10 March 2017

Company Announcements Office
Australian Securities Exchange

**Issue of Shares on Conversion of B Class Performance Rights**

Xref Limited (ASX:XF1) (Xref or the Company) advises that 16,666,667 B Class Performance Rights have converted into 16,666,667 fully paid ordinary shares upon the achievement of the performance milestones set out in the conversion events as approved by the Company's shareholders at the Extraordinary General Meeting (EGM) held on 26 November 2015, and as detailed in the terms and conditions of these B Class Performance Rights released to ASX on 5 February 2016. These fully paid ordinary shares will be escrowed until 8 February 2018.

The same performance milestones triggered the vesting of 300,000 options with an exercise price of $0.23 and an expiry date of 1 February 2019, and which are escrowed until 8 February 2018.

An Appendix 3B is attached.

**Xref Limited**

**Robert J Waring**
Company Secretary

*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

Xref Limited (ASX:XF1)

ARBN

122 404 666

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 | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 16,666,667 |
| 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) | Fully paid ordinary shares in escrow until 8 February 2018, issued on the conversion of 16,666,667 B Class Performance Rights following the achievement of the required performance milestones. |

+ See chapter 19 for defined terms.

| | | |
|---|---|---|
| 4 | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?<br><br>If the additional +securities do not rank equally, please state:<br>• the date from which they do<br>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment<br>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes, the securities rank equally with the Company's existing fully paid ordinary shares, except that they are escrowed until 8 February 2018. |
| 5 | Issue price or consideration | Refer attached cover letter and item 6 below. |
| 6 | Purpose of the issue<br>(If issued as consideration for the acquisition of assets, clearly identify those assets) | Part of the purchase consideration of Xref Pty Ltd, as approved at the Company's EGM held on 26 November 2015. |
| 6a | Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?<br><br>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 | The Company received shareholder approval at its Annual General Meeting (AGM) held on 25 November 2016 under ASX Listing Rule 7.1A. |
| 6c | Number of +securities issued without security holder approval under rule 7.1 | None |
| 6d | Number of +securities issued with security holder approval under rule 7.1A | None |
| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | None |

+ See chapter 19 for defined terms.

| | | |
|---|---|---|
| 6f | Number of +securities issued under an exception in rule 7.2 | 16,666,667 |
| 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. | Not applicable |
| 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 | Not applicable |
| 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 | 29,592,227 |
| 7 | +Issue dates<br>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.<br>Cross reference: item 33 of Appendix 3B. | 10 March 2017 |

| | | Number | +Class |
|---|---|---|---|
| 8 | Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable) | 53,475,315 | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

| | | Number | +Class |
|---|---|---|---|
| 9 | Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)<br><br>* The conversion ratio of the Performance Rights into ordinary shares upon achievement of a relevant Performance Milestone is one ordinary share for each Performance Right. They are in escrow until 8 February 2018.<br><br>** An additional 300,000 options vested in March 2017 on the achievement of performance milestones. | 64,893,591 | Fully paid ordinary shares in escrow until 8 February 2018 |
| | | 16,666,667 | A Class Performance Rights * |
| | | 16,666,666 | C Class Performance Rights * |
| | | 4,508,909 | Options – will expire, if not exercised, by 1 February 2019 – exercise price $0.23, in escrow until 8 February 2018 (all except 300,000 options vested) ** |
| | | 7,000,000 | Options – 4,500,000 of the Options will expire, if not exercised, by 25 November 2021 and 2,500,000 of the Options will expire, if not exercised, by 25 November 2022. All have an exercise price of A$0.70. |
| | | 900,000 | Options – will expire, if not exercised, by 25 November 2021. All have an exercise price of A$0.70. |

| | | |
|---|---|---|
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | These fully paid ordinary shares have full participation in any future dividends. |

# Part 2 - Pro rata issue

Questions 11 to 33 are not applicable

# 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)

Questions 35 to 37 are not applicable

## Entities that have ticked box 34(b)

| | | |
|---|---|---|
| 38 | Number of +securities for which +quotation is sought | Not applicable |
| 39 | +Class of +securities for which quotation is sought | Not applicable |
| 40 | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?<br><br>If the additional +securities do not rank equally, please state:<br>• the date from which they do<br>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment<br>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Not applicable |
| 41 | Reason for request for quotation now<br><br>Example: In the case of restricted securities, end of restriction period<br><br>(if issued upon conversion of another +security, clearly identify that other +security) | Not applicable |

| 42 | Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38) | 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.

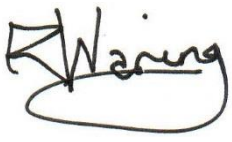
2 We warrant the following to ASX.

- 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: 10 March 2017

(~~Director/~~Company Secretary)

Print name: Robert J Waring

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+ 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 | 90,273,668 |
| ***Add*** the following:<br>• Number of fully paid +ordinary securities issued in that 12-month period under an exception in rule 7.2<br>• Number of fully paid +ordinary securities issued in that 12-month period with shareholder approval<br>• Number of partly paid +ordinary securities that became fully paid in that 12-month period<br>*Note:*<br>• *Include only ordinary securities here – other classes of equity securities cannot be added*<br>• *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed*<br>• *It may be useful to set out issues of securities on different dates as separate line items* | Nil<br>28,095,238<br>Nil |
| ***Subtract*** the number of fully paid +ordinary securities cancelled during that 12-month period | |
| **"A"** | 118,368,906 |

+ See chapter 19 for defined terms.

| | |
|---|---|
| ***Step 2: Calculate 15% of "A"*** | |
| **"B"** | 0.15<br><br>*[Note: this value cannot be changed]* |
| ***Multiply*** "A" by 0.15 | 17,755,336 |
| ***Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used*** | |
| ***Insert*** number of +equity securities issued or agreed to be issued in that 12-month period *not counting* those issued:<br><br>• Under an exception in rule 7.2<br><br>• Under rule 7.1A<br><br>• With security holder approval under rule 7.1 or rule 7.4<br><br>*Note:*<br>• *This applies to equity securities, unless specifically excluded – not just ordinary securities*<br>• *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed*<br>• *It may be useful to set out issues of securities on different dates as separate line items* | |
| **"C"** | Nil |
| ***Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1*** | |
| "A" x 0.15<br><br>*Note: number must be same as shown in Step 2* | 17,755,336 |
| ***Subtract*** "C"<br><br>*Note: number must be same as shown in Step 3* | Nil |
| ***Total*** ["A" x 0.15] – "C" | 17,755,336<br><br>*[Note: this is the remaining placement capacity under rule 7.1]* |

+ 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"**<br><br>*Note: number must be same as shown in Step 1 of Part 1* | 118,368,906 |
| ***Step 2: Calculate 10% of "A"*** | |
| **"D"** | 0.10<br><br>*Note: this value cannot be changed* |
| ***Multiply*** "A" by 0.10 | 11,836,891 |
| ***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<br><br>*Notes:*<br>• *This applies to equity securities – not just ordinary securities*<br>• *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed*<br>• *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*<br>• *It may be useful to set out issues of securities on different dates as separate line items* | |
| **"E"** | Nil |

+ 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<br><br>*Note: number must be same as shown in Step 2* | 11,836,891 |
| ***Subtract*** "E"<br><br>*Note: number must be same as shown in Step 3* | Nil |
| ***Total*** ["A" x 0.10] – "E" | 11,836,891<br><br>*Note: this is the remaining placement capacity under rule 7.1A* |

+ See chapter 19 for defined terms.