



18 July 2016

Dear Shareholder

#### TRANSCENDENCE TECHNOLOGIES LIMITED – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

Transcendence Technologies Limited (ACN (096 781 716)) (**TTL**) is undertaking a 1:5 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 34,554,134 options to acquire fully paid ordinary shares (**Loyalty Options**) to raise approximately \$69,108. The price of Loyalty Options under the Offer is \$0.002 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 13 July 2016.

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). The Company must pay the Underwriter a lead management fee of \$12,000 and issue 24,000,000 Options at an issue price of \$0.00001 per Option on the same terms as the Loyalty Options. The Prospectus also includes an offer to the Underwriter of the Underwriter Options.

The Company must also reimburse the Underwriter for costs incidental to the Offer.

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expenses of the Offer <sup>1</sup>	\$37,456	54.20
2.	Working capital	\$31,652	45.80
	<b>Total</b>	<b>\$69,108</b>	<b>100%</b>

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm on 20 July 2016, whose registered address is in Australia or New Zealand.

Loyalty Options will be issued on the terms and conditions as set out in section 6.1 of the Prospectus.



Following completion of the Offer, the Company will have issued approximately 34,554,134 Loyalty Options resulting in total Options on issue of approximately 84,344,374 (which includes the Underwriter Options).

### **Ineligible shareholders**

A Shareholder who has a registered address outside Australia and 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 Prospectus. 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 and 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 Rights Issue, please contact your financial adviser or Sarah Smith, TTL's Company Secretary, on +61 (08) 9322 7600.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sarah Smith", is positioned above the printed name and title.

**Sarah Smith**  
Company Secretary