

31 May 2018

Notification to Ineligible Retail Shareholders

In accordance with ASX Listing Rule 7.7.1, please find attached a sample letter that will be provided to shareholders who are ineligible to participate in the 1 for 10 accelerated non-renounceable pro-rata entitlement offer, announced on 23 May 2018.

- ENDS -

For more information, please contact:

Shaun Di Gregorio

Chief Executive Officer

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31 May 2018

Dear Sir/Madam,

Non-renounceable Entitlement Offer – Letter to ineligible retail shareholders

On 23 May 2018, Frontier Digital Ventures Ltd ACN 609 183 959 (**Company** or **FDV**) announced a fully underwritten pro rata accelerated non-renounceable entitlement offer of fully paid ordinary shares to existing shareholders at A\$0.65 per new share to raise approximately A\$14.4 million (**Entitlement Offer**).

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Entitlement Offer is being made by the Company in accordance with section 708AA of the Corporations Act 2001 (Cth) (**Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issue) Instrument 2016/84, meaning that no prospectus or other disclosure document needs to be prepared. The Institutional Entitlement Offer has already closed and the results were announced to the Australian Securities Exchange (ASX) on 28 May 2018.

The Entitlement Offer is fully underwritten by Morgans Corporate Limited and Bell Potter Securities Limited.

Terms of the Entitlement Offer

The Entitlement Offer gives Eligible Retail Shareholders (as defined below) the opportunity to participate on the basis of 1 new fully paid ordinary share (**New Shares**) for every 10 existing fully paid ordinary shares (**Existing Shares**) held at 7:00 pm (Melbourne time) on 28 May 2018 at an offer price of A\$0.65 per New Share.

Documents relating to the Retail Entitlement Offer, including the Retail Offer Booklet, were lodged with ASX and mailed to Eligible Retail Shareholders (as defined below) on 31 May 2018.

Eligibility

The Retail Entitlement Offer is being made to FDV's shareholders with a registered address in Australia and New Zealand and only Eligible Retail Shareholders (as defined below) will be offered New Shares.

'Eligible Retail Shareholders' are those holders of Existing Shares who:

1. are registered as holders of Existing Shares as at 7.00pm (Melbourne time) on 28 May 2018;
2. have a registered address on the Company's share register in Australia or New Zealand;
3. are not in the United States and are not a person (including nominees and custodians) acting for the account or benefit of a person in the United States;
4. were not invited to participate under the Institutional Entitlement Offer (other than as nominee in respect of other underlying holdings), and were not treated as ineligible institutional investors under the Institutional Entitlement Offer; and
5. are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, disclosure document, or any lodgement, filing, registration or qualification.

This letter is to inform you that the Company has determined that you are not an Eligible Retail Shareholder and you are therefore ineligible to participate in the Retail Entitlement Offer. The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it is generally unreasonable on this occasion to extend the Retail Entitlement Offer to shareholders in your jurisdiction having regard to the small number of affected shareholders and the costs of complying with legal and regulatory requirements.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible.

You are not required to do anything in response to this letter.

Further Information

Further details in respect of the Entitlement Offer (including details of eligibility) can be found on FDV's announcements platform of the ASX (www.asx.com.au).

If you have any questions, you should seek advice from your stockbroker, accountant or other independent professional adviser or

the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside of Australia) between 8:30am and 5:00pm (Melbourne time), Monday to Friday.

Thank you for your continued support of FDV and I trust you understand the Company's position on this matter.

Yours sincerely



Mark Licciardo
Company Secretary

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in FDV. In particular, this letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares that will be offered and sold in the Entitlement Offer have been, or will be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be issued to or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities law. The entitlements and the New Shares to be offered and sold in the Entitlement Offer may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of persons in the United States, in each case, in "offshore transactions" in reliance on Regulation S under the Securities Act.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.