

12 March 2021

Mr Dean Litis  
Principal Adviser, Listings Compliance (Melbourne)  
ASX Limited  
Level 4, North Tower, Rialto, 525 Collins St,  
Melbourne VIC 3000

Dear Dean

### Response to ASX Query Letter

I refer to your letter dated 1 March 2021 in relation to certain disclosure matters (the “**Query Letter**”) relating to Dotz Nano Limited (“**Dotz**” or the “**Company**”).

Capitalised terms used in this letter have the same meaning given to them in the Query Letter.

The Company provides the following responses to the questions in the Query Letter.

1. Question 1(a): As noted in its Prospectus, the Company was reliant on the Rice License at the time of its 2016 Reinstatement to implement its business strategy, as the intellectual property the subject of the Rice License represented an innovative breakthrough process of producing graphene quantum dots from coal as a source material (as developed by world renowned Professor James Tour of Rice University in Houston, Texas). However, the Company terminated the Rice License on 17 December 2019 following its successful development of its own method, process and intellectual property of manufacturing graphene and carbon quantum dots (“**GQDs**”) using bottom-up environmentally friendly manufacturing methods, without toxic solvents (e.g. sulfuric and nitric acids used in the Rice License intellectual property), utilizing inexpensive and safe carbon sources for process feedstock, while significantly enhancing the properties of the GQDs (e.g. increasing the quantum yield from 9% to 75%)<sup>1</sup>. Specifically, the Company has developed intellectual property (trade secrets and its own method and process) relating to the manufacturing of over 40 types of GQDs (with high quantum yields, diverse excitations and emission wavelengths, and numerous surface functionalities) and their applications in numerous applications (including anti-counterfeiting of plastics and polymers, liquids, plants and diagnostics). This evolution in the Company’s manufacturing and production process and intellectual property meant that the Rice License was no longer required as the Company had developed its own method and process to manufacture GQDs, which enabled the Company to manufacture GQDs in a more efficient, cheaper, effective and safer way.
2. Question 1(b): The termination of the Rice Licence did not result in any material adverse implications for the Company. Specifically:
  - (a) the termination of the Rice Licence did not result in:
    - (i) any change in the principal activities of the Company. That is, the Company’s main undertaking before and after the termination of the

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<sup>1</sup> Refer to the Company’s announcements to the ASX on 22 November 2016 and 2 November 2017 in relation to its development of GQDs with significantly enhanced quantum yields.

Rice Licence was and continues to be the research, development and commercialisation of technologies in the advanced materials and nanotechnology industry, and in particular, the research, development and commercialisation of GQDs technologies in a broad range of sectors; or

- (ii) the termination or variation of any sales, distribution or other arrangements (including for grant funding and research) announced by the Company between the 2016 Reinstatement and the effective date of the Rice License termination; and
- (b) the main implication of the termination of the Rice Licence was that the Company was no longer required to pay any licence fees or royalties to Rice University, as it had developed its own GQD manufacturing and production processes and intellectual property.

The development by the Company of its own method, process and intellectual property for manufacturing GQDs did not conflict with the terms of the Rice License.

3. Question 1(c): The Company did not consider that the termination of the Rice License was information that a reasonable person would expect to have a material effect on the price or value of its securities.
4. Question 1(d): The Company did not consider that the termination of the Rice License was information that a reasonable person would expect to have a material effect on the price or value of its securities for the following key reasons:
  - (a) the Company had previously disclosed to the ASX on numerous occasions that it was developing, and had successfully developed, its own process and intellectual property for manufacturing GQDs; and
  - (b) given the above:
    - (i) the Rice License was no longer required by the Company or considered to be material to the Company; and
    - (ii) the termination of the Rice License did not result in any change in the principal activities of the Company or have any other material effect on the Company or its activities.
5. Question 1(e): The Rice License was terminated on 17 December 2019.
6. Question 1(f): Not applicable.
7. Question 1(g): The reference to third party intellectual property licenses in the Company's cleansing prospectus dated 18 June 2020 was an error. As at 18 June 2020, the Company did not license its material intellectual property from third parties.
8. Question 2: The Company refers to the statement made in its 15 October 2020 presentation to the TechOpps Investment Conference, which was published on the ASX on the same date. A slide in that presentation titled "Introduction to Dotz" contained the following statement: "Strong, valued and secure patents". The Company clarifies that, as outlined elsewhere in this response, while the Company has developed its own method, process and intellectual property for manufacturing GQDs which it believes is valuable and material to its business, it has not yet been

granted patents for these methods and processes, and the Company is still in the process of applying for patents in respect thereof.

In respect of the written opinions of the International Searching Authority in relation to the four Company patent applications identified by the ASX in the Query Letter, the Company does not agree with those opinions, notes that those opinions are not definitive and confirms that the Company is continuing to pursue those patent applications as detailed below in this paragraph. The Company has not made any amendments to those applications, and does not plan to do so at this stage of the patent application process, in response to the International Searching Authority's comments identified in the Query Letter.

- (a) Question 2(a): In respect of patent application 'Bulk liquid tagging, identifying and authentication', the Company provides the following information:

Filing date	Current status	Next steps and timeline
28 April 2017	National Phase	The Company estimates First Office Action to occur within the next 2 years.

- (b) Question 2(b): In respect of patent application 'Polymeric products comprising fluorescent carbon based materials and methods of preparation thereof', the Company provides the following information:

Filing date	Current status	Next steps and timeline
18 January 2018	National Phase	The Company estimates First Office Action to occur within the next 2 years.

- (c) Question 2(c): In respect of patent application 'Pattern and/or spectra reader and uses thereof', the Company provides the following information:

Filing date	Current status	Next steps and timeline
16 February 2018	National Phase	The Company estimates First Office Action to occur within the next 2 years.

As noted above, the Company does not agree with the written opinion of the International Searching Authority in relation to this patent application (including the finding that the requirement of unity of invention was not complied with and the decision not to invite the Company to pay additional fees), notes that this opinion is not definitive and confirms that the Company is continuing to pursue this patent application as detailed above.

- (d) Question 2(d): In respect of patent application 'Tagged plant material and method for identifying same', the Company provides the following information:

Filing date	Current status	Next steps and timeline
5 May 2019	Patent Cooperation Treaty Phase	The National Phase deadline is 5 November 2021.

9. Question 3: The Company notes the various queries and concerns raised by the ASX in the Query Letter regarding the Company's previous disclosures in relation to several customer arrangements and orders. In response to these queries (and other queries) raised by the ASX since the Company's securities have been suspended from quotation, the Company has completed a review of its resources, systems and controls to ensure that it complies with its obligations under the Listing Rules. This included the Company (with the assistance of a law firm) reviewing:

- the Company's continuous disclosure policy and other arrangements to ensure compliance with the Company's continuous disclosure obligations; and
- the concerns and examples raised by the ASX in relation to the Company's disclosure practices and obligations (including as set out in the two query letters from the ASX to the Company dated 1 March 2021).

As a result of this review, and as outlined in response to the second query letter from the ASX to the Company dated 1 March 2021, the Company has made several changes to improve its compliance with its ASX disclosure requirements and to specifically address the concerns and examples raised by the ASX in relation to the Company's disclosure practices and obligations, which includes reviewing its disclosure practices for future announcements by the Company concerning material customer agreements and their orders, including ensuring that the Company discloses the following information:

- the name of the relevant counterparty (unless the ASX agrees otherwise in very limited circumstances where the counterparty has strong and legitimate reasons for not wanting to be named in a market announcement, such as some entities in the defence or security industries);
- any material conditions to the agreement and/or orders; and
- any material change or development in respect of the agreement and/or orders.

- (a) Question 3(a): In respect of Colorplastic, Switzerland, the Company provides the following information:

Current status	Cash receipts that the Company has received to date	Explanation for any discrepancy between the value of the arrangement or order previously disclosed to the market and the cash receipts to date (if applicable)
<p>Existing customer (the most recent purchase order was received in February 2021 for CHF\$2,150).</p>	<p>USD\$16,154.</p> <p>There are no outstanding amounts owing to the Company for FY2019 or FY2020 from this customer. The Company is owed CHF\$8,300 in respect of FY2021 orders from this customer.</p> <p>The above amounts exclude any amounts received by Colorplastic for orders from its own customers (as these are not cash receipts received by the Company).</p>	<p>Key reasons for the discrepancies are as follows:</p> <ul style="list-style-type: none"> <li>the Company initially experienced unexpected delays in establishing the required business relationship and systems with the customer due to the parties underestimating the time it would take for them to prepare for and complete the required pilot arrangements, as well as underestimating the long supply and production chain to get final products to the end customer;</li> <li>the success of the Company's agreement with the customer was always reliant on the customer successfully selling its own products to its own customers, which did not eventuate as was expected by the Company; and</li> <li>the COVID pandemic caused significant delays to the project with the customer (which has only recently resumed).</li> </ul>

- (b) Question 3(b): In respect of the international lubricant manufacturer, the Company provides the following information:

<b>Current status</b>	<b>Cash receipts that the Company has received to date</b>	<b>Explanation for any discrepancy between the value of the arrangement or order previously disclosed to the market and the cash receipts to date (if applicable)</b>
Customer relationship currently on-hold until the COVID pandemic travel restrictions are lifted (with the last communication between the parties in June 2020).	None.	<p>The key reason for this discrepancy is delays caused by the COVID pandemic.</p> <p>The Company completed a successful pilot with this customer in December 2019. The customer then required the Company to satisfy certain quality control requirements, with an audit required of the Company's manufacturing facility in Germany and research labs in Israel. This audit was planned for March 2020, but was not completed due to the COVID pandemic and is still pending.</p>

- (c) Question 3(c): In respect of Slalom Capital, the Company provides the following information:

<b>Current status</b>	<b>Cash receipts that the Company has received to date</b>	<b>Explanation for any discrepancy between the value of the arrangement or order previously disclosed to the market and the cash receipts to date (if applicable)</b>
There has been no progress with this customer relationship since the Company's previous ASX announcements. Given the time that has elapsed, the Company believes it is unlikely that a customer relationship will materialise (although no formal termination or cancellation has been received).	None.	The key reason for this discrepancy is due to conditions in the contract not being satisfied by the customer (mainly, payment of the disclosed initial payment fee – which the customer attributed to deteriorating market conditions at the time).

- (d) Question 3(d): In respect of the East-European transportation and logistics company, the Company provides the following information:

<b>Current status</b>	<b>Cash receipts that the Company has received to date</b>	<b>Explanation for any discrepancy between the value of the arrangement or order previously disclosed to the market and the cash receipts to date (if applicable)</b>
Customer relationship postponed by the customer until later in 2021 (with no agreed date for resumption).	USD\$12,840.	A key reason for this discrepancy is the COVID pandemic. As announced on 31 June 2020, the Company completed a successful pilot with this customer but has been unable to progress contract negotiations (which have been postponed by the customer until sometime in 2021, with no agreed date for resumption).

- (e) Question 3(e): In respect of the customer in the oil and gas sector, the Company provides the following information:

<b>Current status</b>	<b>Cash receipts that the Company has received to date</b>	<b>Explanation for any discrepancy between the value of the arrangement or order previously disclosed to the market and the cash receipts to date (if applicable)</b>
Existing single customer currently in pilot stage.	Not applicable.	Not applicable.

10. Question 4(a):

In respect of its distribution arrangements, the Company advises as follows:

<b>Region</b>	<b>Distributor</b>	<b>Relevant territories</b>	<b>Exclusivity</b>	<b>Term / Expiry</b>
North America	<p>The Terra Firma Company, LLC under a distribution agreement dated 11 September 2017 (signed with DN Lukens, Inc prior to its merger into The Terra Firma Company, LLC) in relation to the marketing and distribution of GQDs.</p> <p>However, due to the COVID pandemic, the Company last engaged with Terra Firma in January 2020.</p>	USA.	Yes for 28 US states and non-exclusive for all other US states.	The distribution agreement currently automatically renews for additional 12 month periods, unless terminated by either party (noting the initial 3 year term expired on 11 September 2020).

Europe	<p>TT Medical Group under a distribution agreement dated 24 August 2020 in relation to the Company's face masks solution.</p> <p>TT Medical Group is a newly incorporated entity.</p>	Turkey, Cyprus, Italy, UK, Germany, the Netherlands, Belgium, Bulgaria, Romania, Belarus, Northern Cyprus, Ukraine and Israel.	Exclusive for Turkey Cyprus and Italy only, subject to minimum targets.	Initial 3 year term expires on 24 August 2023, but the term automatically renews for a further term of 1 year on TT Medical Group meeting the relevant performance obligations, unless terminated by either party with 180 days notice (or as otherwise permitted by the agreement).
Japan	Mainami Boeki Co Ltd under a distribution agreement dated 19 January 2017 in relation to the marketing and distribution of GQDs.	Japan and Asia Pacific (not including China).	<p>Exclusive for Japan for specific products, subject to prescribed terms.</p> <p>Non-exclusive for Asia Pacific (not including China).</p>	The distribution agreement currently automatically renews for additional 2 year periods (provided Mainami Boeki Co Ltd complied with all terms and achieved the minimum annual performance requirements), unless terminated by either party with at least 90 days notice prior to expiration of that period (or as otherwise permitted by the agreement) (noting the initial 2 year term expired on 19 January 2019).
China	Universal Exports Group Limited under a distribution agreement dated 6 May 2020 for PPE authentication.	China and South Africa.	Exclusive for PPE products.	Initial 2 year term expires on 6 May 2022, unless terminated by either party with 180 days notice (or as otherwise permitted by the agreement).
Australia	V2Tech Distributors Pty Ltd under a distribution agreement dated 3 August 2020 in relation to the Company's anti-counterfeiting and tracing capabilities	Australia and New Zealand.	Exclusive for face masks solution, subject to minimum targets/other agreed terms.	Initial 2 year term expires on 3 August 2022, but the term automatically renews for a further term of 1 year on v2Tech meeting the relevant performance obligations, unless



	for face masks and other PPE equipment.  V2Tech Distributors Pty Ltd is a newly incorporated entity.			terminated by either party with 180 days notice (or as otherwise permitted by the agreement).
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In addition to the above distribution agreements, the only other distribution agreements that the Company currently has in place are as follows:

Region	Distributor	Relevant territories	Exclusivity	Term / Expiry
N/A	Pflaumer Brothers, Inc under a distribution agreement dated 1 January 2018 in relation to the distribution of GQDs.  However, due to the COVID pandemic, the Company last engaged with Pflaumer Brothers, Inc in November 2020.	N/A	Exclusive right to sell the Company's GQDs to any active or past customers of Pflaumer Brothers, Inc.  Non-exclusive right to sell the Company's GQDs to new customers of Pflaumer Brothers, Inc, subject to exclusivity of another distributor or sales representative authorized by the Company only to Pflaumer Brothers, Inc customers.	The distribution agreement currently automatically renews for additional 12 month periods, unless terminated by either party (noting the initial 3 year term expired on 1 January 2021).
N/A	TT Medical UAE under a distribution agreement dated 25 August 2020 in relation to the Company's face masks solution.  TT Medical UAE is a newly incorporated entity.	Qatar, UAE, Saudi Arabia, and Egypt.	Exclusive for face masks solution, subject to minimum targets.	Initial 3 year term expires on 25 August 2023, but the term automatically renews for a further term of 1 year on TT Medical UAE meeting the relevant performance obligations, unless terminated by either party with 180 days notice (or as otherwise permitted by the agreement).
N/A	Strem Chemicals, Inc under a marketing and sales	Worldwide.	Non-exclusive right to sell the Company's GQDs	The distribution agreement currently automatically renews for

	agreement dated 1 January 2017.		through the various supply channels of Strem Chemicals.	additional 12 month periods, unless either party provides notice to terminate as of the end of the current contract period, which must be provided at least 90 days prior to the end of the relevant term (noting the initial 3 year term expired on 1 January 2020).
N/A	Sigma Aldrich under its standard terms and conditions agreed on or about August 2017.	Worldwide.	Non-exclusive right to sell the Company's GQDs on the Sigma Aldrich's online catalogue.	N/A

None of the above distribution agreements generated any sales revenue for the Company in either of FY2019 and FY2020, other than Strem Chemicals (which generated US\$516 in revenue in FY2019 and US\$840 in revenue in FY2020) and Sigma Aldrich (which generated US\$12,621 in revenue in FY2019 and US\$15,625 in revenue in FY2020).

In particular, and as previously announced on 1 May 2019 in the Company's March 2019 Quarterly Report:

- the Company's distribution agreement with China Israel (hengqin) Science Technology Innovation Center Ltd in relation to the distribution and sale of GQDs in China, and which was announced to the ASX on 8 January 2018, was terminated and no longer exists; and
- the Company does not have a distribution agreement with Recochem Inc in relation to the distribution and sale of GQDs in Australia and New Zealand, as the parties did not agree a definitive distribution agreement following entry into the memorandum of understanding announced to the ASX on 18 January 2018.

Further, the Company confirms that its sales representative and distribution arrangements as announced on 2 October 2017 with Case Technologies USA Ltd is no longer on foot and with Trans Western Chemicals Inc is no longer active.

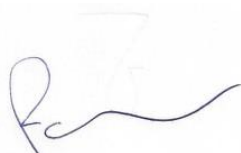
11. Question 4(b): The following is a summary of the Company's current collaborations and partnerships with academic institutes:

Academic institute or individual	Subject of collaboration / partnership
Ben-Gurion University, Israel	GQDs characterization (in relation to the Company's in-house developed GQDs).

Professor James Tour (of Rice University, USA)	<p>General scientific advisory in relation to GQDs properties, characterisation, synthesis, surface modification, healthcare applications and GQDs related production (but not subject to any written agreement).</p> <p>The advisory services do not involve the licence of, or relate to, the intellectual property the subject of the terminated Rice License (noting such intellectual property is no longer required by the Company).</p>
Monash University, Australia	<p>Collaboration to develop and commercialise advanced multi-purpose carbon-based materials as next-generation bio-imaging agents for various research and preclinical uses such as cancer tracing.</p>

12. Question 5: As at 30 October 2020, the Company was in the process of agreeing and designing the clinical trials and protocols with Sheba Hospital. While the Company considers that such steps were a part of the second stage pilot trials such that it considered the second stage pilot trials to have been “underway”, it clarifies that as at 30 October 2020 no patients were being enrolled and no testing had commenced.
13. Question 6: The Company confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.
14. Question 7: The Company’s response set out above has been authorised and approved in accordance with its published continuous disclosure policy.

Yours sincerely



**Ian Pamensky**  
Company Secretary  
Dotz Nano Limited



1 March 2021

Reference: 31604

Mr Ian Pamensky  
Company Secretary  
Dotz Nano Limited  
Level 14  
330 Collins St  
Melbourne VIC 3000

By email

Dear Mr Pamensky

**Dotz Nano Limited ('DTZ'): Query letter**

ASX Limited ('ASX') refers to the following:

- A. The prospectus lodged by DTZ (then named 'Northern Iron Limited') on 24 August 2016 ('Prospectus') which included the following statements (emphasis added):
- (i) *'Dotz Nano Ltd. was incorporated in March 2014, to develop and commercialise technologies in the advanced materials industry, specifically Graphene Quantum Dots (GQDs), Graphene, and Graphene related product.'*
  - (ii) *'In June 2014, Dotz began negotiations with Rice University, for the licensing of intellectual property (Rice Intellectual Property) relating to the production of GQDs, developed by Professor James Tour, of the Tour Lab Group at Rice University. Subsequently, the Rice University Licence Agreement and Sponsored Research Agreement were signed between Dotz and Rice University in relation to the Intellectual Property.'*
  - (iii) *'Dotz has licensed an innovative breakthrough process of producing GQDs from coal as a source material developed by world renowned Professor James Tour of Marshall Rice University in Houston, Texas'*
  - (iv) In section 7.11 titled 'Intellectual property rights attached to agreements':  
*'As at the date of the Prospectus, the Merged Group will be reliant on each of the Rice University Licence Agreement, the Sponsored Research Agreement, and the BGN Research and Licence Agreement remaining in force in order to successfully implement its business strategy as set out at Section 7.3(e).*
- B. The reinstatement of DTZ's securities to official quotation on 15 November 2016 following re-compliance with Chapters 1 and 2 of the Listing Rules ('2016 Reinstatement').
- C. DTZ's announcement titled 'Dotz Signs US\$300,000 Purchase Agreement with Colorplastics' released on the ASX Market Announcements Platform ('MAP') on 20 November 2017, which included the following statements:
- (i) *'Dotz Nano signs first major purchasing agreement for the sales of Graphene Quantum Dots (GQDs) with Colorplastic SA from Switzerland.*  
*Framework Purchasing Agreement calls for purchase of US\$300,000 per annum of GQDs.*  
*Agreement automatically extended for an additional 12-month periods unless terminated prior by either party giving 3 months' written notice.'*

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- (ii) *'... Dotz Nano GQDs are being evaluated in over 60 different companies in a variety of applications all across the world, in North America, Asia, Europe and even Australia/NZ ...'*
- D. The written opinion of the International Searching Authority dated 14 August 2018 in relation to DTZ's patent application number PCT/US2018/039428 ('Bulk liquid tagging, identifying and authentication') with an international filing date of 26 June 2018 and a priority date of 28 April 2017, which advised that Claims 1-4 and 8-10 do not involve an inventive step.
- E. DTZ's announcement titled 'DTZ Secures an Important Commercial Sale of Validotz Markers' released on MAP on 14 January 2019, which included the following statements:
- (i) [DTZ has] *'signed a commercial sale of Validotz™ security-markers and InSpec™ detectors to a Swiss company offering complete and integrated packaging solutions ...'*
- (ii) *'Valued at US\$100,000 (CHF 100,000), this order follows extensive migration testing of Dotz's anti-counterfeiting markers by the customer ...'*
- F. DTZ's announcement titled 'Dotz obtains A\$300,000 sale of Validotz in lubricants sector' released on MAP on 30 January 2019, which included the following statement:
- 'A\$300,000 sale of Validotz™ security-markers to international lubricant manufacturer'*
- G. DTZ's Appendix 4C for the March 2019 quarter released on MAP on 1 May 2019 which included the following disclosures (emphasis added):
- (i) That it had signed purchase orders totalling A\$430,000 to end-customers in two key markets during the March 2019 quarter.
- (ii) *'These orders are expected to be realised during 2019 and 2020 with Dotz set to receive initial revenues from the two purchase orders in Q2 2019.'*
- H. DTZ's announcement titled 'Dotz conducts successful in-plant tagging POC' released on MAP on 6 May 2019, which included the following statement:
- 'Dotz lodged a patent application (#266444) with the Patent Bureau for the use of BioDotz™ direct tagging of cannabis and other high-value or restricted plants to enhance the security, production, processing and supply chain.'*
- I. The written opinion of the International Searching Authority dated 14 May 2019 in relation to DTZ's patent application number PCT/IL2019/050065 ('Polymeric products comprising fluorescent carbon based materials and methods of preparation thereof') with an international filing date of 16 January 2019 and a priority date of 18 January 2018, which advised that:
- (i) Claims 1-5 lack novelty; and
- (ii) Claims 1-53 do not involve an inventive step.
- J. The written opinion of the International Searching Authority dated 23 May 2019 in relation to DTZ's patent application number PCT/IL2019/050179 ('Pattern and/or spectra reader and uses thereof') with an international filing date of 14 February 2019 and a priority date of 16 February 2018, which advised that:
- (i) *'This Authority found that the requirement of unity of invention is not complied with and chose not to invite the applicant to pay additional fees.'*
- (ii) Claims 1-28 and 30 lack novelty.
- (iii) Claims 1-33 do not involve an inventive step.

- K. DTZ's announcement titled 'GQDs prove effective in treatments combatting Free-Radicals' released on MAP on 2 July 2019, which included the following statements:

*'A new study led by Dotz's scientific advisor Prof. James Tour of Rice University in Houston Texas, has found that Graphene Quantum Dots (GQD) manufactured from coal, can fight oxidative stress to assist in the treatment of conditions such as brain injuries, strokes, and heart attacks*

*Dotz holds the exclusive license for manufacturing of GQD from coal and has reached commercial production capacity*

*Dotz to engage with medical entities to commercialize the technology'*

- L. DTZ's announcement titled 'Dotz Secures A\$0.3m to Expedite BioDotz Cannabis Adaptation' released on MAP on 15 August 2019, which included the following statements:

*'Slalom Capital, a Canadian private equity firm with extensive interests in the cannabis sector, will pay a non-refundable one-time payment to Dotz of A\$296,000 within 60 days, to finalise the development of the BioDotz™ technology on cannabis plants*

*Dotz will then grant Slalom exclusive rights to sell BioDotz in Canada, assuming annual wholesale targets are reached. The first annual wholesales target is A\$370,000 (as income for Dotz) ...'*

- M. DTZ's announcement titled 'DTZ Secures A\$500,000 Conditional Validotz Order' released on MAP on 19 August 2019, which included the following statements:

(i) [DTZ] *'has entered into a conditional agreement for a recurring order of Validotz™ polymer security markers to a leading East-European transportation and logistics company.'*

(ii) *'Dotz will insert the Validotz™ solution into hundreds of thousands of transportation containers throughout the customer's Transport network ....'*

(iii) *'... Dotz and the customer will then enter into the commercial stage starting January 2020, where annual volume commitments, expected cost and supply provisions will be confirmed and agreed annually. The first year's order is expected to be about A\$500,000 of Validotz™ product ...'*

- N. DTZ's Appendix 4C for the September 2019 quarter released on MAP on 31 October 2019 which included the following statements (emphasis added):

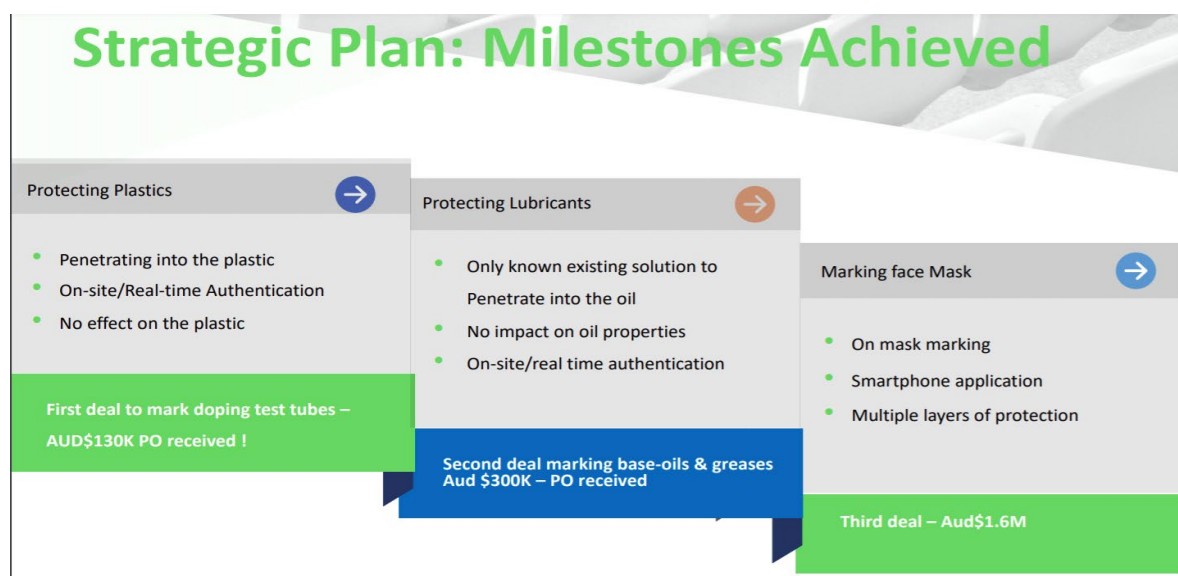
(i) *'During the quarter, Dotz received a conditional recurring order from a leading Eastern European transportation and logistics company, with the agreement expected to generate Validotz™ sales of A\$500,000 in its first year ... While the order is subject to testing ... initial results with the customer have been promising and, subject to further confirmation of those results, commercial implementation of this agreement is on track to commence in January 2020.'*

(ii) *'In August, Dotz partnered with Canadian private equity firm 'Slalom Capital Inc.' ... Dotz has since extended the payment terms for the initial one-off fee of A\$296,000 from an initial 60-days to 31 December 2019, in order to allow Slalom to finalise its current capital raising.'*

(iii) *'In the Oil & Gas sector, Dotz has finalised customisation testing of its Fluorensic™ tracers for a prospective end-customer and is now in advanced negotiations. These successful customisation results support earlier field tests and we are confident that this will eventuate in a sale with this significant industry player.'*

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- O. DTZ's quarterly update and Appendix 4C for the December 2019 quarter released on MAP on 28 January 2020, which included the following statements (emphasis added):
- (i) *'During the quarter, Dotz completed customisation testing with a leading European transportation [sic] and logistics company ... While a firm non-conditional PO has not been granted yet, it is expected that the agreement will generate ValiDotz™ sales of A\$500,000 this year.*
  - (ii) *'... In parallel, Dotz was working to accelerate the commercialisation [sic] of its world-first in-plant authentication technology within the legal Canadian cannabis market with Canadian private equity firm Slalom Capital Inc. ... due to changes in funding markets brought about by recent softening in Canada's legal cannabis market, Slalom has just informed Dotz that the initial payment fee of A\$296,000 is currently "on hold" until market conditions improve and the initiative can be re-examined.*
- P. DTZ's announcement titled 'Dotz secures A\$166k Purchase Order from Plastic Compounder' released on MAP on 26 March 2020, which included the following statements:
- (i) [DTZ] *'has signed a two-year US\$100,000 (A\$166,000) frame purchase order to supply its ValiDotz™ security markers to a Switzerland-based plastic compounder.'*
  - (ii) [The plastic compounder] *'has already received pre-orders for Dotz's security markers to be inserted by several of its customers.'*
  - (iii) *'To secure the agreement, the compounder will pay Dotz a 10 percent advance payment. Additional instalments will be paid to Dotz with each order with a ratio of 30 percent on order and 70 percent on delivery.'*
- Q. DTZ's annual report for the financial year ended 31 December 2019 (FY2019) released on MAP on 30 March 2020, which included the following statements (emphasis added):
- (i) On page 12 under the heading 'Future Developments, Prospects and Business Strategies':  
*'The Company's principal continuing activity is the development and commercialisation of technologies in the advanced materials industry, specifically graphene quantum dots (GQDs). The Company's future developments, prospects and business strategies are to continue to develop and commercialise these technologies.'*
  - (ii) On page 43: *'In December 2014, the Company signed an exclusive technology transfer license agreement ("the License Agreement") with William Marsh Rice University ("Rice") located in Houston Texas. The License Agreement grants the Company an exclusive license, sub-license, assignable, worldwide license to make, develop, use, import, commercialise offer for sale, sell, produce, lease, distribute or otherwise transfer Rice patents covered by the agreement, specifically Rice technology "Coal as an abundant source of GQD's" and "Bandgap Engineering of Carbon Quantum Dotz".'*
  - (iii) On page 43: *'The Company terminated the License Agreement by giving written notice to Rice University prior to 31 December 2019. Based on this notice at t [sic] 31 December 2019, the intangibles were fully impaired.*
- R. DTZ's quarterly activities report for the March 2020 quarter released on MAP on 30 April 2020, which included the following statements (emphasis added):
- (i) *'Despite this volatility, Dotz has continued to progress dialogues, including negotiations, with customers and prospects in oil and gas and anti-counterfeiting, where the Company has already completed successful customisation testing with several of them. These negotiations are now in the advanced stages and once finalised, are expected to be long-term recurring contracts.'*

- (ii) 'During the quarter Dotz has received a A\$166,000 (US\$100,000) order from Color Plastic in Switzerland, for which the first instalment of 10% has already materialized.'
- S. The written opinion of the International Searching Authority dated 7 June 2020 in relation to DTZ's patent application number PCT/IL2020/050471 ('Tagged plant material and method for identifying same') with an international filing date of 27 April 2020 and a priority date of 5 May 2019 (see paragraph H above), which advised that:
- (i) Claims 1, 2, 5 and 10 lack novelty; and
- (ii) Claims 1-5 and 10 do not involve an inventive step.
- T. DTZ's announcement titled 'CEOs Presentation to Shareholders at the AGM' released on MAP on 10 June 2020, which included the following slide on page 11:



- U. DTZ's cleansing prospectus dated 18 June 2020 which included the following statement in section 2.1(e) titled 'Protection of intellectual property rights' (emphasis added):
- 'As the Company licenses its intellectual from third parties, there is an additional risk that these third parties will fail to keep the patents licensed to the Company valid, resulting in competitors being entitled to apply for patents in the same area.'*
- V. DTZ's quarterly activities report for the June 2020 quarter released on MAP on 31 July 2020 which included the following statements (emphasis added):
- (i) *'During the quarter, Dotz entered into a US\$1.0 million commercial agreement with Hong Kong-based Universal Exports Group (UEG) to mark up to 100 million face masks ... Phase One of the agreement, which saw Dotz insert its Validotz™ security markers into encrypted QR codes for 30 million face masks, has already been completed. Post reporting period, Dotz received US\$300,000 from UEG for this initial order ...'*
- (ii) *'Global COVID-19 restrictions have temporarily paused Dotz's contract negotiations with a leading European transportation and logistics company ... These negotiations were at an advanced stage and followed a successful paid pilot ...'*



- (iii) *'As COVID-19 restrictions ease in some of our key markets, advanced negotiations with potential customers have recommenced. We are confident that these negotiations will lead to substantial long-term recurring sales.*
- W. DTZ's announcement titled 'Half-Year Update - June 2020' released on MAP on 31 August 2020 which included the following statement:
- 'The Company is in advanced negotiations with several potential customers, across not only PPE but also other applications for Dotz's technology, and is confident of converting these negotiations and pilots into contracts and recurring sales before the end of this year.'*
- X. DTZ's announcement titled 'Dotz largest shareholder SIBF commits further growth funding' released on MAP on 15 September 2020 which included the following statement (emphasis added):
- 'Dotz Chairman, Bernie Brookes AM, said: "... We are in advanced negotiations with several potential customers across multiple applications for Dotz's technology, and are confident of converting these negotiations and current pilots into contracts and recurring sales before the end of this year."'*
- Y. DTZ's announcement titled 'DTZ presentation at TechOpps virtual investment conference' released on MAP on 15 October 2020, which included the following statements (emphasis added):
- 'IPO on the ASX in November 2016*
- Technogym and core product offering is based on company-owned IP ...*
- Sales and distribution offices in US, Japan, Switzerland, France, UK and Brazil*
- Strong, valued and secure patents*
- High-quality third-party industrial manufacturing facilities in Germany and the USA*
- Collaborations in Germany, Switzerland and Australia'*
- Z. DTZ's quarterly activities report for the September 2020 quarter released on MAP on 30 October 2020, which included the following statements (emphasis added):
- (i) *'During the quarter, Dotz commenced first-stage clinical trials of its portable and real-time virus detection technology on COVID-19 saliva samples. Second stage pilot trials with Sheba Hospital are currently underway ...*
- (ii) *'... we expect to secure more long term recurring sales before the end of the year ...*
- AA. DTZ's quarterly activities report for the December 2020 quarter released on MAP on 29 January 2021, which included the following statement:
- 'Negotiations with several potential customers and partners are advanced, and the Company hopes to finalise and announce new contracts in the coming months.'*
- BB. DTZ's Appendix 4E for the financial year ended 31 December 2020 (FY2020) released on MAP on 26 February 2021 which included the financial information set out in the table below (in US\$):

US\$	FY2019	FY2020
Revenue from contracts with customers	33,731	375,811
Receipts from customers	34,792	394,461
Net cash used in operating activities	2,667,384	2,447,667

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- CC. DTZ's announcement titled 'Dotz Nano Business and Trading Update' released on MAP on 1 March 2021 which included the following statements (emphasis added):
- (i) *'... Dotz has commenced a clinical trial of its virus detection technology with Excelya in Greece (and is no longer engaged in clinical trials with Sheba Medical Centre in Israel due to its inability to deliver confirmed SARS-CoV-2 patients following decreases in confirmed SARS-CoV-2 patients in Israel).'*
  - (ii) In the section 'About Dotz Nano Limited': *'Dotz has strong, established distributors in North America, Europe, Japan, China and Australia as well as scientific collaborations and partnerships with leading academic institutes.'*
- DD. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- EE. The definition of 'aware' in Chapter 19 of the Listing Rules, which states that:
- 'an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity' and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information".'*
- FF. Item 2 in Listed@ASX Compliance Update no 02/18 dated 15 March 2018 titled 'Issues with disclosure of customer contracts', which provided examples of situations where the disclosures by listed entities about their contractual arrangements with customers has fallen short of the required standard, including:
- 'not disclosing when a previously announced material customer contract is terminated or does not proceed (ie disclosing good news but not bad)'*
- GG. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that certain requirements are satisfied.
- HH. DTZ's Continuous Disclosure Policy contained in Schedule 7 of DTZ's Corporate Governance Plan (published in December 2016) which includes the following statements:
- 'All announcements (and media releases) must be:*
- a) prepared in compliance with ASX Listing Rules continuous disclosure requirements;*
  - b) factual and not omit material information; and*
  - c) expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions.'*

### Questions and Request for information

Having regard to the above, ASX asks DTZ to respond separately to each of the following questions and requests for information:

1. ASX notes that the Prospectus and other announcements (including but not limited to the 2 July 2019 announcement (see paragraph K above)) highlight the significance of the arrangements with Rice University to DTZ. In light of this:
  - a) Please explain why DTZ terminated the license agreement with Rice University ('Rice License').
  - b) Please outline the implications and potential implications of the termination of the Rice License for DTZ. Your response should specifically disclose whether the Rice License termination has resulted in the termination or variation of any sales, distribution or other arrangements (including for grant

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funding and research) announced by DTZ between the 2016 Reinstatement and the effective date of the Rice License termination.

- c) Does DTZ consider the termination of the Rice License to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
- d) If the answer to question 1c) above is 'no', please advise the basis for that view.
- e) When did DTZ terminate the Rice License?
- f) If the answer to question 1c) above is 'yes', please explain why the termination of the Rice License was not disclosed to the market prior to 30 March 2020, commenting specifically on when you believe DTZ was obliged to disclose this information under Listing Rules 3.1 and 3.1A.
- g) Which third party intellectual property licenses are referred to in DTZ's cleansing prospectus dated 18 June 2020 (see paragraph U above)?

2. ASX notes:

- DTZ's 15 October 2020 statement that it has 'strong, valued and secure patents' (see paragraph Y above); and
- the written opinions of the International Searching Authority in relation to four of DTZ's patent applications (see paragraphs D, I, J and S above).

In light of the above, what is the current status of each the following patent applications:

- a) PCT/US2018/039428 ('Bulk liquid tagging, identifying and authentication');
- b) PCT/IL2019/050065 ('Polymeric products comprising fluorescent carbon based materials and methods of preparation thereof');
- c) PCT/IL2019/050179 ('Pattern and/or spectra reader and uses thereof'); and
- d) PCT/IL2020/050471 ('Tagged plant material and method for identifying same')?

3. Based on DTZ's previous disclosures in relation to several customer arrangements and orders, it is possible to conclude that DTZ should have generated significantly more than revenue and cash receipts than it reported in FY2019 and FY2020 (see paragraph BB above).

In light of the above and DTZ's disclosure that it received US\$300k from UEG in FY2020 (see sub-paragraph V(i) above), what is the current status of the arrangements with or orders from the following customers:

- a) Colorplastic, Switzerland (see paragraphs C, E, G, P, R(ii) and T above);
- b) the international lubricant manufacturer (see paragraphs F, G and T above);
- c) Slalom Capital (see paragraphs L, N(ii), and O(ii) above);
- d) the East-European transportation and logistics company (see paragraphs M, N(i), O(i), V(ii) and V(iii) above); and
- e) customers in the oil & gas sector (see paragraphs N(iii), R(i), V(iii), W, X, Z(ii) and AA(i) above)?

Please include the following information in your response for each of a)-e) above:

- the cash receipts that DTZ has received to date; and
- an explanation for any discrepancy between the value of the arrangement or order previously disclosed to the market and the cash receipts to date (if applicable).

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4. ASX notes that:

- DTZ's overview of its operations states that *'Dotz has strong, established distributors in North America, Europe, Japan, China and Australia as well as scientific collaborations and partnerships with leading academic institutes'* (see paragraph CC(ii) above).
- DTZ made a number of announcements regarding distribution arrangements and collaborations and partnerships in late 2016, 2017 and 2018.

In light of the termination of the Rice License and other developments (such as management changes) in 2019 and 2020:

- a) Please confirm whether DTZ currently has distribution arrangements in place in each of North America, Europe, Japan, China and Australia. Your response should note whether these distribution arrangements are exclusive for the respective territories, and how much sales revenue they have generated in FY2019 and FY2020.
- b) Please list DTZ's current collaborations and partnerships with leading academic institutes.

5. ASX notes the following statements by DTZ in relation to trials for its SARS-CoV-2 test kits/technology:

- On 30 October 2020: *'[s]econd stage pilot trials with Sheba Hospital are currently underway'*
- On 1 March 2021: [DTZ is] *'no longer engaged in clinical trials with Sheba Medical Centre in Israel due to its inability to deliver confirmed SARS-CoV-2 patients following decreases in confirmed SARS-CoV-2 patients in Israel.'*

In light of the apparent absence of confirmed SARS-CoV-2 patients, please explain why DTZ described second stage pilot trials for its SARS-CoV-2 test kits/technology at Sheba Hospital as being 'underway' as at 30 October 2020.

6. Please confirm that DTZ is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that DTZ's responses to the above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DTZ with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30am AEDT on Wednesday, 10 March 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DTZ's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require DTZ to request a trading halt immediately.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

#### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to DTZ's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that DTZ's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

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**Release of correspondence with ASX**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

**Questions**

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

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**Dean Litis**

Principal Adviser, Listings Compliance (Melbourne)