



10 December 2018

Rights Issue Cleansing Notice under section 708AA(2)(f) Corporations Act ("Notice")

Advance Nanotek Limited (ACN 079 845 855) ("**ANO**") will undertake a non-renounceable rights issue of up to 1,872,449 fully paid ordinary ANO shares to its shareholders ("**Issue**") on the basis of an entitlement to subscribe for 1 ordinary ANO share ("**New Shares**") for every 30 ordinary ANO shares held at the Record Date, being 13 December 2018 with each such share being issued at an issue price of \$0.87 to raise approximately \$1,629,030 ("**Entitlement Offer**").

ANO states that it will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by ASIC *Corporations (Non Traditional Rights Issue) Instrument 2016/84*).

Further details regarding the Entitlement Offer will be set out in an Offer Booklet.

For the purposes of section 708AA(7) of the Corporations Act, ANO advises:

- (a) the New Shares will be offered for issue without disclosure under Chapter 6D of the Corporations Act;
- (b) this Notice is given under section 708AA(2)(f) of the Corporations Act;
- (c) as at the date of this Notice, ANO has complied with the provisions of:
 - (i) chapter 2M of the Corporations Act as they apply to ANO; and
 - (ii) section 674 Corporations Act;
- (d) as at the date of this Notice, there is no excluded information of the type referred to in section 708AA(8) and 708AA(9) of the Corporations Act;
- (e) information regarding the potential effect of the issue of New Shares under the Entitlement Offer will have on the control of ANO, and the consequences of that effect, is set out below:
 - (i) if all members take up their entitlements under the Entitlement Offer then the Issue will have no effect on the control of ANO;
 - (ii) however, to the extent that any members fail to take up their entitlement under the Entitlement Offer, those member's percentage holdings in ANO will be diluted by those other members who take up some or all of their entitlement.

Entities associated with the ANO directors have agreed they will take up their entitlements. These entitlements represent approximately 45.27% of the total entitlements under the Entitlement Offer.

Further details regarding the Entitlement Offer will be set out in the Offer Booklet.

Geoff Acton (B.Com CA)
Managing Director