

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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

BLUESTONE TIN LIMITED

ABN

25 110 150 055

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

Convertible Notes

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

67,500,000

+ See chapter 19 for defined terms.

- 3 Principal terms of the ⁺securities (eg, 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)

Principal terms of the Convertible Notes are as follows:

Issue Price

- 67,500,000 Convertible Notes will be issued at an issue price of 20 cents each.

Interest Rate

- The Convertible Notes will bear interest at the rate of 6.0% per annum until the earlier of conversion or redemption and will be payable quarterly in arrears..

Term

- The Convertible notes will have a term of four years from the Issue Date (“Maturity Date”) unless previously converted or redeemed before the expiry of the 4 year term.

Conversion Date

- Conversion by the holders of Convertible Notes can be at any time upon 30 days notice to Bluestone.
- There is no right for Bluestone to require conversion of the Convertible Notes into Ordinary Shares except if 90% or more of the Convertible Notes are no longer on issue (in which case, Bluestone may require conversion but only of all outstanding Conversion Notes).

Conversion Rights

- Convertible Notes may be converted by holders in the following ratios of Ordinary Shares and options:
 - (a) if conversion is on or before the 2nd year after the Issue Date, for every Note converted the holder will receive 1 Ordinary Share and 1 option to acquire an ordinary share at a price of 20 cents expiring 4 years from the Issue Date, or
 - (b) if the conversion occurs between the 2nd year after the Issue Date and on or before 3 years after the Issue Date, the holder will receive 1 Ordinary Share for every Note converted and for every 2 Notes converted 1 option to acquire an ordinary share at a price of 20 cents expiring 4 years from the Issue Date, or

⁺ See chapter 19 for defined terms.

3 Continued

- (c) if the conversion occurs after the 3rd year after the Issue Date, the holder will receive 1 Ordinary Share for every Convertible Note.

Redemption

- Any Convertible Notes not converted by the Maturity Date must be redeemed by Bluestone at the Issue Price on the Maturity Date. There is no right for Bluestone to compulsorily redeem the Convertible Notes before the Maturity Date.

Ranking

- The Convertible Notes will rank equally amongst themselves.
- The Convertible Notes are secured, and rank ahead of Ordinary Shares in Bluestone and unsecured creditors, excluding those preferred by law. Security will comprise a first ranking fixed and floating charge over all the assets of Bluestone Tin Limited and each of its subsidiaries.
- Each Ordinary Share issued on conversion of a Convertible Note will rank equally with all existing Ordinary Shares then on issue. Every Ordinary Share issued upon the exercise of an option arising from conversion will rank equally with all existing Ordinary Shares then on issue.

Participation and Rights

- The number of shares and the number or terms of the options to be issued as a result of conversion of the Convertible Notes will be adjusted to reflect any bonus issues, rights issues, capital returns, buy-backs or other reconstructions or reorganisations in the manner to be specified in the Trust Deed. Equivalent protections will apply to the options issued as a result of a conversion of the Convertible Notes.

Assignability

- Convertible Notes are only transferable with the consent of Bluestone (such consent not to be unreasonably withheld).

Listing

- The Convertible Notes will not be listed. Bluestone will apply to have any Ordinary Shares issued as a result of a conversion or as a result of the exercise of options listed on the ASX within 3 days of such issue.

+ See chapter 19 for defined terms.

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4 Do the ⁺securities rank equally in all respects from the date of allotment 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	No. Date of equal ranking • upon conversion. Dividends • no dividend payable until the first Record Date after Conversion.				
5 Issue price or consideration	20 cents per Convertible Note				
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To fund continued capital investment at Renison, Mt Bischoff & Collingwood, provide working capital and security for performance bond facility.				
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	TBA				
8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)	<table> <tr> <th data-bbox="686 1411 989 1467">Number</th><th data-bbox="989 1411 1279 1467">⁺Class</th></tr> <tr> <td data-bbox="686 1467 989 1688">310,517,501 110,540,000</td><td data-bbox="989 1467 1279 1688">Ordinary 20 cent Options</td></tr> </table>	Number	⁺ Class	310,517,501 110,540,000	Ordinary 20 cent Options
Number	⁺ Class				
310,517,501 110,540,000	Ordinary 20 cent Options				

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		Number	*Class
9	Number and *class of all *securities not quoted on ASX (including the securities in clause 2 if applicable)	76,372,502	Ordinary
		67,500,000	Convertible Notes
		16,000,000	Options exercisable at 25 cents expiring 30/06/09
		1,350,000	Options exercisable at 30 cents expiring 30/06/06
		2,290,000	Options exercisable at 30 cents expiring 30/06/08
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The company has not formulated a dividend policy at this time	

Part 2 - Bonus issue or 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 issue 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.

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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 prospectus or Product Disclosure Statement 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?	

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch 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	Do the +securities rank equally in all respects from the date of allotment 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 (<i>including</i> the securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></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.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the ⁺securities to be quoted, it has been provided 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.

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- 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 not available now, 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: DONALD MARK OKEBY Date: 15 NOVEMBER 2005
(Director)

Print name: DONALD MARK OKEBY

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