



18 July 2016

Dear Shareholder

TRANSCENDENCE TECHNOLOGIES LIMITED – PRO-RATA NON-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).

A copy of the Prospectus is available on ASX's and TTL's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 25 July 2016. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Loyalty Options.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Loyalty Options pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Link Market Services Limited (**Share Registry**) by no later than 4:00pm (WST) on 4 August 2016, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 4:00pm (WST) on 4 August 2016, by completing and returning your Entitlement and Acceptance Form by filling in the number of Loyalty Options you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies or making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.002 per Loyalty Option).
- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Date
Lodgement of Prospectus with the ASIC	13 July 2016
Lodgement of Prospectus & Appendix 3B with ASX	14 July 2016
Notice sent to Optionholders	14 July 2016
Notice sent to Shareholders	18 July 2016
Ex date	19 July 2016
Record Date for determining Entitlements	20 July 2016
Prospectus despatched to Shareholders & Company announces despatch has been completed	25 July 2016
Opening Date of Entitlement Offer	25 July 2016
Opening Date of Underwriter Offer	25 July 2016
Last day to extend the Closing Date of the Entitlement Offer	29 July 2016
Closing Date of Entitlement Offer*	4 August 2016
Securities quoted on a deferred settlement basis	5 August 2016
ASX and Underwriter notified of under subscriptions	9 August 2016
Issue Date of Loyalty Options	11 August 2016
Quotation of Loyalty Options issued under the Offer*	12 August 2016
Closing Date of Underwriter Offer	16 August 2016
Issue Date of Underwriter Options	16 August 2016

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Options are expected to commence trading on ASX may vary.

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for Loyalty Options, please contact your financial adviser or Sarah Smith, TTL's Company Secretary, on +61 (08) 9322 7600.

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Yours sincerely

A handwritten signature in black ink, appearing to read "Sarah Smith", is positioned below the "Yours sincerely" text.

Sarah Smith
Company Secretary