



14 July 2016

Dear Optionholder

TRANSCENDENCE TECHNOLOGIES LIMITED - PRO-RATA RENOUNCEABLE RIGHTS ISSUE

Transcendence Technologies Limited (ACN (096 781 716)) (**TTL**) is undertaking a 1:5 pro rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 34,554,134 options to acquire fully paid ordinary shares (**Loyalty Options**) to raise approximately \$69,108. The price of Loyalty Options under the Offer is \$0.002 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 13 July 2016.

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). The Company must pay the Underwriter a lead management fee of \$12,000 and issue 24,000,000 Options at an issue price of \$0.00001 per Option on the same terms as the Loyalty Options. The Prospectus also includes an offer to the Underwriter of the Underwriter Options.

The Company must also reimburse the Underwriter for costs incidental to the Offer.

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Expenses of the Offer ¹	\$37,456	54.20
2.	Working capital	\$31,652	45.80
	Total	\$69,108	100%

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5:00pm on 20 July 2016, whose registered address is in Australia or New Zealand.

Loyalty Options will be issued on the terms and conditions as set out in section 6.1 of the Prospectus.

Following completion of the Offer, the Company will have issued approximately 34,554,134 Loyalty Options resulting in total Options on issue of approximately 84,344,374 (which includes the Underwriter Options).



Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 5:00pm (WST) on 20 July 2016 (**Record Date**).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at C/o Grange Consulting Group Pty Ltd, 945 Wellington Street, West Perth, WA 6005:

- (a) a written notice of exercise of options specifying the number of options being exercised;
- (b) an option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Transcendence Technologies Limited – Entitlement Offer Account" and crossed "Not Negotiable".

To ensure that your new shares are issued prior to the Record Date, the above must be received by Transcendence Technologies Limited **no later than** 19 July 2016. If received after this date, issue of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Sarah Smith, TTL's Company Secretary, on +61 (08) 9322 7600.

Yours sincerely

Sarah Smith
Company Secretary