



18 March 2015

## Letters to Shareholders

Atlas Pearls and Perfumes Ltd (**Company**) announces that the following letters have today been dispatched to eligible and ineligible shareholders in relation to the fully underwritten 1 for 5 non-renounceable pro rata entitlement offer of fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.045 per New Share to raise up to \$3.1 million (before costs) (**Entitlement Offer**) which was announced to ASX on 16 March 2015.

Details of the Entitlement Offer are contained in the Prospectus lodged with ASIC and ASX on 16 March 2015, and available at [www.asx.com.au](http://www.asx.com.au). The Prospectus, together with a personalised Entitlement and Acceptance Form, will be dispatched to Eligible Shareholders on 25 March 2015.

For further information on the Entitlement Offer:

- visit the Company's website at [www.atlaspearlsandperfumes.com.au](http://www.atlaspearlsandperfumes.com.au);
- see the Company's Prospectus lodged with ASIC and ASX on 16 March 2015, and available at [www.asx.com.au](http://www.asx.com.au); or
- contact the Company on (08) 9284 4249 between 8.30am and 5.00pm (AWST) Monday to Friday.

- END -



18 March 2015

Dear Shareholder,

### **Non-renounceable Pro Rata Entitlement Offer**

On 16 March 2015, Atlas Pearls and Perfumes Ltd (**Company**) announced a fully underwritten 1 for 5 non-renounceable pro rata entitlement offer of fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.045 per New Share (**Offer Price**) to raise up to \$3.1 million (before costs) (**Entitlement Offer**). The Company lodged a prospectus with ASIC and ASX on 16 March 2015 setting out further details of the Entitlement Offer.

#### **1 Purpose of the Entitlement Offer**

Funds raised from the Entitlement Offer will be used primarily to repay existing bringing finance arrangements and meet working capital requirements as and when they fall due.

#### **2 Details of the Entitlement Offer**

The Entitlement Offer will be available to eligible shareholders on the Company's share register as at 5.00pm AWST on 23 March 2015 (**Record Date**). The Entitlement Offer is scheduled to close at 5.00pm (AWST), 20 April 2015.

Following completion of the Entitlement Offer, the Company will have issued approximately 69,123,290 New Shares, resulting in a total of approximately 414,739,742 Company shares on issue (plus the options to subscribe for unissued shares). This number excludes any allowance for shares issued in the event that any option holders or convertible noteholders exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is subject to reconciliation of entitlements and rounding. All entitlements will be rounded up to the nearest whole number of New Shares.

The New Shares will rank equally with all other fully paid ordinary shares of the Company from the date of allotment. The Company has applied for quotation of all of the New Shares on ASX.

The Entitlement Offer is non-renounceable, which means that entitlements to take up New Shares (**Entitlements**) are non-transferable and will not be tradeable on ASX.

Eligible shareholders may apply for some or all of their Entitlement under the Entitlement Offer.

Eligible shareholders who do not take up their Entitlements in full will not receive any value in respect of those Entitlements that they do not take up, and their equity interest in the Company will be diluted. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of Entitlements they would have received, had they been eligible.

#### **3 Underwriting**

The Entitlement Offer is fully underwritten and the underwriter will be paid a fee of 3% of the total proceeds to be raised under the Entitlement Offer.

#### **4 Shortfall facility**

Eligible shareholders who take up all of their Entitlements may also apply for additional New Shares in excess of their Entitlement. These additional New Shares are also offered at \$0.045. There is no maximum cap on the

number of additional New Shares for which an eligible shareholder can apply. Applications for additional New Shares will be satisfied out of any New Shares for which applications have not been received from eligible shareholders or out of New Shares that would have been offered to ineligible shareholders, before the closing date of the Entitlement Offer (**Shortfall**).

The following persons will not be entitled to submit applications for additional New Shares:

- the underwriter of the Entitlement Offer;
- a related party of the Company; and
- a related party or associate of the underwriter.

## 5 Eligible shareholders

Eligible shareholders are those persons who:

- are registered as a holder of Company shares as at 5.00pm (AWST) on the Record Date; and
- have a registered address in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer.

Shareholders not satisfying the above criteria will not be eligible to participate in the Entitlement Offer.

## 6 Timetable\*

The following are key days relating to the Entitlement Offer that you need to be aware of:

Event	Date
Notice sent to existing option holders	16 March 2015
Shares quoted on an "ex" basis	19 March 2015
<b>Record Date</b>	<b>5.00pm (AWST), 23 March 2015</b>
<b>Entitlement Offer opens</b>	<b>25 March 2015</b>
Prospectus and Entitlement and Acceptance Forms dispatched to eligible shareholders	<b>25 March 2015</b>
<b>Entitlement Offer closes</b>	<b>5.00pm (AWST), 20 April 2015</b>
Issue of New Shares	27 April 2015
Dispatch of holding statements and New Shares commence trading on ASX	28 April 2015

\* All dates are indicative only. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Closing Date or accepting late applications, either generally or in particular cases, without notice.

## 7 Other information

No dividends have been paid by the Company since 7 May 2008. The Company's dividend policy has been reviewed periodically by the board since 2009.

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No shareholder approval is required for the Entitlement Offer.

## 8 Prospectus

Details of the Entitlement Offer are contained in the Prospectus lodged with ASIC and ASX on 16 March 2015, and available at [www.asx.com.au](http://www.asx.com.au). The Prospectus, together with a personalised Entitlement and Acceptance Form, will be dispatched to eligible shareholders on 25 March 2015.

It is important that eligible shareholders read the Prospectus carefully, and consult their stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest. If Eligible shareholders wish to participate, they should follow the directions in the Entitlement and Acceptance Form and section 3 of the Prospectus.

For further information on the Entitlement Offer:

- visit the Company's website at [www.atlaspearlsandperfumes.com.au](http://www.atlaspearlsandperfumes.com.au);
- see the Company's Prospectus lodged with ASIC and ASX on 16 March 2015, and available at [www.asx.com.au](http://www.asx.com.au); or
- contact the Company on (08) 9284 4249 between 8.30am and 5.00pm (AWST) Monday to Friday.

Yours sincerely



**Geoffrey Newman**  
**Non-executive Chairman**

The information provided in this letter is not investment advice. You should read the entire Prospectus when you receive it, as well as all other materials lodged with ASX which you consider relevant and consider all of the risk factors that could affect the performance of the Company and the New Shares in light of your particular investment objectives, financial circumstances and investment needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stock broker, lawyer or other professional adviser before deciding whether to invest in new shares. Specifically, shareholders should seek advice on the taxation implications of participating in the Entitlement Offer and have regard to the risks of investing in the Company highlighted in the Company's prospectus dated 16 March 2015.

18 March 2015

Dear Shareholder

## Entitlement Offer – Notification to Ineligible Shareholders

Atlas Pearls and Perfumes Ltd (**Company**) is in the process of raising up to approximately \$3.1 million (before costs) of new equity capital through a fully underwritten non-renounceable pro-rata entitlement offer to existing eligible shareholders (**Entitlement Offer**).

The Entitlement Offer will be offered to eligible shareholders on the basis of 1 new fully paid ordinary shares (**New Shares**) for every 5 ordinary shares held by eligible shareholders at \$0.045 per New Share.

Details of the Entitlement Offer are contained in the Company's ASX announcement on 16 March 2015, and in the Prospectus lodged with ASIC and the ASX on 16 March 2015, and available at [www.asx.com.au](http://www.asx.com.au).

<p><b>Who are Eligible Shareholders?</b></p>	<p>Shareholders who are eligible to participate in the Entitlement Offer (<b>Eligible Shareholders</b>) are shareholders who:</p> <ul style="list-style-type: none"> <li>(a) are registered as a holder of Shares as at 5.00pm (AWST) on 23 March 2015; and</li> <li>(b) have a registered address in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer.</li> </ul>
<p><b>Do you meet the eligibility criteria?</b></p>	<p>Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder, you are not eligible to subscribe for New Shares and you will not be sent a copy of the offer documents.</p> <p><b>The Company wishes to advise you that it will not be extending the Entitlement Offer to you.</b></p>
<p><b>Why are there restrictions on eligibility?</b></p>	<p>There are restrictions on eligibility because of:</p> <ul style="list-style-type: none"> <li>(a) the legal limitations in some countries;</li> <li>(b) the relatively small number of shareholders in some countries;</li> <li>(c) the small number of shares those shareholders hold; and</li> <li>(d) the potential cost of complying with regulatory requirements in those countries.</li> </ul> <p>The Company has determined, pursuant to ASX Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries other than Australia and New Zealand in connection with the Entitlement Offer.</p>

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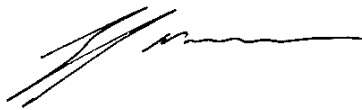
**Do you need to do anything?**

You are not required to do anything in response to this letter. This letter is to inform you about the Entitlement Offer, the details of which are provided below. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

**Questions**

If you have any questions in relation to the Entitlement Offer and this letter, please seek professional advice or contact the Company on (08) 9284 4249.

Yours sincerely



**Geoffrey Newman**  
Non-executive Chairman

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