

17 May 2017

Dear Shareholder

CYCLIQ GROUP LIMITED – NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 5 May 2017 Cycliq Group Limited (ACN 119 749 647) (**the Company** or **Cycliq**) is undertaking a one (1) for ten (10) non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of fully paid ordinary shares (**Shares**) at an issue price of \$0.025 per Share to raise up to approximately \$1.7 million. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 15 May 2017.

The Offer is partially underwritten by Merchant Advisory Limited (**Underwriter**) up to \$1,500,000. The Company must pay the Underwriter an underwriting fee of 4% of the total amount raised pursuant to the Offer. The Offer is lead managed by Merchant Corporate Advisory Pty Ltd (**Lead Manager**). The Company must pay a management fee to the Lead Manager of 2% of the total amount raised pursuant to the Offer. The Company must also reimburse the Underwriter and the Lead Manager for costs incidental to the Offer.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Underwritten amount (\$)	Full Subscription (\$)	%
1	Product development and engineering	600,000	600,000	35.22%
2	Expansion and support of new and recently opened global sales channels	350,000	500,000	29.35%
3	Acceleration of Cycliq global branding and marketing roll out	350,000	350,000	20.54%
4	Expenses of the Offer ¹	122,350	122,350	7.18%
5	Working capital	77,650	131,234	7.70%
	TOTAL	\$1,500,000	\$1,703,584	100%

Note:

1. In the event the Company raises more than the underwritten amount of \$1,500,000 but less than the full subscription, the additional funds raised will be first applied towards expansion and support of new and recently opened global sales channels and secondly towards working capital. On completion of the Offer, the Board believes our Company will have sufficient working capital to achieve these objectives.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm (WST) on 19 May 2017, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all Shares already on issue.

Following completion of the Offer, the Company will have issued approximately 68,143,373 Shares resulting in total Shares on issue of approximately 749,577,103.

Ineligible shareholders

A Shareholder who has a registered address outside Australia or New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Offer Document. This decision has been made pursuant to Listing Rule 7.7.1 (a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia or New Zealand, compared with the small number of Ineligible Shareholders and the number and value of new Shares to which they would otherwise be entitled.

If you have any queries concerning the Entitlement Issue please contact your financial adviser or Piers Lewis, Cycqliq's Company Secretary, on + 61 8 6555 2950.

Yours sincerely

Chris Singleton
Chairman