OF ISSUE OF OPTIONS

1. Each Option will entitle the holder ('**Optionholder**') to subscribe for one fully paid ordinary share in the Company ('**Share**') (subject to possible adjustments referred to in paragraphs 10, 11 and 12).
2. Each Option is exercisable at any time from the date the Company grants the Option until 4:00pm Adelaide, South Australia time on 1 September 2011 ('**Expiry Date**') (inclusive of both dates). Options not exercised before the Expiry Date will lapse.
3. The exercise price of each Option is \$0.20 ('**Exercise Price**').
4. Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
5. Some or all of the Options may be exercised at any one time or times prior to the Expiry Date provided that no less than 5,000 Options are exercised at any one time.
6. Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares in the Company.
7. The Company will not seek to have the Options admitted to the official list of Australian Stock Exchange Limited ('**ASX**') and the Options will not be listed on ASX. The Company will make application for new Shares allotted on exercise of the Options to be admitted to the official list of ASX.
8. Each Option will be freely transferable at any time before the Expiry Date, in accordance with the Constitution of the Company.
9. Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, that the record date will be at least seven business days after the date the issue is announced.
10. If there is a bonus issue to the holders of Shares:
 - (a) the number of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
11. If the Company makes a rights issue (other than a bonus issue), the Exercise Price of Options on issue will be reduced in accordance with the following formula:

$$\text{New Option Exercise Price} = \frac{O - \frac{E(P - (S + D))}{N + 1}}{N + 1}$$

Where:

- O = the old Exercise Price of the Option;
- E = the number of underlying Shares into which one Option is exercisable;
- P = the volume weighted average price per Share recorded on the stock market of ASX during the 5 trading days immediately preceding the ex rights date or ex-entitlements date;

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- S = the subscription price for a Share under the pro rata issue;
- D = the dividend due but not yet paid on 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.
12. If, prior to the Expiry Date the issued capital of the Company is reorganised, the rights of the Optionholders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.