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

Recce Ltd

ABN

73 124 849 065

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	Ordinary fully paid shares (**Ordinary Shares**) Convertible Security (**Convertible Security**) Unlisted options over Ordinary Shares (**Options**)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	654,715 Ordinary Shares 641,000 Options Convertible Security with a face value of $300,000 (**Face Value**)

+ See chapter 19 for defined terms.

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)	Ordinary Shares • 654,715,Ordinary Shares will rank *pari passu* with existing Ordinary Shares <u>Options</u> • 641,000 Options • Exercise Price: $0.2593 • Expiry: 3 years from date of issue being 21 June 2020] <u>Convertible Security</u> • The Convertible Security amount advanced is $250,000 with a Face Value of $300,000 • The conversion amount of the Convertible Security must be either the amount of the outstanding Face Value of the Convertible Security or an amount in multiples of $50,000 up to a maximum of the outstanding Face Value of the Convertible Security (**Conversion Amount**) as elected to be converted at the discretion of the Convertible Security holder, The Australian Special Opportunity Fund after the expiry of the 90 day lock up period. • The Convertible Security will be convertible into new Ordinary Shares of the Company at the 'Conversion Price', being the lesser of: (a) 90% of the average 5 days consecutive daily VWAPs per Company Share during the (20) consecutive trading days immediately prior to the relevant conversion notice date selected by The Australian Special Opportunity Fund, LP (in its sole discretion); and (b) 130% of the average of each of the 20 daily VWAPs during the 20 trading days immediately prior to 16 June 2017. • The ordinary Shares issued upon conversion of the Convertible Security will rank *pari passu* with existing Ordinary Shares • The Convertible Security does not carry any voting rights at meetings of shareholders of the Company, and has no rights of participation in any rights issues undertaken by the Company prior to their conversion The Company can elect to buy-back the Convertible Security at any time. If the Company buys back the Convertible Security after the 90 day lock up period from 16 June 2017, the Company must pay a 5% premium to the amount outstanding in respect of the Convertible Security at that time.

+ 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? If the additional +securities do not rank equally, please state: • 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	The Ordinary Shares rank *pari passu* with existing Ordinary Shares The Options will not be quoted. On exercise of the Options, the Ordinary Shares will rank *pari passu* with existing Ordinary Shares. On conversion of the Convertible Security, the Ordinary Shares will rank *pari passu* with existing Ordinary Shares.
5	Issue price or consideration	178,715 Ordinary Shares – aggregate deemed issue price of $35,000 (as payment of the commitment fee under the Share Purchase and Convertible Security Agreement dated 16 June 2017 between the Company and The Australian Special Opportunity Fund, LP). 476,000 Ordinary Shares are issued for nil consideration 641,000 Options are issued for nil consideration $250,00 advanced for the Convertible Security
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The ordinary shares were issued as per the terms and conditions of the Share Purchase and Convertible Security Agreement with The Australian Special Opportunity Fund, LP ('Agreement'), details of which were announced to the market on 16 June 2017. The purpose of the issue of the Ordinary Shares and Options in satisfaction of the Company's obligations to issue commitment fee shares, collateral shares and options under the Agreement. The purpose of the issue of the Convertible Security is to raise $250,000 capital for general corporate and working capital purposes.

+ See chapter 19 for defined terms.

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	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	654,715 fully paid ordinary shares 641,000 Options Convertible Security with Face Value of $300,000
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	N/A
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	10,932,165 remaining capacity under rule 7.1 7,724,587 remaining capacity under rule 7.1A

+ See chapter 19 for defined terms.

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.	21 June 2017

8	Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		35,194,419	Ordinary

9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	Number	+Class
		641,000	Options
		42,810,081	Ordinary escrowed until 15/1/2018
		8,754,423	Class B Performance Shares escrowed until 15/1/2018
		8,754,423	Class C Performance Shares escrowed until 15/1/2018
		8,754,423	Class D Performance Shares escrowed until 15/1/2018
		1	Convertible Security with Face Value of $300,000

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
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	N/A
23	Fee or commission payable to the broker to the issue	N/A
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	N/A

+ See chapter 19 for defined terms.

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	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements *in full* through a broker?	N/A
31	How do security holders sell *part* 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	N/A

+ See chapter 19 for defined terms.

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	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • 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	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	

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: 22 June 2017
(~~Director~~/Company secretary)

Print name: Peter Williams
.....

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+ See chapter 19 for defined terms.