

33. SHARE-BASED PAYMENTS (CONTINUED)

(h) Directors options

In addition to the EOS, the Company has issued options to Directors.

Other relevant terms and conditions applicable to the options granted to Directors include:

- (i) The options issued to Directors vest immediately;
- (ii) The option issue has no direct performance requirements;
- (iii) The options are issued for nil consideration;
- (iv) The options will not be quoted on the ASX;
- (v) The exercise price of the options is equal to 120% of the weighted average closing sale price of the Company's fully paid ordinary shares on ASX over the 20 trading days immediately preceding the day on which the members resolve to offer that Option;
- (vi) Any options that are not exercised by the third anniversary of their grant date will lapse; and
- (vii) Upon exercise, these options will be settled in ordinary fully paid shares of the Company.

(i) Summary of options granted to Directors

The following table illustrates the number and weighted average (WAEP) of, and movements in, share options issued to Directors:

	2011 Number	2011 WAEP	2010 Number	2010 WAEP
Outstanding at the beginning of the year	6,500,000	0.337	4,000,000	0.460
Granted during the year	-	-	2,500,000	0.140
Exercised during the year	-	-	-	-
Lapsed/cancelled during the year	(4,000,000)	0.460	-	-
Outstanding at the year end	2,500,000	0.140	6,500,000	0.337
Exercisable at the end of the year	2,500,000	0.140	6,500,000	0.337

The outstanding balance as at 30 June 2011 is represented by the following table:

Grant date	Vesting date	Expiry date	Exercise price	Options granted	Options lapsed/cancelled	Options exercised	Number of options at end of period	
							On issue	Vested
27 November 2009	27 November 2009	30 November 2012	14 cents	2,500,000	-	-	2,500,000	2,500,000
Total				2,500,000	-	-	2,500,000	2,500,000

(j) Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2011 is 1.42 years (2010: 1.19).

(k) Range of exercise price

The exercise price for options outstanding at the end of the year was \$0.14 (2010: \$0.14 - \$0.46).

(l) Weighted average fair value

The weighted average fair value of options granted during the year was nil (2010: \$0.14).

(m) Contractors options

In addition to the EOS, the Company has issued options to Contractors.

Other relevant terms and conditions applicable to the options granted to Contractors include:

- (i) The options issued to Contractors vest immediately;
- (ii) The option issue has no direct performance requirements;
- (iii) The options are issued for nil consideration;
- (iv) The options will not be quoted on the ASX;
- (v) The exercise price of the options is equal to 120% of the weighted average closing sale price of the Company's fully paid ordinary shares on ASX over the 5 trading days immediately preceding the day on which the members resolve to offer that Option;
- (vi) Any options that are not exercised by the expiry date as determined by the Directors at their grant date will lapse; and
- (vii) Upon exercise, these options will be settled in ordinary fully paid shares of the Company.