

ASX ANNOUNCEMENT

6 December 2018

RELEASE OF PERFORMANCE SHARES FROM ESCROW

Dotz Nano Limited (ASX: DTZ) (“**Dotz Nano**” or the “**Company**”), advises that 39,911,934 DTZ Performance Shares (“**Securities**”) were to be released from escrow on 15 November 2018 in accordance with ASX Listing Rule 3.10A. The Performance Shares will convert into Shares upon satisfaction of the milestones detailed below. The Company intends to apply for quotation of these Securities once the milestones have been satisfied.

The Securities detailed above were issued to Related parties, Seed capitalists, Vendors and Promoters as part of the pre IPO funding and were subject to 24 months escrow from the date of official quotation being 15 November 2016.

The Company currently has 44,000,000 Performance shares currently on issue. This includes the 39,911,934 escrowed performance shares. The terms and conditions of the performance shares are outlined in section 14.5 of the Company's prospectus dated 24 August 2016. The performance shares will convert into Shares upon satisfaction of the following milestones:

- (a) 22,000,000 performance shares shall convert upon the Company achieving the production and distribution of an aggregate of 50 kilograms of Product in any 12 month period through formal off-take agreements with a reputable third party by 30 April 2019. Per the Company's announcement dated 26 July 2017, a 'reputable third party' in this milestone means those parties whose offtake arrangements result in A\$6 million in revenue; and
- (b) 22,000,000 performance shares shall convert upon the Company achieving the production and distribution of an aggregate of 100 kilograms of Product in any 12 month period through formal off-take agreements with a reputable third party by 31 October 2020. Per the Company's announcement dated 26 July 2017, a 'reputable third party' in this milestone means those parties whose offtake arrangements result in A\$12 million in revenue.

FOR FURTHER INFORMATION:

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About Dotz

Dotz Nano Limited (ASX: DTZ) is a technology leader in research, production and marketing of anti-counterfeiting, authentication and tracing solutions. Dotz has strong, established distributors in North America, Europe, Japan, China and Australia as well as scientific collaborations and partnerships with leading academic institutes.

Its unique products, ValiDotz™, Fluorensic™, and InSpec™ are exceptional solutions for numerous applications, such as: Anti-counterfeiting, Brand & Reputation Protection, Oil & Gas Industry, Liquids Tagging, Lubricants and DEF authentication, Polymers Tagging and Bio-Imaging.

To learn more about Dotz Nano please view the website and our corporate video via the following link:
www.dotz.tech