

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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

Kabuni Limited

ABN

28 158 307 549

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) Ordinary shares
b) Unlisted options
c) Ordinary shares
d) Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 192,492,918
b) 76,997,164
c) 31,679,375
d) 13,525,493 |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | |
|--|---|
| <p>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)</p> | <p>a) Fully paid ordinary shares
b) Unlisted options over fully paid ordinary shares, exercisable at \$0.004 each and expiring on 30 April 2021
c) Fully paid ordinary shares
d) Fully paid ordinary shares</p> |
|--|---|

+ See chapter 19 for defined terms.

<p>4 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) Yes b) No. Shares issued upon exercise of options will rank equally c) Yes d) Yes</p>
<p>5 Issue price or consideration</p>	<p>a) \$0.002 per share b) Nil. Two free attaching options for every five shares subscribed for under the Rights Offer (as described in the prospectus lodged with ASIC and announced to ASX by the Company on 17 November 2017 (Rights Offer Prospectus)). c) Deemed price of \$0.0016 per share being a 20% discount to the Rights Offer per price share of \$0.002, pursuant to the automatic conversion terms of convertible notes upon completion of the rights offer d) Nil</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) – b) As described in section 1.2 of the Rights Offer Prospectus c) Shares issued on conversion and full satisfaction of 50,687 convertible notes with a face value of \$50,687. Notes convert automatically upon the completion of the Rights Offer d) Shares issued on conversion of 13,525,493 performance shares under the terms of the performance shares, comprising 3,881,372 Class A performance shares, 3,881,375 Class B performance shares, 2,881,373 Class C performance shares and 2,881,373 Class D performance shares</p>

+ See chapter 19 for defined terms.

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6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	a) 287,211,488 b) 114,884,595 c) 31,679,375 d) 13,525,493
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

+ See chapter 19 for defined terms.

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	Refer to Annexure 1																		
7	<p>⁺Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	13 December 2017																		
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>556,821,662</td><td>Ordinary Shares</td></tr><tr><td>12,000,000</td><td>Listed Options exercisable at \$0.30 on or before 25 August 2018</td></tr><tr><td>70,567,146</td><td>Listed Options, exercisable at \$0.05 on or before 30 June 2019</td></tr></table>	Number	⁺ Class	556,821,662	Ordinary Shares	12,000,000	Listed Options exercisable at \$0.30 on or before 25 August 2018	70,567,146	Listed Options, exercisable at \$0.05 on or before 30 June 2019										
Number	⁺ Class																			
556,821,662	Ordinary Shares																			
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70,567,146	Listed Options, exercisable at \$0.05 on or before 30 June 2019																			
9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	<table><tr><th>Number</th><th>⁺Class</th></tr><tr><td>2,013,334</td><td>Unlisted Options exercisable at \$0.18 on or before 31 March 2019</td></tr><tr><td>150,000</td><td>Unlisted Options exercisable at \$0.13 on or before 6 November 2018</td></tr><tr><td>200,000</td><td>Unlisted Options exercisable at \$0.13 on or before 31 October 2018</td></tr><tr><td>150,000</td><td>Unlisted Options exercisable at \$0.05 on or before 30 September 2019</td></tr><tr><td>3,000,000</td><td>Unlisted Options exercisable at \$0.06 on or before 30 June 2019</td></tr><tr><td>1,000,000</td><td>Unlisted Options exercisable at \$0.06 on or before 31 March 2019</td></tr><tr><td>1,000,000</td><td>Unlisted Options exercisable at \$0.06 on or before 30 June 2019</td></tr><tr><td>76,997,164</td><td>Unlisted Options exercisable at \$0.004 on or before 30 April 2021</td></tr></table>	Number	⁺ Class	2,013,334	Unlisted Options exercisable at \$0.18 on or before 31 March 2019	150,000	Unlisted Options exercisable at \$0.13 on or before 6 November 2018	200,000	Unlisted Options exercisable at \$0.13 on or before 31 October 2018	150,000	Unlisted Options exercisable at \$0.05 on or before 30 September 2019	3,000,000	Unlisted Options exercisable at \$0.06 on or before 30 June 2019	1,000,000	Unlisted Options exercisable at \$0.06 on or before 31 March 2019	1,000,000	Unlisted Options exercisable at \$0.06 on or before 30 June 2019	76,997,164	Unlisted Options exercisable at \$0.004 on or before 30 April 2021
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76,997,164	Unlisted Options exercisable at \$0.004 on or before 30 April 2021																			
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A																		

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	Nine (9) new shares for every ten (10) shares held by Shareholders. Unlisted options are free attaching on the basis of two for every five new shares applied for under the Rights Offer.
14	+Class of +securities to which the offer relates	Fully paid ordinary shares & unlisted options
15	+Record date to determine entitlements	5:00 pm (WST) on Thursday, 23 November 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Rounding to the nearest whole shares, except where there is a half cent, in which case fractions will be rounded down
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. Cross reference: rule 7.7.</small>	Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	Friday, 8 December 2017

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	ACNS Capital Markets Pty Ltd trading as Alto Capital (ACN: 088 503 208) AFSL 279099
23	Fee or commission payable to the broker to the issue	(a) a rights issue lead management fee of \$15,000; (b) a lead management fee equal to 2% of any Shortfall placed by the Lead Manager; and (c) a capital raising fee equal to 4% of any Shortfall placed by the Lead Manager; the Lead Manager may pass on all or part of this fee to other AFSL holders participating in the Offer.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Monday, 27 November 2017
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	Friday, 17 November 2017
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

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|----|---|---|
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | On or about Wednesday, 13 December 2017 |

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 (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </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:



Company secretary

Date: 13 December 2017

Print name: Brett Tucker

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	241,443,455
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	192,492,918 – 13 December 2017 13,525,493 – 13 December 2017 97,630,421 – 3 November 2017 31,679,375 – 13 December 2017
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	19,950,000 – 31 October 2017 – Share Reduction
“A”	556,821,662

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	83,523,249
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	1,000,000 – 10 February 2017
“C”	1,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	83,523,249
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	1,000,000
Total [“A” x 0.15] – “C”	<p>82,523,249</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

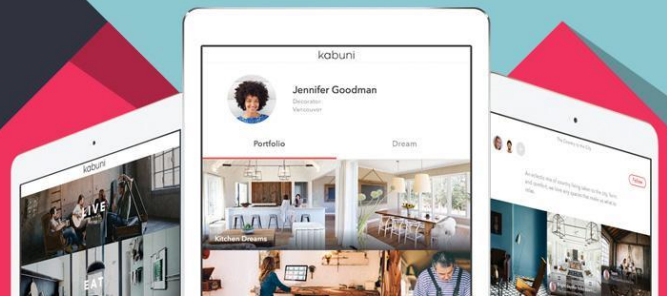
Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	556,821,662
Step 2: Calculate 10% of “A”	
“D”	<i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	55,682,166
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	-
“E”	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	55,682,166
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	-
Total [“A” x 0.10] – “E”	55,682,166 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



13 December 2017

Company Announcements Office
ASX Limited

By E-Lodgement

NOTICE UNDER SECTION 708A(5)(e) OF THE CORPORATIONS ACT

On 13 December 2017, Kabuni Limited (KBU) (Company) issued 31,679,375 fully paid ordinary shares in the capital of the Company with a deemed issue price of \$0.0016 per share. These shares were Issued as full consideration for the conversion and extinguishment of 50,687 convertible notes with a face value of \$50,687.

Further, on 13 December 2017 the Company issued 13,525,493 fully paid ordinary shares in the capital of the Company for nil consideration. These shares were Issued on conversion of 13,525,493 performance shares on issue.

All the above shares were issued under Listing Rule 7.2 and therefore did not utilise any of the Company's placement capacity under Listing Rule 7.1.

The Company gives notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act) that:

- (a) the Company issued the Shares without disclosure under Part 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act);
- (b) as at the date of this notice the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act as it applies to the Company; and
- (c) as at the date of this announcement, there is no excluded information of the type referred to in sections 708A(7) and 708A(8) of the Corporations Act.

For further information please contact:

Brett Tucker
Company Secretary
p: + 61 8 9482 0555