



## ASX and MEDIA RELEASE

9 January 2019

### **Dotz Nano raises \$0.8 million via convertible loans to accelerate commercial engagements currently under negotiation**

- Successful raise of \$0.8 million by issue of convertible loans led by a Sophisticated Asian Based Investor and the founding shareholders
- Loans to convert to equity upon shareholder approval at A\$0.08 per share plus 1:4 unlisted options exercisable at A\$0.12 per share
- Company now funded to facilitate 2019 commercial agreements

**Dotz Nano Limited (ASX:DTZ) (“Dotz” or “the Company”)** an advanced technology company developing, manufacturing and commercialising tagging, tracing and verification solutions, has successfully secured funding of \$1million before costs via the issue of converting loans to sophisticated and professional investors (“Converting Loans”).

The terms of the Converting Loans are outlined below in this announcement.

Conversion of the Converting Loans into fully paid ordinary Company shares is to occur upon receipt of shareholder approval at a shareholder meeting to be held in February 2019. New shares under the Converting Loans will rank equally with the Company’s existing ordinary shares on issue.

**Commenting on the successful raise, CEO of Dotz, Uzi Breier said:** “We are very pleased to have received strong support from the founding shareholders who have been on the journey with us from the start. In addition, the Converting Loans have the support of an Asian-based sophisticated investor who also sees a global demand for Dotz’s patented technology in Oil & Gas, Anti-counterfeiting and Product Liability sectors.

“It is an exciting time for the Company as we have moved through the research and product development phases to advanced negotiations with several leading companies to use our unique products in sectors which have the most immediate demand for our technology.

“Over the past six months Dotz has significantly reduced its cost by 30%, including management salaries, to better utilise resources as we reach commercialisation.”

Funds raised shall be used as working capital to facilitate commercial accords in Oil & Gas, Plastics and Lubricants.

### KEY TERMS OF THE CONVERTIBLE LOAN AGREEMENT ("Agreement")

<b>Borrower</b>	Dotz Nano Limited ("Dotz", "the Company" or the "Borrower")
<b>Facility Limit</b>	A\$1,000,000
<b>Purpose</b>	For working capital and Capex.
<b>Execution Date</b>	7 January 2019
<b>Shareholder Approval Date</b>	By 28 February 2019, or any other date as is agreed in writing between the Lender and the Borrower.
<b>Conversion</b>	<p>Subject to the Shareholder Approval being obtained on or prior to the Shareholder Approval Date, the Lender irrevocably directs the Borrower to convert Outstanding Moneys (i.e. the amount of the Facility Limit plus accrued interest) into:</p> <ul style="list-style-type: none"> <li>i. Shares in the Borrower at a share price of \$0.08 per Share; and</li> <li>ii. one (1) Option in the Borrower on a free attaching basis for each four (4) Shares issued pursuant to Shareholder Approval being obtained, with each Option having an exercise price of \$0.12 and expiring on 30 June 2020.</li> </ul>
<b>Termination Date</b>	<p>The earlier of:</p> <ul style="list-style-type: none"> <li>i. eight (8) months after the Execution Date or any other date as is agreed in writing between the Lender and the Borrower; and</li> <li>ii. the date Outstanding Moneys (all debts and monetary liabilities) are converted into Shares and Options in accordance with the Agreement.</li> </ul>
<b>Interest</b>	<p>Simple interest shall accrue on the advances made pursuant to the Agreement at 8% p.a. The payment of interest will be as follows:</p> <ul style="list-style-type: none"> <li>i. Where the Shareholder Approval is obtained, accrued interest will be capitalised and convert to Shares and Options per the 'Conversion' description above; and</li> <li>ii. Where the Shareholder Approval is not obtained, the Borrower must pay to the Lender the accrued interest in relation to the advance on the Termination Date.</li> </ul>
<b>Repayment</b>	In the event Shareholder Approval is not obtained on or prior to the Shareholder Approval Date, the Borrower must repay to the Lender all Outstanding Moneys on the Termination Date.
<b>Security</b>	The Loan is unsecured.



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**About Dotz Nano Limited**

Dotz Nano Limited (ASX: DTZ) is a technology leader in research, production and marketing of anti-counterfeiting, authentication and tracing solutions. Dotz has strong, established distributors in North America, Europe, Japan, China and Australia as well as scientific collaborations and partnerships with leading academic institutes.

Its unique products ValiDotz, BioDotz, Fluorensic and InSpec are exceptional solutions for numerous applications, such as: anti-counterfeiting, brand & reputation protection, oil & gas industry, liquids tagging, lubricants and DEF authentication, polymers tagging and bio-imaging.

To learn more about Dotz, please visit the website and corporate video via the following link [www.dotz.tech](http://www.dotz.tech)