



6 June 2017

The Manager
Market Announcements Platform
ASX Limited
20 Bridge Street,
Sydney NSW 200
By E-lodgement

Rights Issue - Letters to Shareholders

I attach copies of the following two letters which have today been sent to shareholders of Bluechiip Limited (**Bluechiip**) in connection with the rights issue announced on 1 June 2017:

1. letter to Bluechiip shareholders who have registered addresses in Australia and New Zealand, and are therefore eligible to participate in the rights issue; and
2. letter to Bluechiip shareholders who have registered addresses in other jurisdictions, and are not entitled to participate in the rights issue.

Yours sincerely

Lee Mitchell
Company Secretary
Bluechiip Limited



6 June 2017

Dear Shareholder

Bluechiip Limited – 1 for 3 non-renounceable rights issue to raise up to \$2.53 million

This letter is to notify you that on 1 June 2017, Bluechiip Limited (**ASX: BCT**) announced to the ASX a non-renounceable rights issue (**Rights Issue**) at an issue price of \$0.028 per new share (**New Share**).

The Rights Issue offers shareholders whose registered addresses are within Australia and New Zealand (**Eligible Shareholders**) one (1) New Share for every three (3) fully paid ordinary shares held as at 7.00pm on Thursday 8 June 2017 (**Record Date**) to raise up to \$2.53 million before costs. The Rights Issue is not underwritten.

The Rights Issue is being conducted pursuant to an offer document dated 5 June 2017 issued in accordance with section 708AA of the Corporations Act (as modified by ASIC Instrument 2016/84).

You will receive your copy of the Offer Booklet and the Entitlement and Acceptance Form shortly.

The Offer Document has also been lodged with the ASX and is available on the ASX website (www.asx.com.au).

Any New Shares not taken up by Eligible Shareholders under the Rights Issue will be shortfall shares and can be applied for by other Eligible Shareholders under the top-up facility.

The funds raised will, after payment of costs and expenses, to support the development and release of OEM products through partners, to build inventory and to fund ongoing working capital requirements.

Summary of key Information

Type of Offer	Non-renounceable rights issue
Issue Ratio	1 New Share for every 3 existing shares held on the Record Date
Issue Price	\$0.028 cents per New Share
Issue Price Discount	Approximately 10% to the market closing price of \$0.031 per share on 31 May 2017 Approximately a 18% discount to the 3 month VWAP of \$0.034 to 31 May 2017
New Shares Issued	Up to approximately 90,603,364 New Shares (to be quoted on ASX). Following completion of the Offer the Company will have approximately 362,413,456 shares on issue
Ranking of New Shares	The New Shares will be fully paid and will rank equally in all respects with the Company's existing issued ordinary shares
Funds Raised	Up to \$2.53 million before costs, if fully subscribed



Shareholder approval of the Rights Issue is not required. The Rights Issue is undertaken without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (Act).

Timetable¹

Initial announcement of Rights Issue	Thursday 1 June 2017
Lodgement of Rights Issue Offer Booklet, Cleansing Notice in respect of the Rights Issue and Appendix 3B	Monday 5 June 2017
Dispatch of letter to shareholders	Tuesday 6 June 2017
"Ex" Date (i.e. date from which securities commence trading without the entitlement to participate in the Rights Issue)	Wednesday 7 June 2017
Record Date (i.e. date for determining entitlement to participate in the Rights Issue)	Thursday 8 June 2017
Rights Issue Opening Date. Dispatch of Offer Booklet and personalised Entitlement and Application Form	Tuesday 13 June 2017
Closing Date (Last day for acceptance and payment in full)	Friday 30 June 2017
Company notifies ASX of under-subscriptions	Friday 7 July 2017
Allotment of Rights Issue Shares and despatch of holding statements.	Friday 7 July 2017
Expected commencement of normal trading in New Shares on ASX	Monday 10 July 2017

¹This timetable is indicative only. The Company reserves the right, subject to the ASX Listing Rules, to amend the indicative timetable. In particular, the Company reserves the right to extend the closing date or to withdraw the Rights Issue without prior notice.

Taking up your entitlements may have taxation, financial and other implications. If you are in any doubt as to how to deal with your rights, you should contact your stockbroker or other professional adviser.

Yours sincerely

Iain Kirkwood
Chairman
Bluechiip Limited



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The Company has determined, pursuant to Listing Rule 7.7.1(a) that it is unreasonable to make offers under the Rights Issue to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number of such shareholders, their holdings and the compliance costs associated with offering New Shares to those persons.

Bluechiip wishes to advise you that it will not be offering New Shares to Ineligible Shareholders. Accordingly, you need not take any further action in response to this letter or the Rights Issue.

Yours sincerely

Iain Kirkwood
Chairman
Bluechiip Limited