

18 April 2018

Dear Shareholder,

## NON RENOUNCEABLE RIGHTS OFFER

The Company on 16 April 2018, lodged a Prospectus with ASIC and ASX, seeking to raise up to approximately \$187,500 by a non-renounceable rights offer ("**Offer**") of up to approximately 18,749,999 entitlement options on the basis of 1 entitlement option for every 4 shares held at an issue price of 1 cent per entitlement option. The options have an exercise price of 30 cents and an expiry date of 31 December 2020.

The funds raised under the Offer will be used as additional working capital and to meet Offer expenses.

The Offer is not underwritten. There is no minimum subscription under the Offer.

The timetable for the Offer is as follows:

Lodgement of Prospectus with ASIC and ASX	16 April 2018
Application to ASX for quotation of options under the Prospectus	16 April 2018
Notice to Shareholders	18 April 2018
Current Shares "Ex" the entitlements issue on the ASX	19 April 2018
<b>Record Date</b> to identify Shareholders and to determine Entitlements to options under the Prospectus	20 April 2018
Despatch of Prospectus and Entitlement and Acceptance Form ( <b>Opening Date</b> )	26 April 2018
<b>Closing Date</b>	18 May 2018
Deferred settlement trading	21 May 2018
ASX notified of undersubscriptions	23 May 2018
Issue Date and end of deferred settlement trading	25 May 2018

Subject to the Listing Rules, the above dates may be changed without notice.

The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date ("**Eligible Shareholders**").

The capital structure of the Company post-completion of the Offer assuming full subscription will be as follows:

<b>Shares*</b>	
Existing Shares	74,999,993
Shares issued under the Offer	0
<b>Total Shares on issue after completion of the Offer</b>	<b>74,999,993</b>
<b>Options*</b>	
Series A Options (exercise price 30 cents expiring 31 December 2020)	23,783,333
Series B Options (exercise price 25 cents expiring 30 September 2019)	1,100,000
Series C Options (exercise price 30 cents expiring 30 September 2020)	1,100,000
Series D Options (exercise price 40 cents expiring 30 September 2021)	1,100,000
Entitlement Options issued under this Offer	18,749,999
<b>Total Options on issue after completion of the Offer</b>	<b>45,833,332</b>

\* In addition to Shares and Options, there are 250,000 Class A Performance Rights and 250,000 Class B Performance Rights on issue. The terms are set out in the Company's prospectus announced on ASX on 16 October 2017.

It is anticipated that the Prospectus offering entitlement options for subscription will be mailed to Eligible Shareholders on 26 April 2018. The Prospectus may be viewed on the Australian Securities Exchange's website at [www.asx.com.au](http://www.asx.com.au) or alternatively on the Company's website at [www.nanollose.com](http://www.nanollose.com).

Application will be made to ASX for official quotation of the options. In the calculation of any entitlement, fractions will be rounded up to the nearest whole number. No shareholder approval is required to the Offer.

### Overseas Shareholders

The offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no offer will be made to you. In making this decision, the directors have taken into account the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any questions please do not hesitate to contact the Company.

Yours faithfully



**Erlyn Dale**  
Company Secretary