

22 July 2019

Dear Option Holder

NON-RENOUNCEABLE ENTITLEMENT ISSUE

As announced on 22 July 2019, Collaborate Corporation Limited (ACN 066 153 982) (the **Company** or **Collaborate**) is undertaking a 1:4 non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of approximately 206,135,826 fully paid ordinary shares (**New Share**), together with free attaching options on a 2-for-3 basis, with an exercise price of \$0.015 per option and expiry date of 18 December 2020 (**New Option**) to raise approximately \$2,061,358. The price of New Shares under the Offer is \$0.01 each.

The Entitlement Issue will be offered to shareholders registered at the Entitlement Record Date (as defined below) with a registered address in Australia or New Zealand (**Eligible Shareholders**) on the basis of one (1) New Share for every four (4) Shares held (together with 2 (two) free attaching New Options for every 3 (three) New Shares subscribed for and issued).

Collaborate has announced the record date of 5:00pm (AEST) on 26 July 2019 for the purposes of determining shareholders entitled to participate in the Entitlement Issue (**Entitlement Record Date**). A prospectus containing full details of the Entitlement Issue was lodged with ASIC and ASX on 22 July 2019 and will be despatched to all Eligible Shareholders on 30 July 2019. The Prospectus will be available on the ASX website (company announcements section, ASX code: CL8).

Under the terms of the options you currently hold, there is no entitlement to participate in the Entitlement Issue, unless you exercise your options and are entered onto the register as an Eligible Shareholder on or before the Entitlement Record Date. Under the terms of your options you are entitled to receive notice of the record date set for the purposes of determining entitlements to any new issue of capital. The purpose of this letter is to give you that notice in order to permit you to participate in the Entitlement Issue, should you wish to do so.

If you are not a shareholder and wish to participate in the Entitlement Issue, or if you are already a shareholder but also wish to participate in the Entitlement Issue in respect of your option holdings, it will be necessary for you to exercise all or part of your options, and the shares in respect of those options must have been issued to you before the Entitlement Record Date. If you wish to do so, you should complete a Notice of Exercise of Options and lodge it with the Company, together with your payment for the number of options you wish to exercise. If the Notice of Exercise of Options together with payment in full for the relevant number of options being exercised is not received by 26 July 2019, you will not be able to participate in the Entitlement Issue in respect of the shares to be issued upon exercise of those options.

If you do not wish to participate in the Entitlement Issue (in respect of your options), you do not need to take any action.

This letter is only intended to inform you of your rights in relation to your options. This letter is not an offer or an invitation to acquire shares in Collaborate or to participate in the Entitlement Issue.

If you require further information, please contact the Company Secretary via email at shareholder@collaboratecorp.com.

Yours faithfully

COLLABORATE CORPORATION LIMITED



Chris Noone

CEO and Executive Director