



ASX PRESS RELEASE

14 April 2016

Market Announcements Office
Australian Securities Exchange

NON-RENOUNCEABLE ENTITLEMENT OFFER

BrainChip Holdings Ltd ACN 151 159 812 (ASX:BRN) (**Company**) is seeking to raise up to approximately A\$4,075,000 (before costs) through a pro rata non-renounceable entitlements offer of 1 fully paid ordinary share in the capital of the Company (**Share**) for every 26 Shares held by eligible shareholders on 20 April 2016 at an issue price of A\$0.15 per Share (**Offer**). There is no minimum subscription in respect of the Offer.

Indicative use of proceeds of Offer

The Company proposes to use the proceeds of the Offer as follows:

Use	Approx. expenditure assuming full subscription (A\$)	%
Growth in R&D, engineering and marketing teams	1,690,500	41.48
Recruitment of new CEO & VP Sales	150,000	3.68
Capital expenditure for chips	1,100,000	26.99
Expenses of the Offer	50,000	1.23
Working capital requirements	1,084,500	26.61
Total	4,075,000	100%

The above expenditure budget is indicative only and may change according to circumstances prevailing at the time.



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Summary of the Offer

1. The Offer comprises 1 new Share for every 26 existing Shares held by existing eligible shareholders on 20 April 2016 (**Record Date**) at A\$0.15 per Share.
2. Eligible shareholders will comprise those shareholders with a registered address in Australia or New Zealand.
3. The Offer is not underwritten.
4. Any fractional entitlements arising from the Offer will be rounded up.
5. Shares issued under the Offer will rank equally with existing Shares on issue on the Record Date. The Company will make application for official quotation of the new Shares proposed to be issued under the Offer. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.
6. Up to approximately 27,168,279 Shares will be issued pursuant to the Offer, assuming no unquoted options are exercised prior to the Record Date. Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.
7. Any entitlement not taken up by pursuant to the Offer will form the shortfall offer. The directors of the Company reserve the right to issue any shortfall shares in their absolute discretion.

Timetable

Further details of the Offer, including details on how to accept and key risks of the Offer, will be set out in a prospectus which is expected to be released to the ASX today and dispatched to shareholders on 22 April 2016. Outlined below is a timetable of relevant events and dates relating to the Offer. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the Company's Board reserves the right to modify all dates, including the Offer closing date.



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Event	Date
Lodgement of Appendix 3B and Prospectus with ASX Notice of Offer sent to Optionholders	14 April 2016
Notice of Offer sent to Shareholders	18 April 2016
Shares quoted on an "EX" basis	19 April 2016
Record Date for determining Entitlements	20 April 2016
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	22 April 2016
Last day to extend the offer closing date	29 April 2016
Closing Date of Offer (5pm WST)*	4 May 2016
Shares quoted on a deferred settlement basis	5 May 2016
Notification of Shortfall	6 May 2016
Anticipated date for issue of the Securities Deferred settlement trading ends	6 May 2016
Anticipated date for commencement of Shares trading on a normal settlement basis	9 May 2016

Application for new Shares under the Offer may only be made by completing the Entitlement and Acceptance Form which accompanies the prospectus. Shareholders eligible to participate in the Offer should read the prospectus carefully and consult professional advisers as necessary.

Enquiries

Any enquiries regarding the Offer should be directed to:

Ms Nerida Schmidt

Company Secretary

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Email: nschmidt@brainchip.com.au