



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of *Southern Gold Limited* will be held at 47 Tynte Street, NORTH ADELAIDE SA, 5006 on 18 December 2008 at 3.00 pm (Adelaide time).

Ordinary Business

Financial Report

To receive and consider the Company's financial statements and independent audit report for the year ended 30 June 2008.

Resolution 1. Remuneration Report

To approve the Remuneration Report contained in the Directors Report for the year ended 30 June 2008.

Resolution 2. Election of a Director

Mr Gregory Colin Boulton retires as a Director in accordance with the Company's Constitution and being eligible, offers himself for re-election.

Resolution 3. Election of a Director

Mr Michael Robert Billing retires as a Director in accordance with the Company's Constitution and being eligible, offers himself for re-election.

Other Business

Resolution 4. Approval of the issue of options for Mr Stephen Biggins

That for the purpose of Listing Rule 10.11 of the listing rules of the Australian Securities Exchange, and for all other purposes the Company approves the issue to the Managing Director, Mr Stephen Biggins, of 500,000 options to acquire ordinary shares in the company, in accordance with the attached Explanatory memorandum, at an exercise price of 20 cents per share.

The Company will disregard any votes cast on this resolution by Mr Stephen Biggins or any associate of Mr Biggins or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the company will not disregard a vote if:

- *It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or*
- *It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 5. Approval of the issue of options for Mr Greg Boulton

That for the purpose of Listing Rule 10.11 of the listing rules of the Australian Securities Exchange, and for all other purposes the Company approves the issue to Mr Gregory Colin Boulton, director of 500,000 options to acquire ordinary shares in the company, in accordance with the attached Explanatory memorandum, at an exercise price of 30 cents per share.



The Company will disregard any votes cast on this resolution by Mr Boulton or any associate of Mr Boulton or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the company will not disregard a vote if:

- *It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or*
- *It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 6. Approval of the issue of shares to Directors in lieu of Directors' Remuneration

“That for the purpose of Listing Rule 10.11 of the listing rules of the Australian Securities Exchange, and for all other purposes the Company approves:

- a) the issue of up to the equivalent of \$30,000 in ordinary fully paid shares to Mr John Alexander Anderson, Non-Executive Director, or his nominee, in accordance with the attached Explanatory Memorandum;
- b) the issue of up to the equivalent of \$30,000 in ordinary fully paid shares to Mr Michael Robert Billing, Non-Executive Director, or his nominee, in accordance with the attached Explanatory Memorandum;
- c) the issue of up to the equivalent of \$30,000 in ordinary fully paid shares to Mr Michael Walsh McDonald, Non-Executive Director, or his nominee, in accordance with the attached Explanatory Memorandum; and
- d) the issue of up to the equivalent of \$60,000 in ordinary fully paid shares to Mr Greg Boulton, Chairman of the Company or his nominee, in accordance with the attached Explanatory Memorandum.”
- e) the issue of up to the equivalent of \$60,000 in ordinary fully paid shares to Mr Stephen Biggins, Managing Director of the Company or his nominee, in accordance with the attached Explanatory Memorandum.”

The Company will disregard any votes cast on this resolution by the Non-Executive Directors, or any associate of those persons, or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the Company will not disregard a vote if:

- *It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or*
- *It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*

By order of the Board

M R Billing
Company Secretary
Dated this 17th Day of November 2008

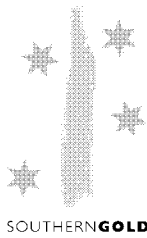


Voting Entitlements

Pursuant to the Corporations Regulations 2001.7.11.37 made pursuant to Section 1074E(2)(g) of the Corporations Act 2001, the Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the share register at close of business on 16 December 2008.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy form must be deposited at the share registry of the Company, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC 3001 or at the Company's registered office, 47 Tynte Street, North Adelaide, SA 5006, or by facsimile to Computershare on (within Australia) 1800 783 447 or (outside Australia) 61 3 9473 2555 or to the Company on 61 8 8132 0199 not later than 48 hours before the commencement of the meeting.



Southern Gold Limited

SOUTHERNGOLD ABN 30 107 424 519

000001 000 SAU
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 3.00pm (Adelaide time) Tuesday 16 November 2008

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Southern Gold Limited hereby appoint

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Southern Gold Limited to be held at 47 Tynte Street, North Adelaide SA on Thursday, 18 December 2008 at 3.00pm and at any adjournment of that meeting.

Important for Items 5 and 6: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item/s X below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 5 and 6 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of items 5 and 6 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1. Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-elect Mr Gregory Colin Boulton as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-elect Mr Michael Robert Billing as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of the Issue of Options for Mr Stephen Biggins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of the Issue of Options for Mr Gregory Boulton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of the Issue of Shares to Directors in lieu of Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

SAU

999999A

Computershare +



SOUTHERN GOLD LIMITED
ACN 107 424 519
EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist shareholders in consideration of resolutions proposed for the Annual General Meeting of the Company to be held on 18 December at 47 Tynte Street, NORTH ADELAIDE, SA commencing at 3.00pm.

It should be read in conjunction with the Notice of Annual General Meeting.

Resolution 4 - Issue of options to Mr Stephen Biggins

It is proposed that 500,000 options be issued to Mr Biggins. The options will have a 5 year term, become exercisable one month after the date of the Annual General Meeting at which this resolution is considered by shareholders at an exercise price of 20 cents per share.

The options shall not be quoted on the ASX, will be transferable only with the consent of the Board and will otherwise be issued on standard terms set out in ASX Listing Rules insofar as treatment of the options in the case of reconstructions, bonus and rights issues.

ASX Listing Rule 10.11 requires, subject to certain exceptions, shareholder approval for the issue of securities to a related party of the Company. Mr Biggins is a director (and Managing Director) of the Company. Accordingly, approval under Listing Rule 10.11 is sought for the grant of options to him. As approval of shareholders is being sought pursuant to Listing Rule 10.11, Listing Rule 7.2 Exception 14 provides that the Company is not required to seek approval under Listing Rule 7.1.

The following information is provided to shareholders for the purposes of Listing Rule 10.13:

- I. The options shall be issued to or as directed by, Mr Stephen Biggins
- II. The options shall be issued no later than one month after the date of the Annual General Meeting at which this resolution is considered, or such later date as approved by the ASX
- III. The options will be issued for no consideration; they are exercisable at 20 cents per share
- IV. The terms and conditions of the options are set out in Appendix A.
- V. No funds will be raised by the issue of the options. In the event of exercise of the options, funds raised will be used to augment the working capital of the Company

The Company will disregard any votes cast on this resolution by Mr. Biggins or any of his associates or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the company will not disregard a vote if:

- *It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or*
- *It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides*

Resolution 5 - Issue of options to Mr Greg Boulton

It is proposed that 500,000 options be issued to Mr Boulton. The options will have a 5 year term, become exercisable one month after the date of the Annual General Meeting at which this resolution is considered by shareholders at an exercise price of 30 cents per share.

The Board has reviewed the market standard of remuneration for directors of a publicly listed company of a size comparable to the Company. Based on this, the Board considers it appropriate to issue 500,000 options to Mr Boulton in order to retain his services and ensure that his remuneration is in line with the market standards.



The options shall not be quoted on the ASX, will be transferable only with the consent of the Board and will otherwise be issued on standard terms set out in ASX Listing Rules insofar as treatment of the options in the case of reconstructions, bonus and rights issues.

ASX Listing Rule 10.11 requires, subject to certain exceptions, shareholder approval for the issue of securities to a related party of the Company. Mr Boulton is a director of the Company. Accordingly, approval under Listing Rule 10.11 is sought for the grant of options to him. As approval of shareholders is being sought pursuant to Listing Rule 10.11, Listing Rule 7.2 Exception 14 provides that the Company is not required to seek approval under Listing Rule 7.1.

The following information is provided to shareholders for the purposes of Listing Rule 10.13:

- I. The options shall be issued to or as directed by, Mr Greg Boulton
- II. The options shall be issued no later than one month after the date of the Annual General Meeting at which this resolution is considered, or such later date as approved by the ASX
- III. The options will be issued for no consideration; they are exercisable at 30 cents per share
- IV. The terms and conditions of the options are set out in Appendix A.
- V. No funds will be raised by the issue of the options. In the event of exercise of the options, funds raised will be used to augment the working capital of the Company.

The Company will disregard any votes cast on this resolution by Mr. Boulton or any of his associates or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the company will not disregard a vote if:

- *It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or*
- *It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides*

Resolution 6 - Approval of the issue of shares to Directors in lieu of Directors' remuneration

In order to preserve Company funds during the current economic climate where many exploration companies are experiencing challenging times raising equity capital, Mr Anderson, Mr Billing and Mr McDonald have each agreed to reduce their Directors' fees by \$10,000 per quarter and Mr Boulton agreed to reduce his Director's fees by \$20,000 per quarter with effect from 1st October 2008, while Mr Biggins has agreed to reduce his salary payment by \$20,000 per quarter with effect from 1st October 2008. The purpose of this resolution is to give the Directors the opportunity to be paid for their services in fully paid shares in the Company up to the equivalent value of \$10,000 at 31 December 2008, \$10,000 at 31 March 2009 and \$10,000 at 30 June 2009 being a total of \$30,000 for each of Mr Anderson, Mr Billing and Mr McDonald and up to the equivalent value of \$20,000 at 31 December 2008, \$20,000 at 31 March 2009 and \$20,000 at 30 June 2009 being a total of \$60,000 for Mr Boulton and Mr Biggins for the 9 months from commencement of the Directors remuneration reduction. The fully paid shares would be issued at the volume weighted average price ("VWAP") of the shares during the five ASX trading days prior to 31 December 2008, 31 March 2009 and 30 June 2009.

This resolution will enable the Company to issue fully paid shares at the Company's or the Non-Executive Directors' election, up to the value of \$30,000 for each of Mr Anderson, Mr Billing and Mr McDonald and up to the value of \$60,000 for each of Mr Boulton and Mr Biggins in three tranches as detailed above.

ASX Listing Rule 10.11 provides that a company must not issue or agree to issue securities to particular parties, without first obtaining the approval of members. In addition, rule 10.13.3 requires the shares to be issued within one month after the dated of the meeting. The Company has received an ASX waiver to rule 10.13.3 extending the share issue date of each tranche to [within 30 days after 31 December 2008, 31 March 2009 and 30 June 2009 respectively].

For this purpose ASX Listing Rule 10.13 provides that the following information must be provided



to shareholders:

- The maximum number of securities that may be issued to each of Mr Anderson, Mr Billing and Mr McDonald under Resolution 6 is a number of fully paid ordinary shares equivalent to \$30,000;
- The maximum number of securities that may be issued to Mr Boulton and Mr Biggins under Resolution 6 is a number of fully paid ordinary shares equivalent to \$60,000;
- Up to \$10,000 in ordinary shares will be issued to each of Mr Anderson, Mr Billing and Mr McDonald at the VWAP price during the five trading days before 31 December 2008, up to \$10,000 in ordinary shares at the VWAP price during the five trading days before 31 March 2009 and up to \$10,000 in ordinary shares at the VWAP price during the five trading days before 30 June 2009. The company's closing share price on 14th November 2008, the last trading day before the date of this notice was 7.2 cents per share;
- Up to \$20,000 in ordinary shares will be issued to Mr Boulton and Mr Biggins at the VWAP price during the five trading days before 31 December 2008, up to \$20,000 in ordinary shares at the VWAP price during the five trading days before 31 March 2009 and up to \$20,000 in ordinary shares at the VWAP price during the five trading days before 30 June 2009. The company's closing share price on 14th November 2008, the last trading day before the date of this notice was 7.2 cents per share;
- The ordinary shares will be issued within 30 days of 31 December 2008, 31 March 2009 and 30 June 2009 as detailed above. As the shares will not be issued within one month of approval, the Company has received an ASX Listing Rule 10.13.3 waiver requiring the shares be issued within 30 days of each tranche being 31 December 2008, 31 March 2009 and 30 June 2009 respectively;
- The ordinary shares will be issued at 5 day VWAP share price immediately before the issue dates above in lieu of remuneration to which the Directors would otherwise be entitled to. Each share issued pursuant to the will rank pari passu with all existing ordinary fully paid shares of the Company.

No funds will be raised by the issue of the ordinary shares and no loans will be made in relation to the shares.

The Company will disregard any votes cast on this resolution by the Non-Executive Directors, or any associate of the Non-Executive Directors, or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.

However the Company will not disregard a vote if:

- *It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or*
- *It is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.*



APPENDIX A

Terms of options

Following is a summary of the material terms of the options subject to Resolution 4

1. The Options are options to subscribe for ordinary shares in the capital of the Company;
2. The exercise price of the Options is set at 20 cents per ordinary share;
3. Shares issued on exercise of the Options will rank pari passu with all existing ordinary shares in the Company from the date of issue;
4. The Options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 18th December 2012, together with payment for the exercise price and the Option certificates (if any) for those Options for cancellation by the Company;
5. The Company will allot the number of shares the subject of any exercise notice, and apply, at its cost, for quotation of the shares so allotted;
6. The Option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the Options, in which case the holder of the Options will be afforded the period of at least 14 days notice prior to and inclusive of the books closing date (to determine the entitlements to the issue) to exercise the Options;
7. In the event of any reconstruction (including consolidation, reduction, or return) of the issued capital of the Company;
 - 7.1. the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX listing rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holder of the Option which are not conferred on shareholders; and
 - 7.2. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
8. If there is to be a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formulae:

$$O^n = O - \frac{E[P-(S+D)]}{N + 1}$$

Where

- O^n = the new exercise price of the Option;
 - O = the old exercise price of the Option;
 - E = the number of underlying securities into which one Option is exercisable;
 - P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 day trading period ending on the day before the ex right date or the ex entitlement date;
 - S = the subscription price for a security under the pro rata issue
 - D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
 - N = the number of securities with rights or entitlements which must be held to receive a right to one new security.
9. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the option had been exercised prior to the record date for the bonus issue.
 10. The terms of the options shall be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve such a change. However the terms of the Options shall not be changed to reduce the exercise price, increase the number of options, or change any period for exercise of the options.
 11. In the event that a director ceases to be a director of the Company, for any reason, any Options not exercised prior to that event will lapse.

Terms of options

Following is a summary of the material terms of the options subject to Resolution 5

12. The Options are options to subscribe for ordinary shares in the capital of the Company;
13. The exercise price of the Options is set at 30 cents per ordinary share;
14. Shares issued on exercise of the Options will rank pari passu with all existing ordinary shares in the Company from the date of issue;
15. The Options may be exercised wholly or in part by notice in writing to the Company received at any time on or before 18th December 2012, together with payment for the exercise price and the Option certificates (if any) for those Options for cancellation by the Company;
16. The Company will allot the number of shares the subject of any exercise notice, and apply, at its cost, for quotation of the shares so allotted;
17. The Option holder will be permitted to participate in new issues of securities of the Company on the prior exercise of the Options, in which case the holder of the Options will be afforded the period of at least 14 days notice prior to and inclusive of the books closing date (to determine the entitlements to the issue) to exercise the Options;
18. In the event of any reconstruction (including consolidation, reduction, or return) of the issued capital of the Company;
 - 18.1. the number of Options, the exercise price of the Options, or both will be reconstructed (as appropriate) in a manner consistent with the ASX listing rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holder of the Option which are not conferred on shareholders; and
 - 18.2. subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
19. If there is to be a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formulae:

$$O^n = O - \frac{E[P-(S+D)]}{N + 1}$$

Where

- O^n = the new exercise price of the Option;
 - O = the old exercise price of the Option;
 - E = the number of underlying securities into which one Option is exercisable;
 - P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 day trading period ending on the day before the ex right date or the ex entitlement date;
 - S = the subscription price for a security under the pro rata issue
 - D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);
 - N = the number of securities with rights or entitlements which must be held to receive a right to one new security.
20. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the option had been exercised prior to the record date for the bonus issue.
 21. The terms of the options shall be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve such a change. However the terms of the Options shall not be changed to reduce the exercise price, increase the number of options, or change any period for exercise of the options.
 22. In the event that a director ceases to be a director of the Company, for any reason, any Options not exercised prior to that event will lapse.