

18 August 2016

The Manager
Market Announcements Platform
ASX Limited
20 Bridge Street,
Sydney NSW 2000

Rights Issue – Letters to Shareholders

I attach copies of the following two letters which have today been sent to shareholders of Bluechiip Limited (**Bluechiip**) in connection with the rights issue announced on 15 August 2016:

- (a) letter to Bluechiip shareholders who have registered addresses in Australia and New Zealand, and are therefore eligible to participate in the rights issue; and
- (b) letter to Bluechiip shareholders who have registered addresses in other jurisdictions, and are not entitled to participate in the rights issue.

Yours faithfully



Lee Mitchell
Company Secretary

18 August 2016



Dear Shareholder

Bluechiip Limited – Eligible Shareholders
1 for 3 Non-Renounceable Rights Issue to raise up to \$1.48 million

This letter is to notify you that on 15 August 2016, Bluechiip Limited (**ASX: BCT**) announced to the ASX a non-renounceable rights issue (**Rights Issue**) at an issue price of \$0.0225 per new share (**New Share**). The issue price was subsequently varied to be \$0.022 (2.2 cents) per New Share.

The Rights Issue offers shareholders whose registered addresses are within Australia and New Zealand (**Eligible Shareholders**) one (1) New Share for every three (3) fully paid ordinary shares held as at 7.00pm on Monday 22 August 2016 (**Record Date**) to raise up to \$1.48 million before costs. The Rights Issue is not underwritten.

The Rights Issue is being conducted pursuant to an offer document dated 17 August 2016 issued in accordance with section 708AA of the Corporations Act (as modified by ASIC Instrument 2016/84). You will receive your copy of the Offer Booklet and the Entitlement and Acceptance Form shortly. The Offer Document has also been lodged with the ASX and is available on the ASX website (www.asx.com.au).

Any New Shares not taken up by eligible shareholders under the Rights Issue will be shortfall shares and can be applied for by other eligible shareholders under the shortfall facility in excess of their entitlement of New Shares.

The funds raised will, after payment of costs and expenses, be used primarily to complete the development, through to launch, of Bluechiip's technology with partner Genea Biomedx in the Assisted Reproductive Technologies market, to complete and convert current trials with pipeline partners and for corporate overheads.

This offer is open to shareholders of the Company as at the Record Date with registered addresses in Australia and New Zealand. Shareholders at the Record Date with a registered address outside Australia and New Zealand will not be eligible to participate in the Rights Issue.

Summary of key information	
Type of Offer	Non-renounceable rights issue
Issue Ratio	1 New Share for every 3 existing shares held
Issue Price	\$0.022 cents per New Share
Issue Price discount	Approximately 15% to the market closing price of \$0.026 per share on Wednesday 10 August 2016. Approximately a 20% discount to the 1 month VWAP to 10 August 2016.

New Shares issued	Up to approximately 67,125,882 New Shares (to be quoted on ASX)
Ranking of New Shares	The New Shares will be fully paid and will rank equally in all respects with the Company's existing issued ordinary shares
Funds Raised	Up to \$1.48 million before costs, if fully subscribed

Shareholder approval of the Rights Issue is not required. The Rights Issue is undertaken without a prospectus in accordance with section 708AA of the *Corporations Act 2001 (Cth)* (**Act**).

Timetable ¹

Initial announcement of Rights Issue	Monday 15 August 2016
Lodgement of Rights Issue Offer Booklet, Cleansing Notice in respect of the Rights Issue and Appendix 3B	Wednesday 17 August 2016
Dispatch of letter to shareholders	Thursday 18 August 2016
"Ex" Date (i.e. date from which securities commence trading without the entitlement to participate in the Rights Issue)	Friday 19 August 2016
Record Date (i.e. date for determining entitlement to participate in the Rights Issue)	Monday 22 August 2016
Rights Issue Opening Date. Dispatch of Offer Booklet and personalised Entitlement and Application Form	Thursday 25 August 2016
Closing Date (Last day for acceptance and payment in full)	Friday 9 September 2016
Company notifies ASX of under-subscriptions	Wednesday 14 September 2016
Allotment of Rights Issue Shares and despatch of holding statements.	Friday 16 September 2016
Expected commencement of normal trading in New Shares on ASX	Monday 19 September 2016

¹*This timetable is indicative only. The Company reserves the right, subject to the ASX Listing Rules, to amend the indicative timetable. In particular, the company reserves the right to extend the closing date or to withdraw the Rights Issue without prior notice.*

Taking up your entitlements may have taxation, financial and other implications. If you are in any doubt as to how to deal with your rights, you should contact your stockbroker or other professional adviser.

Yours sincerely,



Iain Kirkwood
Chairman

18 August 2016



Dear Shareholder

Bluechiip Limited – Ineligible Shareholders
1 for 3 Non-Renounceable Rights Issue to raise up to \$1.48 million

This letter is to notify you that on 15 August 2016, Bluechiip Limited (**ASX: BCT**) announced to the ASX a non-renounceable rights issue (**Rights Issue**) at an issue price of \$0.0225 per new share (**New Share**). The issue price was revised to be \$0.022 (2.2 cents) per New Share.

The Rights Issue offers shareholders whose registered addresses are within Australia and New Zealand one (1) fully paid ordinary share (**New Shares**) for every three (3) fully paid ordinary share held as at 7.00pm on Monday 22 August 2016 (**Record Date**) to raise up to \$1.48 million.

The Company has determined, pursuant to Listing Rule 7.7.1(a) that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs associated with offering New Shares to those persons.

Bluechiip wishes to advise you that it will not be offering New Shares to Ineligible Shareholders. Accordingly, you need not take any further action in response to this letter or the Rights Issue.

Yours sincerely,

Iain Kirkwood
Chairman