

DOTZ NANO EQUITY RAISING & MARKET UPDATE

- **A\$1,500,000 million capital raising undertaken to access up to a further A\$2 million in non-dilutive grant funding**
- **Dotz Nano is narrowing its focus on medium term commercial sales orders**
- **Reduction in cost structure to increase runway to secure medium term contracts**

Dotz Nano Limited (“Dotz Nano” or the “Company”), a nano-technology company focusing on the development, manufacture and commercialisation of graphene quantum dots (GQDs), announces today that the Company has received firm commitments to raise \$1,500,000 via a placement of 12,500,000 shares to sophisticated investors (“Placement”). The shares will be issued under the Company’s existing capacity in accordance with Listing Rule 7.1.

As part of the transaction, Dotz Nano will also be issuing, subject to any shareholder approval that may be required, up to 10,000,000 unlisted options exercisable at \$0.20 and expiring two years from the date of issue.

The Placement was conducted to take advantage of cost sharing grant funding to access up to ~\$2 million in grants over the next 12-18 months. The initial grant was awarded by the US-Israel Binational Research and Development (BIRD) Foundation (see ASX announcements 19 December 2016 and 8 June 2017). Additional grant funding is directed from the Office of the Chief Scientist of Israel and from the Ministry of Economy. Further grant applications have been submitted. The grant funds raised will be non-dilutive to Dotz Nano shareholders, and the proceeds from the Placement will be applied towards the commercialisation of Dotz Nano’s technology.

The Company is now narrowing its focus to those prospects with the highest probability of yielding medium term commercial contracts. As a result, activities outside of this focus will be scaled back for the near term, which will facilitate cost savings in the Company’s cash expenditures.

As part of this process and following queries from investors, Dotz Nano has sought to further explain the meaning of ‘reputable third party’ with respect to the milestones attaching to the performance based securities Dotz Nano has on issue:

- For milestone 1 (production and distribution of 20kgs of GQDs via offtake or commercial samples with a reputable third party), reputable third parties are suppliers to original equipment manufacturers; and
- For milestones 2 and 3 (production and distribution to reputable third parties via offtake for 50kgs and 100kgs respectively), reputable third parties are those whose offtake arrangements result in A\$6 million and A\$12 million in revenues respectively.

During the past months, Dotz Nano has progressed with integrating its GQDs into a variety of environments including displays, polymers, optical brighteners and specific applications such as anti-counterfeiting, brand protection, inks, dyes and foodstuffs. These applications are linked to a multitude of first and second tier companies around the globe that are in various stages of testing

and evaluation of Dotz Nano's GQDs into their end product. While being a lengthy process, several of these studies are reaching their end and will be ready for commercial evaluation and negotiations.

In addition, Dotz Nano has developed expertise on the surface modification of GQDs, thus allowing its GQDs to be integrated and embedded in a large number of polymers, resins, oils, paints, dyes and inks for use in a multitude of applications. Surface modifications such as changing the characteristics of the GQDs for use in oils (hydrophobic) to use in water based systems (hydrophilic), will allow the Company to provide its customers the added value they require.

Commenting on the business update, Dotz Nano's CEO, Moti Gross, stated: *"We are pleased to complete this incremental equity raise which is specifically aimed at allowing Dotz to take advantage of its non-dilutive grant funding and capitalise on existing market opportunities."*

"We welcome a number of new investors to the register, and the strong support received from shareholders reinforces the potential in the untapped graphene quantum dot market. This capital injection will give us enough funding to achieve our medium term goals, and the immediate focus is to deliver on collaboration and commercial contracts to generate revenues."

"We are very pleased with the level of engagement from the founders to inject further capital into the Company, showing our commitment to a successful long term position in Dotz Nano. In addition, the Board has taken the appropriate cost cutting procedures to make sure Dotz Nano has enough funding to achieve its medium to long term strategy."

"Over the last several months, Dotz Nano business development staff have been hard at work, reaching out to potential customers in a variety of applications, showing the implementations of our GQDs. Our research staff has achieved a phenomenal high level of product expertise, achieving GQD integration into a multitude of mediums for use in various applications such as plastics, polymers, liquids and specialty mediums for use in anti-counterfeiting/brand protection applications, displays, textiles, inks and even bio-medical/bio-imaging applications".

"All of the above activities are aimed at achieving collaboration/commercial agreements with all levels of potential customers from Tier 1 and Tier 2 and even end-users."

"To that end, this incremental capital raise, aimed at leveraging non-diluting grant funding, will go a long way to achieving our intermediate goals and steer the Company down the revenue generating path".

"I look forward to keeping our shareholders updated as to our progress".

Dotz Nano expects to complete the issue of the placement shares by Friday the 4th of August 2017.

About Dotz Nano

Dotz Nano Limited (ASX: DTZ) is a technology company focusing on the development, manufacture and GQDs. Its vision is to be the premier producer of GQDs by producing and supplying high quality GQDs for use in various applications including medical imaging, sensing, consumer electronics, energy storage, solar cells and computer storage.

To learn more about Dotz Nano please view the website and our corporate video via the following link: www.dotznano.com



For further enquiries, please contact:

Company Secretary

Mr. Peter Webse

peter.webse@pcscorporate.com.au

Telephone: +61 8 6377 8043

Investor Relations

F T I Consulting

Level 2, 2 Kings Park Rd

West Perth WA 6005

+61 (0)8 9485 8888

Elodie.Castagna@fticonsulting.com

www.fticonsulting.com

Corporate Advisors

Otsana Capital

108 Outram Street

West Perth WA 6005

Telephone: +61 8 9486 7244

Email: investors@dotznano.com