

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

TRUSCOTT MINING CORPORATION LTD

ABN

31 116 420 378

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | A. Unlisted Class E Performance Rights B. Unlisted Class F Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | A. 3,850,000 B. 3,850,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | A. Issued to directors in lieu of director fees as approved at the AGM held 3/11/2017. B. issued to directors as approved at the AGM held 3/11/2017. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | | |
|----|--|---|
| 4 | <p>Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>A. No. This is a new Class of Rights being issued. Please see attached Annexure A for full details.</p> <p>B. No. This is a new Class of Rights being issued. Please see attached Annexure B for full details.</p> |
| 5 | Issue price or consideration | <p>A. Issued in lieu of director fees for the year ended 30 June 2017.</p> <p>B. Issued to the Executive Directors for no consideration in recognition of sacrifices made to the Company.</p> |
| 6 | <p>Purpose of the issue</p> <p>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>A. To conserve cash for research, exploration and working capital purposes</p> <p>B. To reward the executive directors for sacrifices made.</p> |
| 6a | <p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p> | <p>NO</p> |
| 6b | The date the security holder resolution under rule 7.1A was passed | <p>N/A</p> |
| 6c | Number of ⁺ securities issued without security holder approval under rule 7.1 | <p>A. Nil</p> <p>B. Nil</p> |
| 6d | Number of ⁺ securities issued with security holder approval under rule 7.1A | <p>A. Nil</p> <p>B. Nil</p> |

⁺ See chapter 19 for defined terms.

| | | | |
|----|---|--|---|
| 6e | Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | A. 3,850,000 as per AGM 3/11/2017 B. 3,850,000 as per AGM 3/11/2017 | |
| 6f | Number of ⁺ securities issued under an exception in rule 7.2 | Nil | |
| 6g | If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation. | N/A | |
| 6h | If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | N/A | |
| 7 | ⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B. | 3/11/2017 | |
| 8 | Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable) | Number 115,845,544 | ⁺Class Fully paid ordinary shares |

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | Number | +Class | | | | | | | | | | | | | | | | | | |
|-----------|---|--|-----------|---------|--------------------|-----------|---------|--------------------|-----------|---------|--------------------|-----------|---------|--------------------|-----------|---------|--------------------|-----------|---------|--------------------|
| 9 | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable) | <table> <tr> <td>3,700,000</td><td>Class A</td><td>Performance Rights</td></tr> <tr> <td>2,600,000</td><td>Class B</td><td>Performance Rights</td></tr> <tr> <td>3,700,000</td><td>Class C</td><td>Performance Rights</td></tr> <tr> <td>2,600,000</td><td>Class D</td><td>Performance Rights</td></tr> <tr> <td>3,850,000</td><td>Class E</td><td>Performance Rights</td></tr> <tr> <td>3,850,000</td><td>Class F</td><td>Performance Rights</td></tr> </table> | 3,700,000 | Class A | Performance Rights | 2,600,000 | Class B | Performance Rights | 3,700,000 | Class C | Performance Rights | 2,600,000 | Class D | Performance Rights | 3,850,000 | Class E | Performance Rights | 3,850,000 | Class F | Performance Rights |
| 3,700,000 | Class A | Performance Rights | | | | | | | | | | | | | | | | | | |
| 2,600,000 | Class B | Performance Rights | | | | | | | | | | | | | | | | | | |
| 3,700,000 | Class C | Performance Rights | | | | | | | | | | | | | | | | | | |
| 2,600,000 | Class D | Performance Rights | | | | | | | | | | | | | | | | | | |
| 3,850,000 | Class E | Performance Rights | | | | | | | | | | | | | | | | | | |
| 3,850,000 | Class F | Performance Rights | | | | | | | | | | | | | | | | | | |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | None | | | | | | | | | | | | | | | | | | |

Part 2 - Pro rata issue

| | | |
|----|--|--|
| 11 | Is security holder approval required? | |
| 12 | Is the issue renounceable or non-renounceable? | |
| 13 | Ratio in which the +securities will be offered | |
| 14 | +Class of +securities to which the offer relates | |
| 15 | +Record date to determine entitlements | |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |
| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with.</small> <small>Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

+ See chapter 19 for defined terms.

| | | |
|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

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Appendix 3B

New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☐ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

| 38 | Number of +securities for which +quotation is sought | | | | | |
|--------|---|---|--------|--------|--|--|
| 39 | +Class of +securities for which quotation is sought | | | | | |
| 40 | <p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | | | | | |
| 41 | <p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p> | | | | | |
| 42 | Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38) | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 40px;"></td> <td></td> </tr> </table> | Number | +Class | | |
| Number | +Class | | | | | |
| | | | | | | |

+ See chapter 19 for defined terms.

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 4 November, 2017
(Director/Company secretary)

Print name: Michael J Povey

⁺ See chapter 19 for defined terms.

Annexure A – Class E Performance Rights

Conditions attaching to the Class E Performance Rights

- (A) A Performance Right is **not** a share in the capital of Truscott Mining Corporation Limited ABN 31 116 420 378 (**the Company**). It is a right, subject to a Milestone being reached, to acquire 1 fully paid ordinary share for each right at no consideration to the holder of the right.
- (B) The Performance Rights shall **not** confer on the holder (**the Holder**) the right to receive notices of general meetings **nor** financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**the Shareholders**). Holders do not have the right to attend general meetings of Shareholders.
- (C) The Performance Rights **do not** entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- (D) The Performance Rights **do not** entitle the Holder to any dividends.
- (E) The Performance Rights **do not** participate in the surplus or assets of the Company upon a winding up of the Company.
- (F) The Performance Rights are **not** transferable.
- (G) If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganization.
- (H) The Company shall allot and issue Shares immediately upon conversion of Performance Rights for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.
- (I) The Performance Rights will not be quoted on ASX. However, upon conversion of the Performance Rights into fully paid ordinary shares (the Shares), the Shares will (as and from 5pm EST on the date of allotment) rank equally with and confer rights identical with all other Shares then on issue and the Company must within 2 Business Days after the conversion, apply for official quotation of the Shares arising from the conversion on ASX.
- (J) Shares issued on conversion of the Performance Rights must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Rights are freely tradeable without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.
- (K) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus shares and entitlement issues.
- (L) If, prior to the Expiry Date, a Change in Control Event occurs then each Performance Right will be converted into one Share. The maximum number of Performance Rights that can be converted into Shares and issued under this clause (L) upon a Change in Control Event occurring must not exceed 10% of the issued share capital of the Company (as at the date

of the Change in Control Event). The Company shall ensure a pro-rata allocation of Shares issued under this clause (L) to all Performance Right holders.

(M) The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(N) As these rights are being issued in lieu of directors' fees that were payable for the year ended 30 June 2017, (i.e. for past services rendered), there is no requirement for the holder of the rights to be employed by the Company on the Issue Date, nor the Conversion Date.

Conversion of the Performance Rights

(O) Each Class E Performance Right will automatically convert into one Fully Paid Ordinary Share, as long as the Fully Paid Ordinary Shares have a closing price on ASX of 6 cents on 20 consecutive days where the shares have traded (**Milestone**).

(P) Regardless of meeting the Milestone, no right can convert before 1 July 2018.

(Q) If the Milestone has not been achieved by the Expiry Date, then the Performance Rights will automatically expire.

(R) For the purposes of these terms and conditions:

a. "Change in Control Event" means:

1. the occurrence of:

- i. the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.0% or more of the Shares; and
- ii. that takeover bid has become unconditional; or

2. the announcement by the Company that:

- i. shareholders of the Company have at a Court-convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - ii. the Court, by order, approves the scheme of arrangement, but shall not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of the Company.
- b. "Expiry Date" means In relation to the Class E Performance Rights, 4 years from the date of issue.

Annexure B – Class F Performance Rights

Conditions attaching to the Class F Performance Rights

- (A) A Performance Right is **not** a share in the capital of Truscott Mining Corporation Limited ABN 31 116 420 378 (**the Company**). It is a right, subject to a Milestone being reached, to acquire 1 fully paid ordinary share for each right at no consideration to the holder of the right.
- (B) The Performance Rights shall **not** confer on the holder (**the Holder**) the right to receive notices of general meetings **nor** financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**the Shareholders**). Holders do not have the right to attend general meetings of Shareholders.
- (C) The Performance Rights **do not** entitle the Holder to vote on any resolutions proposed at a general meeting of Shareholders.
- (D) The Performance Rights **do not** entitle the Holder to any dividends.
- (E) The Performance Rights **do not** participate in the surplus or assets of the Company upon a winding up of the Company.
- (F) The Performance Rights are **not** transferable.
- (G) If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganization.
- (H) The Company shall allot and issue Shares immediately upon conversion of Performance Rights for no consideration and shall record the allotment and issue in the manner required by the Corporations Act.
- (I) The Performance Rights will not be quoted on ASX. However, upon conversion of the Performance Rights into fully paid ordinary shares (the Shares), the Shares will (as and from 5pm EST on the date of allotment) rank equally with and confer rights identical with all other Shares then on issue and the Company must within 2 Business Days after the conversion, apply for official quotation of the Shares arising from the conversion on ASX.
- (J) Shares issued on conversion of the Performance Rights must be free from all encumbrances, securities and third party interests. The Company must ensure that Shares issued on conversion of the Performance Rights are freely tradeable without being subject to on-sale restrictions under section 707 of the Corporations Act, on and from their date of issue.
- (K) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus shares and entitlement issues.
- (L) If, prior to the Expiry Date, a Change in Control Event occurs then each Class F Performance Right will be converted into one Share. The maximum number of Performance Rights that can be converted into Shares and issued under this clause (L) upon a Change in Control Event occurring must not exceed 10% of the issued share capital of

the Company (as at the date of the Change in Control Event). The Company shall ensure a pro-rata allocation of Shares issued under this clause (L) to all Performance Right holders.

- (M) The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (N) These rights are being issued to the executive Directors as they agreed to defer payment of part of their consulting fees and have agreed to not request consulting rate increases until the Company has the capacity to pay. In addition they have agreed to not charge interest on the deferred amounts. To recompense these directors for their sacrifice and continued support (i.e. for past services rendered), there is no requirement for the holder of these rights to be employed by the Company on the Issue Date, nor on the Conversion Date.

Conversion of the Class F Performance Rights

- (O) Each Class F Performance Right will automatically convert into one Fully Paid Ordinary Share, as long as the Fully Paid Ordinary shares have a closing price on ASX of 15 cents on 20 consecutive days where the shares have traded (**Milestone**).
- (P) Regardless of meeting the Milestone, no right can convert before 1 July 2018.
- (Q) If the Milestone has not been achieved by the Expiry Date, then the Performance Rights will automatically expire.
- (R) For the purposes of these terms and conditions:
 - a. "Change in Control Event" means:
 - 1. the occurrence of:
 - i. the offeror under a takeover offer in respect of Shares announcing that it has achieved acceptances in respect of 50.0% or more of the Shares; and
 - ii. that takeover bid has become unconditional; or
 - 2. the announcement by the Company that:
 - i. shareholders of the Company have at a Court-convened meeting of shareholders voted in favour, by the necessary majority of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - ii. the Court, by order, approves the scheme of arrangement, but shall not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of the Company.
 - b. "Expiry Date" means in relation to the Class F Performance Rights, 4 years from the date of issue.