2 August 2016

Australian Securities Exchange (**ASX**)
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

OPTION TO ACQUIRE LITHIUM PROJECT

HIGHLIGHTS

- Blaze has secured an option to acquire a **Lithium exploration project** in **Marble Bar, Western Australia**.
- The Project contains a Lithium (**Spodumene** and **Lepidolite**) bearing pegmatite swarm, with a **strike length of 3.5km** (within a **4km wide corridor**).
- Sampling has returned an **assay high of 3.72% Li_2O**, with an **average of 1.85% Li_2O.**
- Exploration activities will commence immediately (see page 6).
- Favourable option terms (see page 7).
- X-Ray Powder Diffraction (**XRD**) analysis, and petrology, has confirmed the **occurrence of Spodumene in pegmatite samples.**
- Project maintains the **potential to identify further Lithium bearing pegmatites** within the current corridor and elsewhere in the project area.
- The Marble Bar region has the **potential to become a new Lithium province** in the East Pilbara.

Blaze International Limited (ASX: **BLZ**) (**Company**) (**Blaze**) is pleased to announce that it has, on 30 July 2016, entered into an option agreement to acquire the Marble Bar Lithium Project (see next page) (**Project**) from Great Sandy Pty Ltd (an entity owned and controlled by Denis O'Meara – a well-known Pilbara prospector and miner) (**Option**).

The Option's term will be for three (3) months from execution (**Option Term**), during the Option Term the Company will complete its technical due diligence which will include orientation surface geochemical sampling, geophysical and remote sensing surveys over known pegmatites to determine the most appropriate and effective method to locate additional pegmatites within the large project area and detailed geological mapping and geochemical sampling of the defined pegmatite swarm corridor and extensions

MARBLE BAR LITHIUM PROJECT

The Marble Bar Lithium Project currently consists of four (4) exploration licence applications (ELA 45/4669, 45/4690, 45/4724 and 45/4746) covering 370km^2 located within 50 kilometres East of Marble Bar in the East Pilbara region of Western Australia (see Figure 1).

Marble Bar is located approximately 200km South East of the deep water port, Port Hedland. The East Pilbara is rapidly becoming one of the world's leading hard rock Lithium provinces following the discovery of world class Lithium in pegmatite deposits at Pilgangoora by Pilbara Minerals Limited (ASX: PLS) and Altura Mining Limited (ASX: AJM).

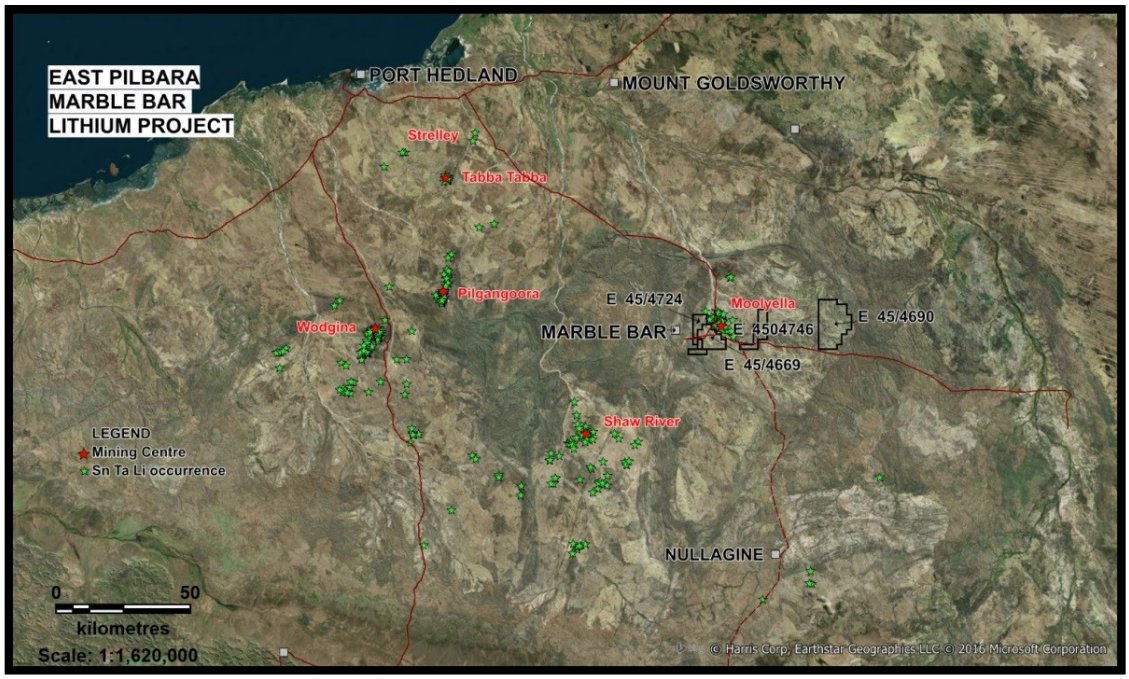


Figure 1: Marble Bar Lithium Project Location within the East Pilbara

Reconnaissance exploration by Denis O'Meara and Brian Richardson, on behalf of Great Sandy Pty Ltd (**Great Sandy**), has identified a Lithium bearing pegmatite swarm at the Project with a strike length of 3.5km within a 4.0km wide corridor. Spodumene and Lepidolite mineralisation associated with the pegmatites has been identified within this corridor. Rock chip sampling returned peak values of 3.72% Li_2O and 3.32% Li_2O with an average of 1.85% Li_2O across the 22 samples (see Table 1 for a complete listing of rock chip samples).

Denis O'Meara first identified mineralised pegmatites within what is now ELA45/4669 in 1985, however little economic significance was placed upon them at the time. Geological mapping completed in 1985 recorded a number of northerly striking, shallowly east dipping Lithium bearing pegmatites in the south east portion of ELA45/4669.

Reconnaissance exploration in late 2015 - early 2016, by Denis O'Meara and Brian Richardson, discovered Lithium mineralisation (including Spodumene) in pegmatites within ELA 45/4669. Two East-West ground traverses were completed approximately 2.0km apart. The Southern traverse confirmed the location of the previously mapped pegmatites and discovered several new pegmatites, while the Northern traverse located two +500m long pegmatites (see Figure 3). Importantly, the Northern traverse identified large Spodumene crystals within the pegmatite, later confirmed by XRD analysis and petrology completed by Townend Mineralogy Laboratory.

Figure 2: Denis O'Meara Sampling Discovery Pegmatite

This work mapped a pegmatite swarm with a strike length of 3.5km within a 4.0km wide corridor. Individual pegmatites were traced for up to 1.0km in outcrop with widths between 5 and 15 metres. Systematic exploration will be conducted to identify any additional Lithium bearing pegmatites within the defined corridor and potentially elsewhere in the Project.

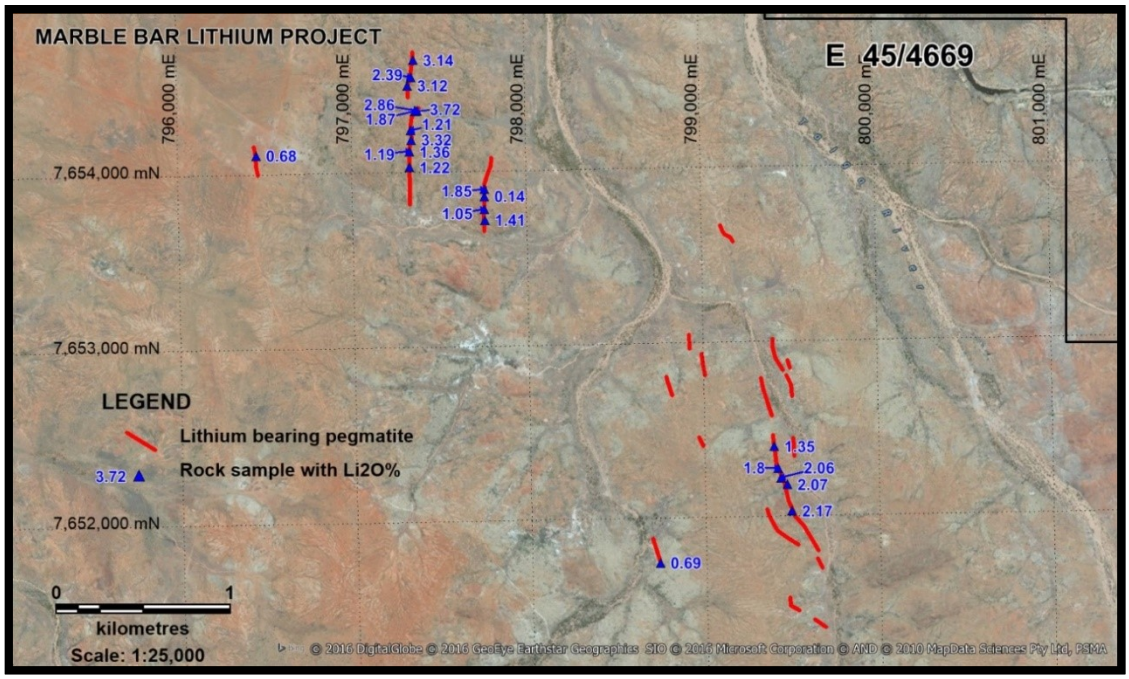


Figure 3: Marble Bar Lithium Project Pegmatite Swarm with Surface Sampling

A total of 22 rock chip samples have been collected from outcropping pegmatites during the reconnaissance exploration completed by the Great Sandy, returning peak values of 3.72% Li2O and 3.32% Li2O and an average across the 22 samples of 1.85% Li2O. Field description for each of the samples noted the presence of Spodumene and, or, Lepidolite within the pegmatites (see Table 1 for a complete listing of rock chip samples).

Semi-quantitative XRD analysis and Polarised Light Microscopy (**PLM**) was completed by Townend Mineralogy Laboratory on five (5) of the rock chip samples (L103744, L103746, L103747, L103748 and L103755).

XRD analysis identified major (21 – 50%) Spodumene in samples L103744 and L103747 and minor (11 – 20%) Spodumene in sample L103748. XRD analysis of samples L103746 and L103755 confirmed the field description as being Lepidolite rich.

Sample ID	Easting GDA94 (m)	Northing GDA94 (m)	Li_2O (%)	Field Description
L103743	797366	7654349	**3.72**	composite coarse feld minor qtz peg
L103744	797369	7654349	1.87	coarse feld minor lepid "carbonate look'
L103745	797379	7654354	**2.86**	coarse feld minor qtz peg
L103746	797343	7654241	1.21	lepid rich peg coarse qtz feld
L103747	797345	7654186	**3.32**	coarse feld peg
L103748	797334	7654121	1.19	coarse lepid peg qtz feld
L103749	797330	7654030	1.22	lepid rich peg
L103750	797759	7653722	1.41	lepid rich peg 4m wide 30 dip E
L103751	797759	7653782	1.05	lepid rich peg 7m wide coarse
L103752	797758	7653857	0.14	coarse felp peg 'carbonate text' minor lepid
L103753	797759	7653899	1.85	lepid breccia coarse feld qtz
L103754	798734	7651745	0.69	weak mineralised lepid peg
L103755	799469	7652181	**2.07**	lepid rich peg
L103756	799419	7652274	1.8	lepid rich peg,large qtz
L103757	799399	7652400	1.35	lepid peg
L103758	799494	7652029	**2.17**	lepid rich peg
L103759	799434	7652220	**2.06**	lepid rich peg
L103760	796452	7654111	0.68	lepid rich peg laminated
L107445	797348	7654544	**2.39**	coarse green spodumene rich pegmatite
L107446	797361	7654642	**3.14**	coarse green and pink spodumene rich pegmatite
L107451	797334	7654119	1.36	coarse spodumene minor lepidolite rich pegmatite
L107452	797326	7654497	**3.12**	coarse spodumene qtz feld pegmatite minor lepidolite

Table 1: Marble Bar Lithium Project Rock Chip Sample Summary

PROJECT'S REGIONAL GEOLOGY

The Project is underlain by granites and gneisses of the Mount Edgar Batholith, an early Archaean granitic complex composed of gneisses, granite, mafic enclaves and granitic pegmatites, which is surrounded by a deformed association of ultramafic, mafic and felsic rocks of the Warrawoona Group. The Moolyella Adamellite, a late Archaean (young) granite intrusion believed to be the ultimate source of all the Sn-Ta-Li in the district, occurs 5.0km to the east of ELA45/4669.

Sn-Ta-Li mineralisation in the East Pilbara is related to late-stage (***young***) Archaean granite intrusions and the mineralisation occurs in granitic rare-metal pegmatites associated with these intrusions. Highly volatile fluids emanating from the young granites move out into the country rock forming pegmatites often along pre-existing fault zones and fractures. Researchers have shown that the pegmatites fractionate as they move from the source granite with the Lithium rich minerals, Spodumene and Lepidolite concentrating in the most distal pegmatites. Figure 4 shows schematically how the process of fractionation and enrichment occurs.

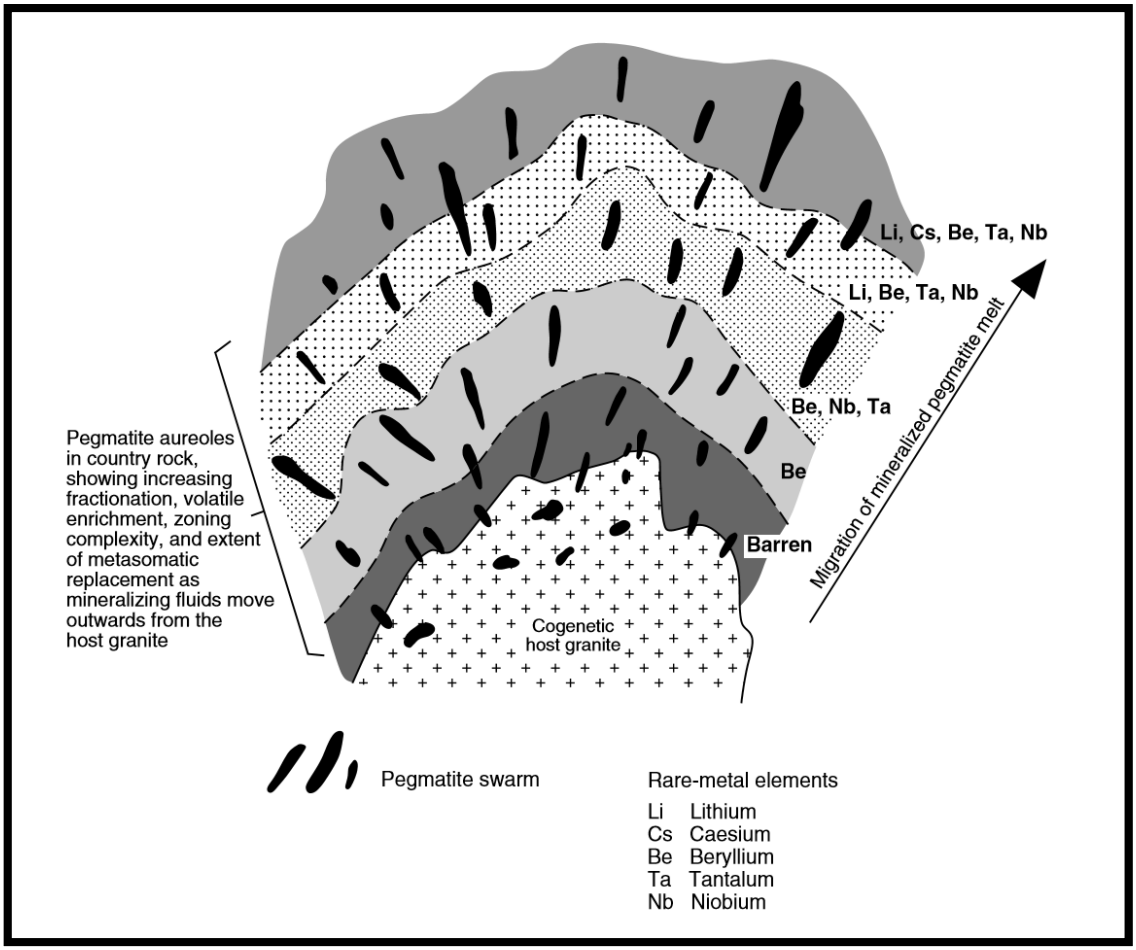


Figure 4: Schematic Representation of Regional Rare-Metal Pegmatite Zoning (modified from Cerny 1993b)

The Western tenements of the Marble Bar Lithium Project (ELA45/4699 and ELA45/4724) are adjacent to the Moolyella tin field (see Figure 5), which was one of Western Australia's largest tin producers, with ~7,600 tonnes of tin in concentrate produced between 1899 and 1975 from predominantly alluvial and shallow elluvial deposits. Primary tin mineralisation at Moolyella occurs in swarms of northerly striking, easterly dipping thin pegmatite dykes that occur within close proximity to the Moolyella Adamellite.

The pegmatites mapped within ELA45/4699 parallel the swarm of tin bearing pegmatites at Moolyella, with the fractionation of the pegmatite melt originating from the Moolyella Adamellite intrusion resulting in an enrichment of lithium in the pegmatites within the Project area.

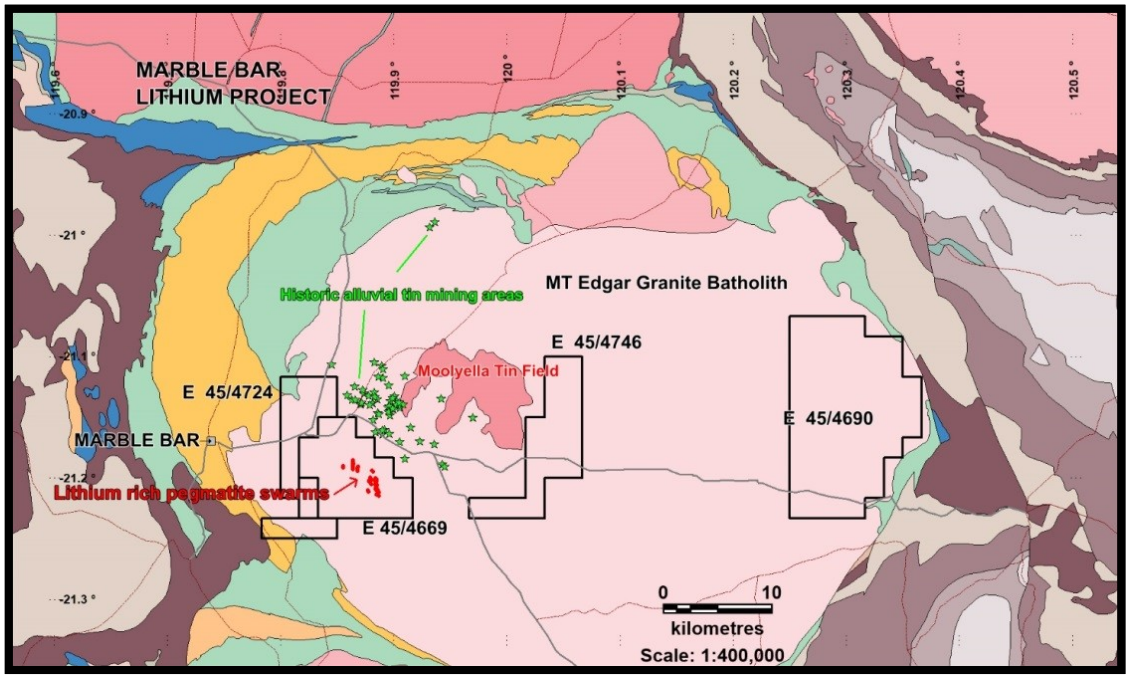


Figure 5: Marble Bar Lithium Project Regional Geology

Denis O'Meara has been active in prospecting, exploration and mining in the Pilbara and Western Australia since 1969. His activity has contributed to multiple base and precious metal finds.

He was a founder of Atlas Iron, and a vendor of Sandfire Resources and BC Iron upon their listing. His prospecting activities have led to his close involvement in 12 ASX listings, and joint ventures with almost 20 international and Australian companies.

Denis received Medal (OAM) of the Order of Australia in the General Division on Australia Day 2009, for service to the environment through native plant propagation and revegetation programs; to the mining industry, and to the community of the Pilbara region.

WORK PROGRAM

Blaze intends to complete its technical due diligence during the Option period, following which the intention will be to:

- Complete orientation surface geochemical sampling, geophysical and remote sensing surveys over known pegmatites to determine the most appropriate and effective method to locate additional pegmatites within the large project area.
- Complete detailed geological mapping and geochemical sampling of the defined pegmatite swarm corridor and extensions, and
- Upon grant of ELA 45/4669 complete initial drill testing of Priority 1 targets.

Great Sandy will coordinate all activities (including drilling and ground work) for the Company and will enter into a 12 month management agreement where Great Sandy is paid $200,000 p.a.

COMMERCIAL TERMS OF THE OPTION

Commercial terms of the Option are summarised as follows:

1. Blaze will pay a cash option fee, to Great Sandy, of $200,000;

2. Blaze may elect to exercise the Option to acquire 100% of the Project, from Great Sandy, at any time within three (3) months of entering the Option;

3. Should Blaze elect to exercise the Option (as above), Blaze will be required to pay Great Sandy an exercise fee of $200,000 (at the time of exercise); and

4. To settle the acquisition of the Project, Blaze is required to pay Great Sandy:

    i. $300,000 as a cash payment;

    ii. 25,000,000 fully paid ordinary shares in the Company; and

    iii. 75,000,000 performance shares, across three (3) separate classes, that convert to fully paid ordinary shares in the Company (on a 1:1 basis) on the following milestones being achieved by the Project:

        A. 25,000,000 Class A performance shares which convert to fully paid ordinary shares in the Company upon the full grant of ELA 45/4669 (within 3 years);

        B. 25,000,000 Class B performance shares which convert to fully paid ordinary shares in the Company upon the Project defining a JORC compliant indicated resource of 40,000 tonnes of Lithium at a grade of not less than 0.8% (within 4 years); and

        C. 25,000,000 Class C performance shares which convert to fully paid ordinary shares in the Company upon the Project defining a JORC compliant indicated resource of 80,000 tonnes of Lithium at a grade of not less than 0.8% (within 4 years).

Conditions precedent to settlement see the Company entering into the Management Agreement, completing the capital raise detailed below and receiving all required regulatory and shareholder approvals.

CAPITAL RAISE

The Company will issue 15,000,000 new fully paid ordinary shares in the Company to Wholesale and Sophisticated Investors as a private placement of new shares to raise $750,000 in new equity capital (being $0.05 per share). The Company will also issue 50,000,000 new unlisted options exercisable, on a 1:1 basis into fully paid ordinary shares of the Company, at $0.08 per share expiring 1 March 2019, at $0.0001 per option.

Cicero Advisory Services Pty Ltd has been appointed as lead manager to the Capital Raise.

INDICATIVE CAPITAL STRUCTURE

Should the Company exercise the Option, its indicative capital structure will be as follows:

Fully Paid Ordinary Shares:	155,000,000
Options on Issue[1]:	75,000,000
Performance Shares[2]:	75,000,000

1. Unlisted options exercisable into ordinary shares in the Company on a 1:1 basis at $0.08 each, expiring 1 March 2019; and
2. Performance Shares as follows:
   i. 25,000,000 which convert to fully paid ordinary shares in the Company upon the full grant of ELA 45/4669 (within 3 years);
   ii. 25,000,000 which convert to fully paid ordinary shares in the Company upon the Project defining a JORC compliant indicated resource of 40,000 tonnes of Lithium at a grade of not less than 0.8% (within 4 years); and
   iii. 25,000,000 which convert to fully paid ordinary shares in the Company upon the Project defining a JORC compliant indicated resource of 80,000 tonnes of Lithium at a grade of not less than 0.8% (within 4 years).

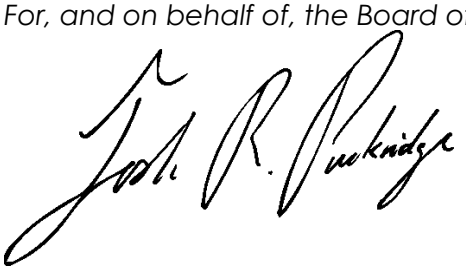
BOARD COMPOSITION

The Company is pleased to announce that Mr. Ian Prentice has agreed to join the Board of the Company should the Company exercise the Option, Mr. Prentice's biography is as follows:

Mr Prentice is a geologist with broad ranging exploration and operational experience across a variety of commodities in Australia, New Zealand, South East Asia and Africa over a 25 year-plus career. Mr Prentice has served as a Director for a number of ASX-listed resource companies, with activities ranging from exploration and project acquisition in Asia and Africa through to gold production in Australia. He has broad experience in identifying and reviewing resource projects for potential acquisition.

Mr. Prentice has consulted to the Company previously, and will continue to do so; the Company will update the market accordingly to his appointment.

For, and on behalf of, the Board of the Company,



Josh Russell Puckridge
Chairman

For further information please contact:

Blaze International Limited
Josh Puckridge
Chairman
p: +618 6489 1600
info@blazelimited.com.au

Forward-Looking Statements

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Blaze International Limited's planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Blaze International Limited believes that its forward-looking statements are reasonable; however, forward-looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

Competent person statement

Exploration or technical information in this release has been prepared by ***Mr Ian Prentice BSc****, who is a consultant to Blaze International Limited and a Member of the Australian Institute of Mining and Metallurgy. Mr Prentice has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Prentice consents to the report being issued in the form and context in which it appears*

- ENDS -

1. JORC Code, 2012 Edition – Table 1

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples were collected from surface exposure within Exploration Licence Application 45/4669. • The samples are not considered to be highly representative. • There has been insufficient exploration to define a Mineral resource and it is uncertain if further exploration will result in the definition of a Mineral Resource.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not applicable

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Whole samples collected in the field were crushed in the laboratory then split with a riffle splitter to obtain a sub-fraction. • The sub-fraction was then pulverized in a vibrating pulveriser prior to analysis. • The sample size is considered appropriate for reconnaissance sampling for lithium.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Rock chip samples were assayed in a commercial laboratory using standard methods for lithium. • Lithium content was determined by peroxide fusion with final analysis by Inductively Coupled Plasma (ICP) Mass Spectrometry. • Laboratory QA/QC samples and sample duplicates were assayed by the laboratory with all results within expected error range.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not applicable – no drilling results reported. • Lithium results have been adjusted = original results reported for Li only (in ppm) – these were converted to Li_2O using standard industry formula (Li x 2.153)
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Rock chip sample locations were recorded using a hand held GPS (+/- 5m accuracy). • MGA94 – Zone 50
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The data is not appropriate for use in estimating a Mineral Resource and it is not intended for such use. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the definition of a Mineral Resource. • No sample compositing was undertaken.
Orientation of	• *Whether the orientation of sampling achieves unbiased sampling of*	• The samples were collected at selected sites of

Criteria	JORC Code explanation	Commentary
data in relation to geological structure	*possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	outcropping pegmatite and it is unknown if the results are biased.
Sample security	• *The measures taken to ensure sample security.*	• Unknown.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews have been completed.

1.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The areas sampled are located on Exploration Licence Application 45/4669 held by Great Sandy Pty Ltd a wholly owned subsidiary of Denis O'Meara Prospecting. • The tenement is in application stage and there is no certainty when the tenement will be granted.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Geological mapping and limited rock chip sampling was completed across a zone of outcropping pegmatites in the south east portion of ELA45/4669 in 1985. This work, including the collection of 8 rock chip samples, identified lepidolite mineralisation within northerly striking, shallowly east dipping pegmatites, with a peak assay of 2.37% Li_2O and an average of 1.3% Li_2O. Little economic significance was placed upon them at the time.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Pegmatite hosted lithium.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the*
		• Not applicable – no drilling results reported.

Criteria	JORC Code explanation	Commentary
	understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable – no drilling results reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable – no drilling results reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Maps showing tenement and rock chip sampling locations is included in the Release and results are presented in Table format within the release.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results for all samples collected are included in the Release.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Other data not considered material.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Blaze is planning to undertake detailed follow up exploration, consisting of orientation surveys over known pegmatites, detailed mapping and sampling of the defined pegmatite swarm corridor and drill testing of priority 1 targets.