



13 June 2017

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

### **Rights Issue – Dispatch of Offer Document**

Bluechiip Limited confirms that the Offer Document, together with personalised entitlement and acceptance form, for the non-renounceable rights issue announced by the Company on 1 June 2017, was today sent to all eligible shareholders.

Copies of the documents sent to eligible shareholders are attached.

Yours sincerely

**Lee Mitchell**  
**Company Secretary**  
**Bluechiip Limited**



# chairman's letter

Dear Shareholder

On behalf of the Board, I am pleased to invite you to participate in a pro-rata, non-renounceable rights issue offering one new fully paid ordinary share in the Company (**New Shares**) for every three existing Shares held by you on the Record Date, 7.00 pm (Melbourne time) on 8 June 2017, at an issue price of \$0.028 per New Share (**Offer**) to raise up to approximately \$2.53 million before costs.

Funds raised from the Offer (after costs) will be used to:

- Support the development and release of OEM products through partners, who we have signed up to date, Genea Biomedx, Planet Innovation and Labcon North America;
- Progress to production and build inventory of chips and reader platforms including the hand held reader and multi-sample reader;
- Continue to progress and convert our expanding pipeline of OEM opportunities; and
- Meet corporate overheads.

Bluechiip continues to grow and the sales pipeline continues to expand and convert. We expect to report cash receipts from sales of over \$250,000 this year through license fees and sales of developer kits. This year alone we have sold 12 developer kits including repeat orders. As recently announced we signed up our third OEM partner – this one a leader in the US market. Our IVF business which was signed up in FY16 is now expected to commence supply in FY18 after a few delays. We have high expectations of very solid sales growth from both the IVF market and international markets.

In summary Bluechiip has a:

- Well protected and expanding differentiated IP portfolio;
- Large growing target market with very large adjacent market opportunities;
- Dramatically increasing partner pipeline with well advanced product development;
- Partner opportunity conversion with three executed licence and supply agreements; and
- Initial repeat revenues with licence, service and product sales expected to grow significantly in FY18 on partner's product launch.

The directors have decided to price the Offer at \$0.028 per share (**Issue Price**) to provide all existing shareholders with an incentive to fully subscribe for their entitlement offer ahead of any new shareholders that may be invited to invest in the Company via private placement.

The Issue Price represents a discount of 10% to the last traded price and approximately 18% to the 3 months VWAP of Bluechiip shares as at the close of trading on 31 May 2017, being the last day of trading of Bluechiip shares before the Offer was announced.



Further information about Bluechiip is also contained in the Investor Presentation in connection with the Offer, which was released to the ASX on 5 June 2017. A copy of the Investor Presentation is available from the ASX website ([www.asx.com.au](http://www.asx.com.au)) and on Bluechiip's website ([www.bluechiip.com](http://www.bluechiip.com)).

### Overview of Offer

The Offer is being made to all eligible shareholders (**Eligible Shareholders**) who are registered as a holder of Bluechiip Shares as at 7.00 pm (Sydney time) on Thursday 8 June 2017 (**Record Date**).

Under the Offer, Eligible Shareholders have the opportunity to subscribe for one (1) New Share for every three (3) Shares of which they are the registered holder at 7.00 pm (Sydney time) on the Record Date at an issue price of \$0.028 per New Share. The Offer is non-renounceable and is not underwritten.

Eligible Shareholders are also invited to apply for additional New Shares in excess of their Entitlement under the Top-Up Facility if there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer.

### Action you should take

Accompanying this Offer Document is your Entitlement and Acceptance Form which contains details of your Entitlement. It is important that you determine whether to take up, subscribe for any shortfall or do nothing in respect to your Entitlement.

**The Offer closes at 5.00pm on Friday 30 June 2017.** To participate you need to ensure you have completed your application by paying application monies by BPAY®, or lodging your Entitlement and Acceptance Form with your Application Monies so that they are received before this time.

I commend this Offer to you and thank you for your continued support of Bluechiip.

Yours sincerely

**Iain Kirkwood**  
**Chairman**  
**Bluechiip Limited**



**Bluechiip Limited**

Non-renounceable rights issue of 1 Share for every 3 Shares held at an issue price of \$0.028 per New Share to raise up to \$2.53 million (before costs) made pursuant to section s.708AA(2) Corporations Act 2001.

Eligible Shareholders may also apply for additional New Shares in excess of their full entitlement that are not subscribed for by other eligible shareholders (**Shortfall Shares**) under the Top-Up Facility.

## Important Notice

It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Document.

It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker, accountant, lawyer or other professional adviser without delay.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.



# corporatedirectory

## Company

Bluechiip Limited  
ACN 104 795 922

1 Dalmore Drive  
Caribbean Business Park  
Scoresby VIC 3179

**Telephone** 03 9763 9763

**www.bluechiip.com**

## Auditor

Deloitte Touche Tohmatsu  
550 Bourke Street  
Melbourne VIC 3000

**Telephone** 03 9671 7000

**Facsimile** 03 9671 7001

## Directors

Mr Iain Kirkwood – Chairman  
Mr Andrew McLellan – Managing Director  
Mr Michael Ohanessian – Non-Executive Director

## Company Secretary

Mr Lee Mitchell

## Registry

Boardroom Pty Limited

Level 12, 225 George Street  
Sydney NSW 2000

PO Box 3993  
Sydney NSW 2001

**Telephone** 1300 737 760 (in Australia)  
+61 2 9290 9600 (international)

**Facsimile** 02 9279 0664

**www.boardroomlimited.com.au**



## importantdates

Event	Date
Announcement of Offer	Thursday 1 June 2017
Ex Date – The date on which Existing Shares commence trading without the Entitlement to participate in the Offer	Wednesday 7 June 2017
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Offer (7.00pm (Sydney time))	Thursday 8 June 2017
Offer Document sent to Shareholders – Anticipated despatch of Offer Document and Entitlement and Acceptance Forms – Offer opens	Tuesday 13 June 2017
Closing Date – The last day for receipt of Applications (5.00pm (Sydney time))	Friday 30 June 2017
Notify ASX of Shortfall	Wednesday 5 July 2017
Allotment Date – Allotment of New Shares under the Offer	Friday 7 July 2017
Despatch Date – Anticipated despatch of holding statements for New Shares	Friday 7 July 2017
Expected commencement of normal trading in New Shares on ASX	Monday 10 July 2017

The above dates and times are indicative only. All times and dates are a reference to Sydney time. Bluechiip Limited reserves the right to vary any of the above dates and times, including closing the Offer early or extending it subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws.

## keyofferstatistics

Issue Price per New Share	\$0.028
Total number of New Shares available under the Offer	90,603,364
Maximum total Shares on issue following the Offer	362,413,456
Maximum total proceeds of the Offer (before expenses)	\$2.53 million

## keyissues

Question	Answer	Where to Find More Information
Who is the issuer?	Bluechiip Limited ACN 104 795 922 ( <b>Bluechiip</b> )	Section 1
What is the Offer?	<p>Non-renounceable 1:3 rights issue to raise up to approximately \$2.53 million (before expenses of the Offer).</p> <p>Eligible Shareholders may apply for all or part of their Entitlement under the Offer.</p>	Section 1.2
What are the terms of the Offer?	Eligible Shareholders will be offered 1 New Share for every 3 Existing Shares held at the Record Date, at an issue price of \$0.028 per New Share.	Section 1.3
Can I apply for additional New Shares?	Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for additional New Shares that are not subscribed for ( <b>Top-Up Facility</b> ), subject to the limitations set out in Section 1.4	Section 1.4
What is my entitlement to New Shares?	New Shares rank equally in all respects with Existing Shares from their date of issue.	Section 1.6
How will proceeds be applied?	Net proceeds of the Offer will be applied to invest in direct support of our OEM partners, build inventory and to fund ongoing working capital requirements.	Section 3.2
Who can invest?	Eligible Shareholders of Bluechiip as at 7:00 pm (Sydney time) on the Record Date (Thursday, 8 June 2017) and who have registered addresses in Australia or New Zealand, or who fall under a specific exemption provided for under the applicable laws of that jurisdiction.	Section 1.3

Question	Answer	Where to Find More Information
<b>What are the potential significant risks?</b>	<p>Eligible Shareholders of Bluechiip are exposed to the following risks in acquiring and holding Shares:</p> <ul style="list-style-type: none"> <li>• there are numerous risks inherent in the Company's development and sales activities, including uncertainty of the outcome of Bluechiip's licensing, marketing and sales programmes;</li> <li>• need for further capital;</li> <li>• fluctuations in margins, price and costs changes;</li> <li>• fluctuations in foreign currency;</li> <li>• product liability claims;</li> <li>• deterioration in share market conditions; and</li> <li>• deterioration in economic and business conditions in Australia.</li> </ul> <p>This list is not exhaustive and should be read with Section 4.</p>	Section 4
<b>Is the Offer underwritten?</b>	No.	Section 1.5
<b>What are my alternatives?</b>	<p>You may elect to:</p> <ul style="list-style-type: none"> <li>• take up all or part of your Entitlement;</li> <li>• subscribe for additional New Shares under the Top-Up Facility, if you subscribe for your maximum Entitlement; or</li> <li>• do nothing and allow all of the New Shares representing your Entitlement to lapse.</li> </ul>	Section 2.1
<b>How do I exercise my Entitlement?</b>	<p>If you are an Eligible Shareholder and you wish to subscribe for all or some of the New Shares making up your Entitlement you must:</p> <ul style="list-style-type: none"> <li>• complete the Entitlement and Acceptance Form accompanying this Offer Document and forward it with your application monies to the Share Registry before the Closing Date; or</li> <li>• pay the Application Monies in respect of the New Shares under your Entitlement you wish to apply for by BPAY® before the Closing Date.</li> </ul>	Section 2.3 and 2.4

Question	Answer	Where to Find More Information
<b>How do I apply for additional New Shares under the Top-Up Facility?</b>	If you subscribe for all of the New Shares making up your Entitlement and you also wish to apply for additional New Shares, complete the accompanying Entitlement and Acceptance Form for additional New Shares under the Top-Up Facility as detailed in Section 1.4, and follow the other steps required in Section 2.4.	Section 1.4 and 2.4
<b>Can I transfer my Entitlement?</b>	No. The Offer is non-renounceable which means your Entitlement cannot be sold or transferred.	Section 1.10
<b>What happens if I don't participate or I am not an Eligible Shareholder?</b>	<p>If you are not an Eligible Shareholder or you decide not to participate, you do not need to return the Entitlement and Acceptance Form.</p> <p>The Company will seek to place any New Shares in relation to the Entitlements held by Shareholders who are either ineligible to participate in the Offer or who do not exercise their Entitlements.</p> <p>If you do nothing, although you will continue to own the same number of Shares, you will receive no value for your Entitlement and your Shareholding will be diluted.</p>	Sections 1.11 and 2.2
<b>Will the Directors of Bluechiip be taking up their Entitlements?</b>	<p>All Directors are fully supportive of the Offer.</p> <p>All Directors currently expect to take up their Entitlements in full for their personal or related entities.</p>	Section 3.6
<b>How can further information be obtained?</b>	<p>How can further information be obtained?</p> <p>If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.</p> <p>If you have any queries about the Offer, your Entitlement and Acceptance Form, please contact the Bluechiip Limited Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday.</p>	Section 1.15

# important information

This Offer Booklet relates to an Offer of New Shares to Eligible Shareholders of Bluechiip Limited (**Bluechiip** or the **Company**) by way of a non-renounceable rights issue. This Offer Booklet is dated 5 June 2017 and was lodged with ASX on that date. The ASX does not take any responsibility for the contents of this Offer Booklet.

This Offer Booklet is important and requires your immediate attention. You should read this Offer Booklet carefully in its entirety, with emphasis on the risk factors detailed in Section 4, having regard to your own investment parameters, and if required, obtain independent professional investment advice, before deciding to accept the Offer.

The Offer is being made in accordance with Section 708AA of the Corporations Act (as modified by ASIC Instrument 2016/84). Accordingly, this document is not a prospectus (and has not been, and will not be, lodged with ASIC) and does not contain all information which an investor may require to make an informed investment decision.

Bluechiip will apply for admission of the New Shares to quotation on ASX within 7 days after the date of this Offer Booklet. The fact that ASX may grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of Bluechiip or the New Shares.

## This Offer Booklet is Not a Prospectus

The Offer made pursuant to this Offer Booklet is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001 (Cth)* (**Corporations Act**)) of the Company. This Offer Booklet is not a disclosure document for the purposes of Chapter 6D of the Corporations Act.

The Company is offering the securities under this Offer Booklet without disclosure to investors under Chapter 6D of the Corporations Act pursuant to section 708AA of the Corporations Act. Accordingly, the level of disclosure contained in this Offer Booklet is significantly less than that required under a prospectus.

You should read the entire Offer Booklet before deciding whether to invest in the New Shares. Please carefully read the instructions on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement under the Offer. If you have any questions regarding your Entitlement or the Offer, please contact your legal, investment or other professional adviser.

## Forward-looking Statements

This Offer Booklet and the Investor Presentation contain forward looking statements with respect to the financial condition, projects and business of Bluechiip and certain plans and objectives of the management of Bluechiip. These forward looking statements are based on expectations, estimates and projections as of the date of the Presentation or this Offer Booklet, as the case may be. These statements are subject to risks and uncertainties. The forward looking information should not be relied upon as representing the view of Bluechiip after the date of this presentation. There may be risks, uncertainties and other factors that cause actions, events or results not to be as anticipated, estimated or intended and that could cause actual actions, events or results to differ materially from current expectations. There can be no assurance that the forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

## No cooling Off Rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw the application once it has been accepted.

By returning an Entitlement and Acceptance Form, lodging an Entitlement and Acceptance Form with your stockbroker or making payment by BPAY®, you acknowledge that you have received and read this Offer Booklet, you have acted in accordance with the terms of the Offer detailed in this Offer Booklet, you agree to all of the terms and conditions as detailed in this Offer Booklet and you have made your own

enquires and assessment as to the assets, liabilities, financial position, profit and losses and prospects of the Company and the rights attaching to New Shares.

## Professional Advice

The information in this Offer Booklet is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Offer in its entirety before deciding whether to apply for New Shares. In particular, you should consider the risk factors that could affect the performance of Bluechiip, some of which are outlined in Section 4. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional guidance before deciding whether to apply for New Shares. If you have any questions you should seek professional advice from your legal, investment or other professional adviser.

## Foreign Jurisdictions

The distribution of this Offer Booklet in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Booklet outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Offer does not constitute an offer or invitation in any place outside Australia or New Zealand where, or to any person to whom, it would be unlawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or to otherwise permit an offering of the New Shares outside Australia.

## No Guarantee

Neither Bluechiip nor any other party makes any representation or gives any guarantee or assurance:

- a. as to the performance or success of Bluechiip;
- b. the rate of income or capital growth from Bluechiip; or
- c. that there will be no capital loss or particular taxation consequence of investing in Bluechiip.

An investment in Bluechiip is not a deposit or any other type of liability. An investment in Bluechiip is subject to investment risk. These risks are discussed in Section 4.

Investors should note that the past share price performance of Bluechiip provides no guidance as to its future share price performance.

## No Representations Other Than in This Offer Booklet

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by Bluechiip.

## Future Performance

Except as required by law, and only to the extent so required, neither Bluechiip nor any other person warrants or guarantees the future performance of Bluechiip or any return on any investment made pursuant to this Offer Booklet.

## Privacy

By filling out the Entitlement and Acceptance Form to apply for New Shares, you are providing information to Bluechiip (directly and/or via the Share Registry) that may constitute personal information for the purposes of the *Privacy Act 1988* (Cth). Bluechiip (and the Share Registry on its behalf) collects, holds and uses personal information provided on an Entitlement and Acceptance Form in order to assess your application and administer your holding of Shares.

If you do not provide the information requested in the Entitlement and Acceptance Form, Bluechiip and the Share Registry may not be able to process or accept the form.

Access to your personal information may be provided to other companies within the Bluechiip group and to Bluechiip's agents and service providers on the basis that they deal with such information in accordance with this privacy disclosure statement. You have a right to request access to the personal information

that Bluechiip holds about you subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Bluechiip's share registrar:

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

PO Box 3993  
Sydney NSW 2001

Email [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

## Defined Terms

Certain terms and abbreviations used in this Offer Booklet are defined in the Glossary in Section 6.

References to **Australian dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Offer Booklet are due to rounding.





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# 1 Details of the Offer

## 1.1 Description of the Issuer

Bluechiip is the issuer of New Shares under this Offer Booklet.

## 1.2 Description of the Offer

The Offer consists of a total of approximately 90,603,364 New Shares to be offered by Bluechiip by way of a pro rata non-renounceable rights issue to raise up to approximately \$2.53 million (before expenses of the Offer). This takes the form of a 1 for 3 non-renounceable rights offer at an issue price of \$0.028 per New Share.

The Offer is explained in more detail in this Section 1.

## 1.3 Offer

If you are an Eligible Shareholder, you are being offered an Entitlement to acquire 1 New Share for every 3 Existing Shares held as at 7.00pm (Sydney time) on the Record Date.

The Issue Price per New Share is \$0.028.

The Entitlements are not renounceable, meaning Eligible Shareholders who do not wish to take up all or part of their Entitlement are unable to sell or transfer their Entitlement. Entitlements not taken up will lapse.

Eligible Shareholders have the opportunity to subscribe for all, part or none of their Entitlement to New Shares. The Company is also offering to Eligible Shareholders the opportunity to subscribe for additional New Shares (which will be in addition to their Entitlement) under the Top-Up Facility. These choices are described in more detail in Section 1.4.

Your Entitlement is set out on the accompanying personalised Entitlement and

Acceptance Form. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

## 1.4 Top-Up Facility

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for additional New Shares (**Additional Shares**) in excess of their entitlement (**Top-Up Facility**). Additional Shares will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Offer (**Shortfall**). Additional Shares will be issued at the Issue Price of \$0.028 per New Share.

Bluechiip proposes to adopt the following allocation policy for allocating the Shortfall to meet the Additional Shares:

The Shortfall will be placed at the discretion of the Directors within 3 months of the Closing Date in accordance with Exception 3 of ASX Listing Rule 7.2 (**Shortfall Placement**).

Eligible Shareholders who apply for Additional Shares may be allocated a lesser number of Additional Shares than applied for, in which case excess Application Money will be refunded without interest. If you wish to subscribe for Additional Shares in addition to your Entitlement then you should nominate the maximum number of Additional Shares you wish to subscribe for on the Entitlement and Acceptance Form and make corresponding payment for your full Entitlement plus the Additional Shares (at \$0.028 per Additional Share).

The Board will take into account applications for Shortfall Shares by shareholders but may also issue and allot Shortfall Shares to sophisticated investors and professional

investors invited by the Company to participate in the Shortfall Placement. In the event of a significant Shortfall, the Board reserves the right to engage one or more brokers to act as lead manager(s) to the placement of Shortfall Shares.

To the extent that is commercially practicable and taking into account Bluechiip's requirement for funds, the Directors will endeavour to allot the Shortfall Shares to a spread of investors, in order to mitigate any control effects which may arise from issuing the Shortfall Shares to a single or small number of investors. In any event, no subscriber will be permitted to acquire Shares under the Shortfall Placement to the extent that such acquisition would result in that subscriber having a voting power in Bluechiip in excess of 20% (on a post Rights Issue and Shortfall Placement basis).

No Shortfall Shares will be allocated to related parties of the Company.

There is no guarantee that an Eligible Shareholder will receive all of the Additional Shares they have applied for under the Top-Up Facility. If an Eligible Shareholder receives less Shortfall Shares than the Additional Shares they have applied for, the Application Monies for those Additional Shares which have not been allocated will be returned to the relevant Eligible Shareholders without interest.

## 1.5 No Underwriting

The Offer is not underwritten.

## 1.6 Ranking of New Shares

The New Shares will be fully paid and rank equally in all respects with Existing Shares from their date of issue.

## 1.7 Allotment

Bluechiip expects to allot all New Shares on Friday 7 July 2017.

## 1.8 Application Monies

Until the time of allotment of New Shares, Bluechiip will hold all Application Monies in relation to those New Shares in a purpose specific bank account. Interest earned on any Application Monies (whether or not allotment takes place) will remain the property of Bluechiip.

Application will be made to the ASX for quotation of the New Shares to be issued under the Offer within 7 days of the date of this Offer Booklet. If application is not so made or if quotation of the New Shares is not granted by ASX within 3 months of the date of this Offer, any allotment of New Shares in response to an application made under this Offer will be void, and all Application Monies received will be returned without interest.

## 1.9 No Minimum Subscription

There is no minimum subscription for the Offer.

## 1.10 No Entitlement Trading

This offer is non-renounceable which means that Entitlements cannot be transferred or traded on the ASX. Any portion of your Entitlement that you decide not to accept will lapse and become part of the Shortfall.

## 1.11 Foreign Shareholders

This Offer is made only to Eligible Shareholders with a registered address in Australia or New Zealand or such other place in which, or to any person to whom, it would be lawful to make such an offer.

Bluechiip is of the view that it is unreasonable to make the Offer to other overseas Shareholders (**Foreign Shareholders**) having regard to:

- a. the number of Foreign Shareholders;
- b. the number and value of New Shares that would be offered to Foreign Shareholders; and

- c. the cost of complying with overseas legal requirements.

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Bluechiip is not required to make offers under this Offer to Foreign Shareholders. Where this Offer has been despatched to Shareholders domiciled outside Australia or New Zealand and where the country's securities code and/or legislation prohibits or restricts in any way the making of the offers contemplated by this Offer, this Offer is provided for information purposes only.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up Entitlements under the Offer does not breach regulations in the relevant overseas jurisdiction.

Return of a duly completed Entitlement and Acceptance Form will be taken by Bluechiip to constitute a representation that there has been no breach of such regulations.

The offer contained in this Offer to Shareholders with registered addresses in New Zealand is made in reliance on the Security Act (Overseas Companies) Exemption Notice 2002 (New Zealand). Members of the public in New Zealand who are not Shareholders on the Record Date are not entitled to apply for any New Shares.

## **1.12 Market Price of Shares**

The latest recorded price at which Shares traded on ASX in the period ending on 31 May 2017 (being the last trading day before the announcement of the Offer) was \$0.031.

The highest and lowest prices at which Shares traded on ASX during the 3 months prior to the announcement of the Offer were \$0.044 and \$0.028 respectively. The 3 month volume-weighted average price at which Shares traded on ASX in this period was \$0.034.

## **1.13 Withdrawal of Offer**

Bluechiip reserves the right to withdraw all or part of the Offer, at any time, subject to applicable laws. In that case, Bluechiip will refund application monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

To the fullest extent permitted by law, you agree that any application monies paid by you to Bluechiip will not entitle you to receive any interest and that any interest earned in respect of application monies will belong to Bluechiip.

## **1.14 Taxation**

The taxation consequences of investing in the New Shares will depend on your particular circumstances. It is your responsibility, as a potential investor, to make your own enquiries concerning the taxation consequences of an investment in Bluechiip. See Section 5.3 for a general discussion of taxation issues. If you are in doubt as to the consequences of an investment, you should consult with your taxation or other professional adviser before investing.

## **1.15 Enquiries**

If you require advice as to whether to accept your Entitlement, you should seek professional advice from your legal, investment or other professional adviser.

If you have any queries about the Offer, your Entitlement and Acceptance Form, or your Entitlement, please contact the Bluechiip Limited Shareholder Information Line on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) from 8.30am to 5.00pm (Sydney time), Monday to Friday.

## 2 Action Required by Eligible Shareholders

### 2.1 Your Choices

Your Entitlement is shown on the accompanying Entitlement and Acceptance Form. Before taking any action in relation to the Offer, you should read this Offer Booklet in its entirety, and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser.

You may:

- a. take up part or all of your Entitlement;
- b. take up all of your Entitlement and apply for additional New Shares under the Top-Up Facility; or
- c. do nothing and allow all of the New Shares representing your Entitlement to lapse in which case your Entitlement will form part of the Shortfall and dealt with in accordance with section 1.4.

### 2.2 What Happens if I do Nothing?

If you do not take up your full Entitlement, your Entitlement will lapse. In addition, your proportional shareholding in Bluechiip will be diluted and you will receive no value for your Entitlement.

### 2.3 How to Participate in The Offer

#### a. Taking up all or part of your entitlement

To subscribe for New Shares offered to you under your pro rata allocation, please complete the accompanying Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your pro rata entitlement you wish to subscribe for. If making payment by BPAY®, there is no need to return your Entitlement and Acceptance Form.

#### b. Applying for Additional Shares under the Top-Up Facility

If you wish to apply for Additional Shares in excess of your entitlement, please

complete your personalised Entitlement and Acceptance Form accordingly and follow the instructions set out on the form or below.

Your application for Additional Shares may not be successful (wholly or partially). The decision in relation to the number of Additional Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

#### c. Payment

The Issue Price of \$0.028 per New Share is payable in full on application.

Payments must be received by 5pm (Sydney time) on the Closing Date (30 June 2017) and must be in Australian currency and made by:

- i. cheque drawn on and payable at any Australian bank;
- ii. bank draft or money order drawn on and payable at any Australian bank; or
- iii. BPAY®.

If you wish to pay by BPAY®, you do not need to return the Entitlement and Acceptance Form. You simply need to follow the instructions on the Entitlement and Acceptance Form. Different financial institutions may implement earlier cut-off times with regards to electronic payment, so please take this into consideration when making payment by BPAY®. It is your responsibility to ensure that funds submitted through BPAY® are received by no later than 5.00 pm (Sydney time) on the Closing Date.

Bluechiip will treat you as applying for as many New Shares as your payment will pay for in full.

Bluechiip will not be responsible for any postal or delivery delays or delay in the receipt of your BPAY® payment. Application monies will be held in trust in a subscription account until New Shares are issued. Any

interest earned on application monies will be for the benefit of Bluechiip and will be retained by Bluechiip irrespective of whether any issue of New Shares takes place.

## **2.4 Return of Entitlement and Acceptance Form and payment**

### **Payment in cheques, bank draft or money order**

Unless you are paying by BPAY®, Completed Entitlement and Acceptance Forms and accompanying cheques must be returned to the following address and received no later than 7.00 pm (Sydney time) on Friday 30 June 2017:

Bluechiip Limited  
c-/ Boardroom Pty Limited  
PO Box 3993  
Sydney NSW 2001  
Australia

Cheques, bank draft or money order must be in Australian dollars drawn on an Australian branch of an Australian bank for the Issue Price of the New Shares for which application is made must be accompanied by completed Entitlement and Acceptance Forms. All cheques must be made payable to "Bluechiip Ltd – Rights Issue Account" and crossed "Not Negotiable". Do not forward cash. Receipts for Application Monies will not be issued.

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

### **Payment via BPAY®**

If you are paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form. If you are paying by BPAY®, you do not need to mail the personalised Entitlement and Acceptance Form.

It is your responsibility to ensure that your BPAY® payment is received by the share

registry by no later than 5:00pm (Sydney time) on Friday 30 June 2017 (subject to variation). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

You should read this Offer Booklet in its entirety before deciding to take up your Entitlement.

The Directors reserve the right to issue New Shares forming part of any Shortfall at their discretion as set out above and in accordance with Exception 3 in ASX Listing Rule 7.2.

Shares issued under the Shortfall will be issued at the same price and on the same terms as the New Shares offered under a Shareholder's Entitlement.

Any Entitlement not taken up pursuant to the Offer will form part of the Shortfall to be dealt with under the Top-Up Facility and may be placed at the discretion of the Directors as noted above.

## **2.5 Acceptance of Applications Under the Offer**

Completing and lodging an Entitlement and Acceptance Form for the Offer or payment via BPAY® is a binding offer by you to Bluechiip to subscribe for the number of New Shares specified in the Entitlement and Acceptance Form (or if payment via BPAY® the number of New Shares as your payment will pay in full) at the Issue Price on the terms and conditions set out in this Offer and the Entitlement and Acceptance Form. Once lodged it cannot be withdrawn.

An application may be accepted in respect of the full amount, or any amount less than that specified in the Entitlement and Acceptance Form, without further notice to the relevant Eligible Shareholder. Acceptance of an application will give rise to a binding contract with acceptance to take place after the quotation of the New Shares on the ASX.

No stamp duty, brokerage or commission is payable by applicants.

## 2.6 Representations by Acceptance

By completing and returning an Entitlement and Acceptance Form, or by making payment via BPAY® in addition to the other representations set out elsewhere in this Offer Booklet and in the Entitlement and Acceptance Form you:

- a. represent that you are an Eligible Shareholder;
- b. agree to be bound by the terms of the Offer and the Company's constitution;
- c. authorise the Company to register you as the holder(s) of New Shares allotted to you;
- d. acknowledge that once the Company receives your Entitlement and Acceptance Form, you may not withdraw your Entitlement and Acceptance Form or Application Moneys except as required by law;
- e. declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- f. agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form at the issue price of \$0.028 per New Share;
- g. declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- h. acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- i. acknowledge the statement of risks in Section 4 of this Offer Booklet and that investments in the Company are subject to risk;
- j. acknowledge that none of Bluechiip or its related bodies corporate, affiliates and none of its or their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Bluechiip, nor do they guarantee the repayment of capital;
- k. represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Offer;
- l. authorise Bluechiip to correct any errors in your Entitlement and Acceptance Form;
- m. represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States; and
- n. you understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and the Entitlements may not be issued to, purchased or traded by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account of a person in the United States.



## 3 Purpose and Effect of The Offer

### 3.1 Overview

If the Offer is fully subscribed:

- the New Shares issued pursuant to the Offer will constitute approximately 25% of the total number of issued Shares immediately after the allotment of the New Shares; and
- the total number of Shares on issue after the Offer will be approximately 362,413,456.

If fully subscribed, the Offer will provide Bluechiip with proceeds of up to approximately \$2.53 million before allowing for costs and expenses incurred in relation to the Offer. Please refer to Section 3.3 and 3.5 for further information regarding the effect of the Offer on the capital structure.

	Number of Shares	Percentage of Post Offer Shares
Existing Shares	271,810,092	75%
New Shares issued under the Offer (maximum)	90,603,364	25%
Total immediately after the Offer	<b>362,413,456</b>	<b>100%</b>

### 3.2 Use of Funds

The net proceeds of the Offer will be used to:

- Support the development and release of OEM products through our partners Genea Biomedx, Planet Innovation and Labcon North America;
- Progress to production and build inventory of chips and reader platforms including the hand held reader and multi-sample reader;
- Continue to progress and convert our expanding pipeline of OEM opportunities; and
- Corporate overheads.

### 3.3 Impact on Bluechiip's Capital Structure

The principal effect of the Offer on Bluechiip's issued share capital will be to increase the total number of issued Shares. The table below shows the current structure of Bluechiip and the capital structure on completion of the Offer:

### 3.4 Control Issues Arising From the Offer

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements the voting power of all Eligible Shareholders will remain substantially the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, the proportional shareholdings of Shareholders who are not resident in Australia and New Zealand may be diluted as those Shareholders are not entitled to participate in the Offer.

Additionally, if an Eligible Shareholder does not take up their entitlement in full, there may be a dilutionary effect on that Shareholder's proportional shareholdings (which may occur as a result of the placement of any Shortfall by the Directors. In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Corporations Act and the Listing Rules.

### 3.5 Dilution

Shareholders should note that if they do not participate in the Offer, their aggregate holdings are likely to be diluted (if the Offer is fully subscribed) by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of this Offer Booklet).

Examples of how the dilution may impact Shareholders are set out below:

Holder	Holding as at Record Date	Approx. % at Record Date	Entitlements Under the Offer	Holdings if Offer not Taken up	Approx. % Post Offer
Shareholder 1	15,000,000	5.5%	5,000,000	15,000,000	4.1%
Shareholder 2	7,000,000	2.6%	2,333,333	7,000,000	1.9%
Shareholder 3	3,000,000	1.1%	1,000,000	3,000,000	0.8%
Shareholder 4	500,000	0.2%	166,667	500,000	0.1%

**Note:** This is based on an issued share capital of 271,810,092 Shares as at the date of this Offer Booklet and the dilution effect is the maximum percentage (on the assumption that those Entitlements that are not accepted are successfully placed under the Top-Up Facility).

### 3.6 Directors' Intentions in Respect of The Offer

As at the date of this Offer Booklet, the following Directors have either a direct or indirect interest in Shares set out in the table below:

Director	Existing Shares	Voting Power pre Offer	Entitlement Under the Offer	Maximum Total Shares post Offer	Voting Power Post Offer
Iain Kirkwood	19,887,332	7.3%	6,629,110	26,516,443	7.3%
Andrew McLellan	2,173,166	0.8%	724,388	2,897,554	0.8%
Michael Ohanessian	6,504,446	2.4%	2,168,148	8,672,594	2.4%

All Directors currently expect to take up their respective Entitlements under the Offer in full.

### 3.7 Pro Forma Balance Sheet

Set out below is a pro forma Statement of Financial Position of Bluechiip on successful completion of the Offer (assuming the Offer is fully subscribed) but before allowing for costs and expenses incurred in relation to the Offer. It is based on Bluechiip's unaudited financial statements as at 31 March 2017.

Bluechiip Statement of Financial Position	As at 31 March 2017 (Unaudited)	Offer (Fully Subscribed)	Pro Forma Position post Offer
	\$'000	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents	651	2,537	3,188
Trade and other receivables	354		354
Other current assets	138		138
Inventory	374		374
<b>Total current assets</b>	<b>1,517</b>	<b>2,537</b>	<b>4,054</b>
<b>Property, plant and equipment</b>	<b>77</b>	<b>-</b>	<b>77</b>
<b>Total non-current assets</b>	<b>77</b>	<b>-</b>	<b>77</b>
<b>Total assets</b>	<b>1,594</b>	<b>2,537</b>	<b>4,131</b>
<b>Liabilities</b>			
<b>Trade and other payables</b>	<b>133</b>	<b>-</b>	<b>133</b>
<b>Interest-bearing loans and borrowings</b>	<b>450</b>	<b>-</b>	<b>450</b>
<b>Employee entitlements</b>	<b>35</b>	<b>-</b>	<b>35</b>
<b>Total current liabilities</b>	<b>618</b>	<b>-</b>	<b>618</b>
Employee entitlements	24	-	24
<b>Total non-current liabilities</b>	<b>24</b>	<b>-</b>	<b>24</b>
<b>Total liabilities</b>	<b>642</b>	<b>-</b>	<b>642</b>
<b>Net assets</b>	<b>952</b>	<b>2,537</b>	<b>3,489</b>
<b>Equity</b>			
Share capital	22,882	-	22,882
Issue of ordinary shares pursuant to Offer	4,718	<b>2,537</b>	<b>7,255</b>
Accumulated losses	(26,648)	-	(26,648)
<b>Total equity</b>	<b>952</b>	<b>2,537</b>	<b>3,489</b>

## 4 Risk Factors

### 4.1 Overview

There are a number of factors, both specific to Bluechiip and of a general nature, which may affect the future operating and financial performance of Bluechiip and the outcome of an investment in Bluechiip. There can be no guarantees that Bluechiip will achieve its stated objectives, that forecasts will be met or that forward looking statements will be realised.

This Section 4 describes certain, but not all, risks associated with an investment in Bluechiip. Prior to making an investment decision, prospective investors should carefully consider the following risk factors, as well as the other information contained in this Offer or of which they are otherwise aware.

### 4.2 Specific Risk Factors

The risks associated with an investment in Bluechiip include the following:

*a. Ability to commercialise the Bluechiip Technology*

Development and commercialisation programmes involve long lead times, and while the Company's programme for its innovative tracking technology is materially advanced, there are numerous risks inherent in the Company's programme and development activities, including:

- uncertainty of the outcome of Bluechiip's licensing, marketing and sales programmes;
- difficulties or delays in Bluechiip's further development of its technology; and
- general uncertainty and resistance relating to the development of a new technologies and the level and speed of uptake of those technologies and of products utilising those technologies.

There may be difficulties or delays in the commercialisation process and progress is dependent on many factors, including its corporate partners and contractors. These persons may not perform to expectation or at all. No assurance can be given that the Company's product commercialisation efforts will be successful, that any required regulatory approvals will be obtained or that its products will achieve market acceptance. Further, despite a number of development trials and OEM Agreements of Bluechiip's innovative tracking technology having already been conducted, development is on-going and may require additional trials. There is no guarantee that these trials will be successful or will not need to be reviewed and/or repeated.

*b. Market acceptance*

Market acceptance of Bluechiip's technology and products is uncertain. These uncertainties can be caused by: difficulties and delays in marketing the technology and products (or any new product developed by the Company); and the advancement of new competitive products. There can be no assurance that Bluechiip's technology and products will be successfully accepted in the market place, or that the sale of the Company's technology and products will be profitable for the Company.

*c. Future demand for product*

There is a risk that the Company's estimates of future demand for its technology and products are overstated or may not be able to be achieved. There is no reliable information regarding penetration of products of the nature contemplated by the Company in the relevant markets. Failure by the Company to achieve customer acceptance of its technology and products will have a material adverse effect on the future results of the Company.

*d. Additional requirements for capital and funding*

The Directors are of the opinion that, taking into account the funds to be raised under the Offer, the Company will have sufficient working capital to carry out its short term objectives.

However, the Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its current activities, the Company may require further financing in addition to the amounts raised under this Offer.

Any additional equity finance will dilute shareholdings and debt financing may involve restrictions on financing and operating activities. There can be no assurance that the Company will be able to raise such capital on favourable terms or at all. If the Company is unable to obtain such additional capital, it may not be able to exploit or pursue growth opportunities.

*e. Reliance on key personnel and need to attract qualified staff*

The Company is dependent on its senior management, the loss of whose services could materially and adversely affect the Company and impede the achievements of its growth and development objectives.

Because of the nature of the Company's business, its success will depend in part upon its ability to attract and retain suitably qualified senior management and staff over time.

*f. Protection of intellectual property*

The Company relies on a combination of patents, trade secrets, copyright and other intellectual property rights together with licences, non-disclosure and confidentiality agreements and other contractual relationships with its employees, affiliates, suppliers and distributors to establish and protect its proprietary rights.

There is no assurance at any time that any such right can be formally established, that pending patent applications will proceed to grant, that the measures taken by the Company will be adequate to protect its proprietary technology, that any intellectual property rights will provide the Company with any competitive advantages and will not be challenged by third parties or that the rights of others will not materially adversely affect the Company's ability to do business, its financial condition and the results of its operations. The Company's proprietary rights may not prevent the independent development of competing technologies or the independent development or sale of competing products.

*g. Uncertainty of future profitability*

The Company's ability to operate profitably in the future will depend on its ability to distribute its products and sell to customers. This will depend on the ultimate demand for its products by consumers which cannot be guaranteed.

Other factors that will determine the Company's profitability are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability is uncertain. Moreover, the level of such profitability cannot be predicted.

## 4.3 General Risk Factors

### *a. Share market conditions*

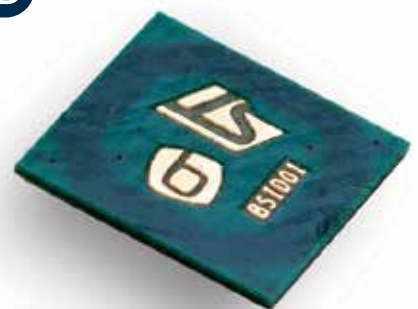
The New Shares may trade on ASX at higher or lower prices than the Issue Price following issue. There can be no guarantee that the price of the New Shares will increase.

The price at which the New Shares trade on ASX may be affected by the financial performance of Bluechiip and by external factors over which Bluechiip have no control. Bluechiip does not warrant the future performance of New Shares or any return on investments in those securities.

### *b. Economic conditions*

The operating and financial performance of Bluechiip is influenced by a variety of general economic and business conditions including the level of inflation, international share markets, interest rates and exchange rates, government fiscal, monetary and regulatory policies.

A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse impact on Bluechiip's business or financial situation.



## 5 Additional Information

### 5.1 Disclosure

This Offer Booklet contains an Offer to subscribe for continuously quoted securities (as defined in the Corporations Act) of Bluechiip and has been prepared in accordance with Section 708AA(2)(f) of the Corporations Act.

In broad terms, Section 708AA relates to rights issues by certain listed companies that do not require the provision of a prospectus or other disclosure document to investors under Part 6D.2 of the Corporations Act. Accordingly, the level of disclosure in this Offer Booklet is significantly less than that required in a prospectus. Eligible Shareholders should therefore rely upon their own knowledge of Bluechiip, refer to disclosures already made by it to ASX, and refer to their professional adviser before deciding to accept the Offer.

### 5.2 Continuous Disclosure and Documents Available for Inspection

Bluechiip is a disclosing entity within the meaning of the Corporations Act and is, and has for the past twelve months been, subject to regular reporting and disclosure obligations.

Bluechiip believes that it has fully complied with the general and specific requirements as set forth by the ASIC and ASX in relation to continuous disclosure, which includes the provisions of Chapter 2M of the Corporations Act as they apply to Bluechiip and Section 674 of the Corporations Act.

Copies of documents lodged with ASIC in relation to Bluechiip may be obtained from, or inspected at, an office of the ASIC.

### 5.3 Taxation

Set out below is a summary of the Australian tax implications of the Offer for Eligible Shareholders who are residents of Australia for tax purposes and who hold their Shares as capital assets.

The summary below also does not take account of any individual circumstances of any particular Eligible Shareholder. Eligible Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below does not necessarily apply to Eligible Shareholders who hold their Shares as assets used in carrying on a business or who may carry on the business of security trading, banking or investment. The summary below does not necessarily apply to Eligible Shareholders whose Shares are held as revenue assets or trading stock. The summary below is based on the law in effect as at the date of this Information.

#### a. Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Shareholder.

#### b. Exercise of Entitlements

Eligible Shareholders who exercise their Entitlements and subscribe for New Shares will acquire those shares with a cost base for capital gains tax (CGT) purposes equal to the Offer Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring those shares, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares.

#### c. New Shares

Eligible Shareholders who exercise their Entitlements will acquire New Shares. Any

future distributions made in respect of those New Shares will be subject to the same taxation treatment as distributions made on Shares held in the same circumstances.

On any future disposal of New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares. The cost base of those shares is described above.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those shares, they must have been held for at least 12 months after those dates before the disposal occurs,

**d. Other Australian taxes**

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares.

## 5.4 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

## 5.5 Disclaimer of Representations

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Bluechiip or any of their related bodies corporate in connection with the Offer. Except as required by law, and only to the extent so required, none of Bluechiip or any other person, warrants

or guarantees the future performance of Bluechiip or any return on any investment made pursuant to this Offer Booklet.

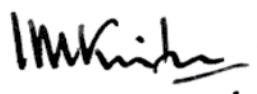
## 5.6 Holding Statements and Trading of New Shares

Bluechiip participates in the Clearing House Electronic Sub-Register System (**CHESS**), in accordance with ASX Listing Rules and operates an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together make up Bluechiip's principal register. Consequently, Bluechiip will not issue certificates to security holders but they will be provided with a holding statement, which will set out the number of Shares allotted to them under this Offer.

It is your responsibility to determine your holding of New Shares before trading to avoid the risk of selling New Shares you do not own. To the maximum extent permitted by law, Bluechiip disclaims any liability to persons who trade New Shares before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Bluechiip or the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

This Offer Booklet is issued by Bluechiip Limited. Each director has consented to the lodgement of the Offer Booklet with ASX.

Signed on the date of this Offer Booklet on behalf of Bluechiip Limited:



**Iain Kirkwood**

Chairman  
Bluechiip Limited



## 6 Glossary

<b>\$ or A\$</b>	means Australian dollars
<b>Additional Shares</b>	New Shares applied for by an Eligible Shareholder that are in excess of the Eligible Shareholder's entitlement.
<b>Application</b>	means a valid application by way of an Entitlement and Acceptance Form made to subscribe for a specified number of New Shares under the Offer.
<b>Application Monies</b>	means the monies received from applicants for New Shares in accordance with this Offer Booklet.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means the ASX Limited (ABN 98 008 624 691).
<b>ASX Listing Rules or Listing Rules</b>	means the listing rules of ASX.
<b>Bluechiip or Company</b>	means Bluechiip Limited ACN 104 795 922.
<b>Board</b>	means the board of directors of Bluechiip.
<b>Business Day</b>	means a day on which ASX is open for trading.
<b>Closing Date</b>	means 5.00pm (Sydney time) on 30 June 2017.
<b>Constitution</b>	means the constitution of Bluechiip as amended from time to time.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Directors</b>	means the directors of Bluechiip.
<b>Eligible Shareholder</b>	means a person who is a Shareholder at 7.00 pm (Sydney time) on the Record Date, and who is not a Foreign Shareholder.
<b>Entitlement</b>	means the right of an Eligible Shareholder to subscribe for New Shares under the Offer.
<b>Entitlement and Acceptance Form</b>	means the personalised form attached to or accompanying this Offer Booklet.
<b>Existing Shares</b>	means Shares on issue immediately before the Record Date.

<b>Foreign Shareholder</b>	means a Shareholder described in Section 1.11.
<b>GST</b>	means goods and services tax.
<b>Investor Presentation</b>	means the investor presentation lodged with ASX at the same time as this Offer Document
<b>Issue Price</b>	means the issue price of \$0.028 per New Share.
<b>New Shares</b>	means the Shares offered under this Offer Booklet.
<b>OEM</b>	Original Equipment Manufacturers.
<b>Offer</b>	means the pro rata non-renounceable offer of Entitlements to New Shares under this Offer Booklet.
<b>Offer Booklet</b>	means this document and any supplementary or replacement Offer Booklet in relation to this document.
<b>Record Date</b>	means the date for determining Entitlements under the Offer, being 7.00pm (Sydney time) on Thursday 8 June 2017.
<b>Share</b>	means an ordinary share in Bluechiip.
<b>Shareholder</b>	means a holder of Shares.
<b>Share Registry or Registry</b>	means Boardroom Pty Limited ABN 14 003 209 836.
<b>Shortfall</b>	means any shortfall in applications by Eligible Shareholders for New Shares under their Entitlements or under the Top-Up Facility (if any).
<b>Shortfall Shares</b>	means such number of New Shares offered under the Offer for which Applications have not been received.
<b>Top-Up Facility</b>	means the facility described in Section 1.4 of this Offer Booklet, entitling certain Eligible Shareholders to apply for Shortfall Shares.

**bluechiip® Corporate Headquarters**

1 Dalmore Drive, Caribbean Business Park,  
Scoresby Victoria 3179 Australia

**Phone** 61 3 9763 9763 **Email** [info@bluechiip.com](mailto:info@bluechiip.com) **bluechiip.com**

BLU0009 0617



## ENTITLEMENT AND ACCEPTANCE FORM

Entitlement No.

Subregister

SRN/HIN.

Number of Shares held at  
7.00pm (Sydney time) on 8 June  
2017

**Offer Closes: 30 June 2017 at 5.00pm  
(Sydney time)**

Barcode – Column I

NON-RENOUCEABLE ENTITLEMENT OFFER OF UP TO APPROXIMATELY 90,603,364 NEW SHARES AT AN ISSUE PRICE OF \$0.028 PER NEW SHARE ON THE BASIS OF 1 NEW SHARE FOR EVERY 3 ORDINARY SHARES HELD, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER.

### A Rights Acceptance

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the Closing Date with payment will constitute acceptance of the Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of 1 New Share for every 3 Ordinary Shares held	Price Per New Share	Amount Payable for Full Acceptance, at \$0.028 per New Share
	<b>\$0.028 per New Share =</b>	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted	Price Per New Share	Amount Payable
	<b>\$0.028 per New Share =</b>	<b>\$</b>

### B Application for Shortfall Shares (if available)

If you wish to apply for Shortfall Shares please insert the number of Shortfall Shares in the box below and the appropriate amount payable. These Shortfall Shares will only be allotted if available. The Directors reserve the right to scaleback applications for Shortfall Shares as they see fit.

Number of Shortfall Shares Applied for	Price Per Shortfall Share	Amount Payable
	<b>\$0.028 per Shortfall Share =</b>	<b>\$</b>

### C Payment

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Bluechiip Limited Share Registry. Payments cannot be made at any bank.

#### Payment Option 1 - BPAY




#### Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

More info: [www.bpay.com.au](http://www.bpay.com.au)

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- To pay via BPAY please contact your participating financial institution.
- If paying by BPAY you do not need to return the Entitlement and Acceptance Form.**
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

#### Payment Option 2 – Cheque (Record cheque details below)

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				<b>\$</b>

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to **"Bluechiip Limited"** and crossed "Not Negotiable."
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

**THIS FORM CONTINUES OVERLEAF**

## D Contact Details

CONTACT NAME	TELEPHONE WORK	TELEPHONE HOME	EMAIL ADDRESS
	( )	( )	

By submitting this Entitlement and Acceptance Form or by using the BPAY facility to accept the Offer, I/We represent and warrant that I/we have read and understood the Offer Document to which this Entitlement and Acceptance Form relates and declare that this Application is completed and lodged according to the Offer Document and the instructions on the reverse of the Entitlement and Acceptance Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Bluechiip Limited and agree to the terms and conditions of the Offer. I/We represent and warrant that I/we have not relied on any other information provided by the Company other as set out in the Offer Document when making my/our decision to invest.

The Offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom it would not be lawful to make such an offer.

## LODGEMENT INSTRUCTIONS TO APPLICANTS

Please read these instructions carefully

### ACCEPTANCE OF YOUR ENTITLEMENT IN FULL OR IN PART

Multiply the number of New Shares for which you are applying by \$0.028, and then fill in the acceptance details, where necessary, in the space provided on the front of this form. Complete your cheque details on the front of this form and send your cheque/draft and completed form to:

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

Telephone No. 02 9290 9600  
Facsimile No. 02 9279 0664

If you do not deal with your Entitlement it will lapse at 5.00pm (Sydney time) on 30 June 2017.

### PAYMENT – AUSTRALIAN RESIDENTS

#### Cheque or Draft

All cheques or drafts (expressed in Australian currency) are to be made payable to “Bluechiip Limited” and crossed “Not Negotiable”.

#### BPAY

If you make payment using BPAY you must contact your Australian bank, credit union or building society to make this payment from your cheque or savings account. For more information: [www.bpay.com.au](http://www.bpay.com.au). Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY before 5.00pm (Sydney time) on 30 June 2017.

### PAYMENT – OVERSEAS RESIDENTS

Overseas shareholders who are permitted to apply for shares must obtain a draft in Australian currency payable on a bank in Australia, or where the shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

The Australian currency draft should be attached to your completed form and the document mailed to:

Boardroom Pty Limited  
GPO Box 3993  
SYDNEY NSW 2001

OVERSEAS SHAREHOLDERS ARE ADVISED TO ENSURE THEIR DOCUMENTS ARE POSTED TO AUSTRALIA BY AIRMAIL.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

### INTERPRETATION

Terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Offer Document

### CHANGES OF ADDRESS SUPPORTED BY YOUR SIGNATURE(S)

If your address is not exactly as shown, please provide details below. This is only relevant for Issuer Sponsored registered holdings. CHES holders must notify your sponsoring broker for amendments to holdings on the CHES Subregister.

CHANGE OF ADDRESS DETAILS – ISSUER SPONSORED ONLY		
SIGN HERE FOR ADDRESS AMENDMENTS:		

Shareholder 1 (Individual) /  
Sole Director & Sole Company  
Secretary

Joint Shareholder 2 (Individual) /  
Director

Joint Shareholder 3 (Individual) /  
Director/Company Secretary  
(Delete one)

### Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Entitlement and Acceptance Form.

Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/privacy-policy/>)



# Bluechip Ltd (ASX:BCT)

Capital Raising Presentation 1-for-3 Non-renounceable Rights Issue

June 2017



**Unique patented MEMS technology combining secure  
wireless tracking with integrated temperature  
sensing for extreme environments**

# Disclaimer

*Material used in this presentation is a summary of available information, and while given in good faith, is professional opinion only. Any investor in Bluechip Limited (BCT) should refer to all BCT ASX releases and statutory reports before considering investment in the company.*

*Certain information may have been derived from third parties and though BCT has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by BCT.*

*Any forward-looking statements in this presentation involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside control of, and maybe unknown to, BCT. Neither BCT, nor its officers, employees and advisors make or give any representation, warranty or guarantee in relation to this presentation.*

*BCT reserves right to update, amend or supplement information in this presentation at any time in its absolute discretion without incurring any obligation to do so.*





# Bluechiip Highlights

- Highly differentiated, expanding, protected core technology
- Chasing immediate, addressable market of US\$250 million + from 3 recently executed licence and supply agreements

## **Genea Biomedx**

IVF Market (US\$20M) with upcoming product launch through Merck

## **Planet Innovation**

Cryogenic cold chain logistics (US\$30M) and adjacent market opportunities

## **Labcon North America**

Biopreservation market (US\$200M) with initial 2mL vial market (\$40M)

- Growing target bio-preservation market (>US\$2B) and very large adjacent markets
- Dramatically increasing partner pipeline with well advanced product development
- Growing initial repeat licence, service and product revenues
- Expected significant revenue growth in FY18 on partner's product launch



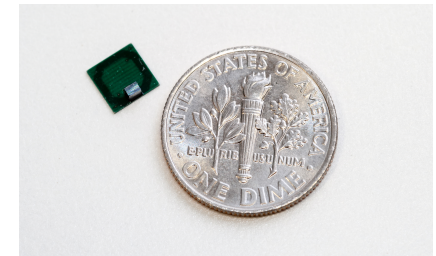


# Unique Patented Sample Tracking for Extreme Environments Using MEMS Sensors

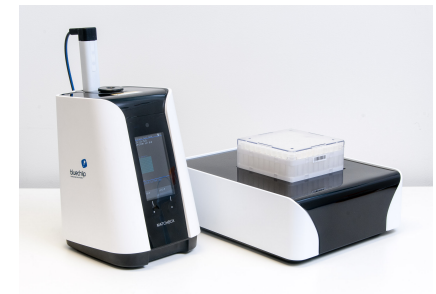
## Our Product : Chip + Readers + Software

- Unique Micro-Electro Mechanical Systems (MEMS) micro device, superior to labels, barcodes and RFID
- 24 Granted patents across seven families
- Individual ID extremely difficult to copy
- -196°C & 100°C+ Operation
- Instant sample temperature sensing
- 0.3 second read time, even through frost
- Sterilisation resistant including Gamma radiation
- Can be moulded into any plastic
- Reduces human error
- Increases productivity

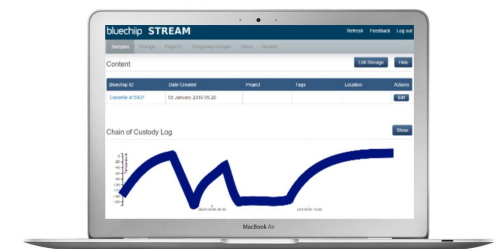
### Chip



### + Readers




























### + Software



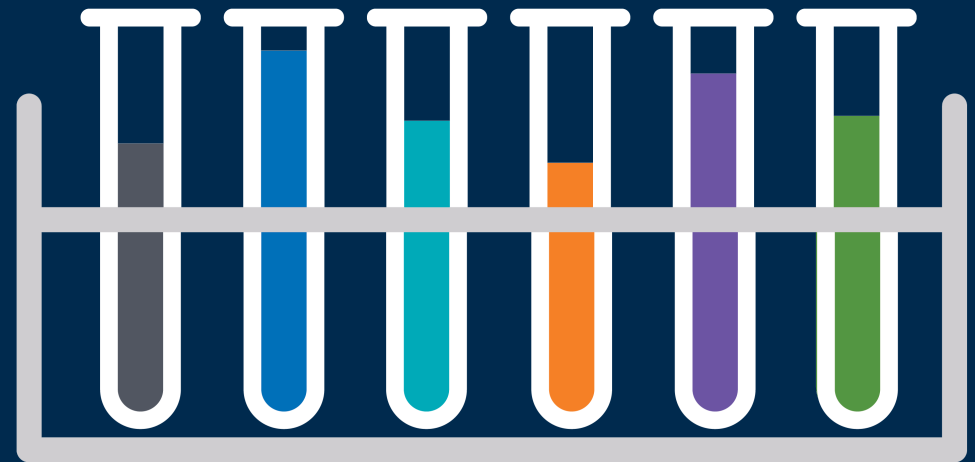


# Alternative Technologies

	Human Readable	Barcodes	RFID	Bluechip
 <b>Gamma Resistant</b>				
 <b>Cryo safe</b> Survives extreme temps				
 <b>Non visual ID</b> Reads through frost				
 <b>On-board sensor</b> Temperature sensing				
 <b>Reduced human error</b>				
 <b>Productivity improvements</b>				

# Primary Applications

- Sample tracking and identification
- Biopreservation
- Life sciences
- Research
- Pharmaceuticals
- Personalised Therapies





# Biosample Tracking Technology is Not Keeping up With the Increasing Value of Biosamples



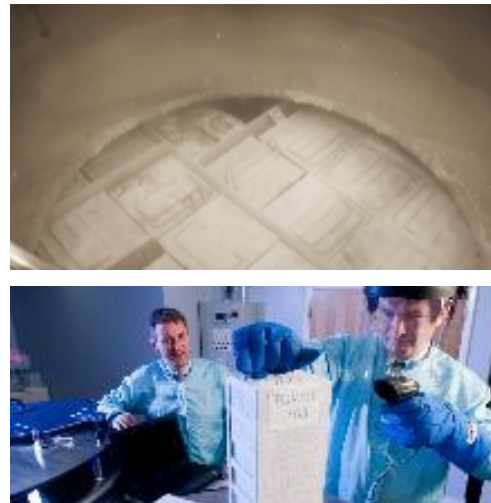
Tissue

Blood

IVF Sperm/Eggs

Biologics

Stem Cell



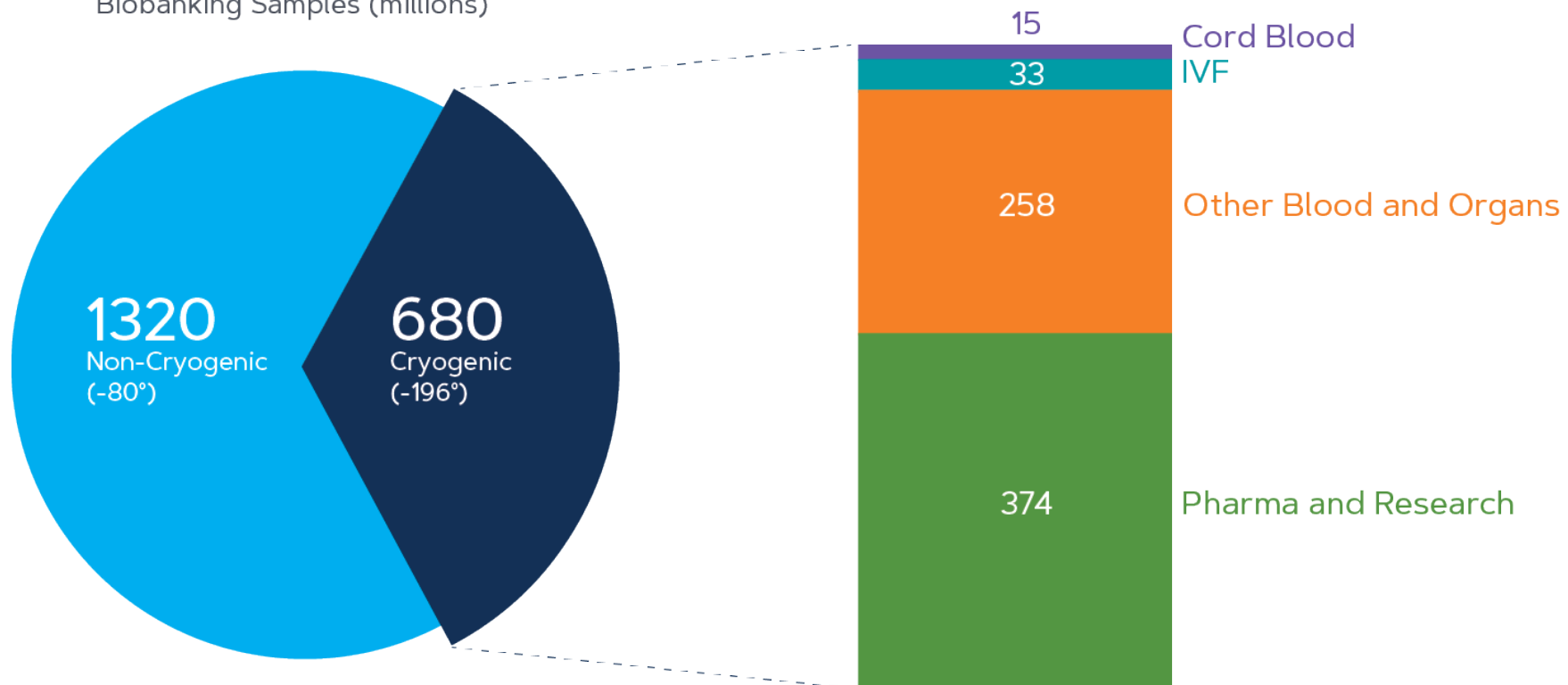


# Primary Market Opportunity

Global Bio-Preservation Market Greater than \$2B in 2015

## Samples in Storage

Biobanking Samples (millions)



**Total Bio-Preservation: 2B Samples in Storage**

300M new samples per year

Sources: Visual Fuse and MarketsandMarkets 2014

# Strategic Progress





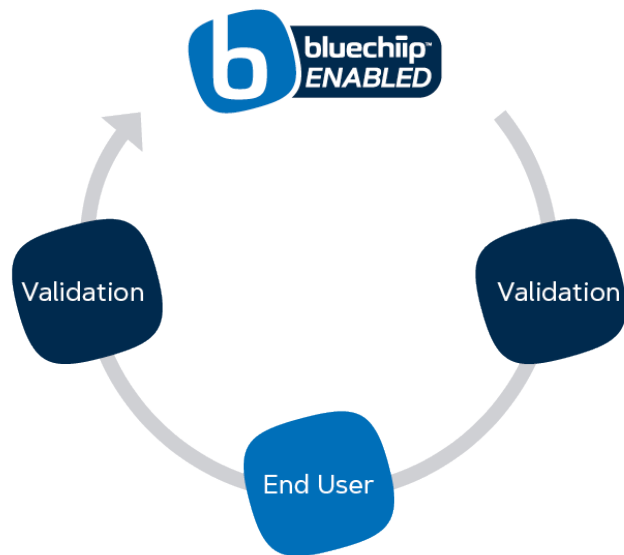
# Successfully Positioned as OEM Vendor

## Licence, R&D Service and Chip/Reader/Software Revenue Model

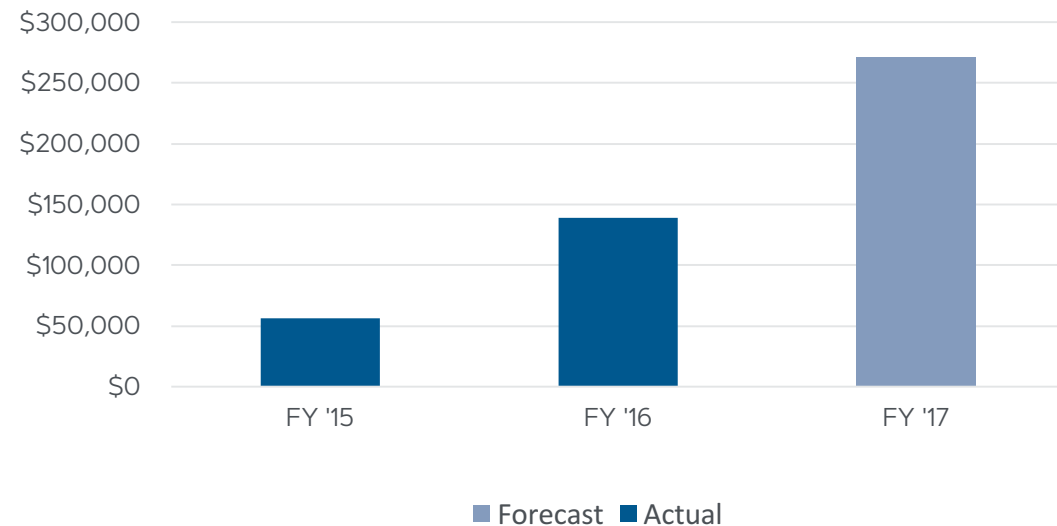




# Pipeline Conversion



## Cash Receipts







# High Value Target Markets

Timing	Target Market	OEM Partner Progress	Market Size by Samples	Addressable Market
Dec 2015	Assisted Reproductive Technology (IVF)	Genea Biomedx supply agreement	1.8m IVF Cycles/year 33m samples in storage	US\$20m+
Oct 2016	Cryogenic cold chain logistics	Planet Innovation agreement Additional multiple pipeline opportunities	3.5-7.5m samples/year >250m in storage	US\$30m+
Apr 2017	General Bio-preservation	Labcon North America Additional multiple pipeline opportunities	300m+ samples/year >2B in storage	US\$200m+
2017-2018	Regenerative Medicine, Pharmaceuticals	Trial agreements & Validation customers	3m samples/year 15m+ in storage	US\$30-50m+
<b>Future Core Technology and Adjacent Market Opportunities</b>				
	High value over temperature sensors	2 <sup>nd</sup> stage R&D Development with Patent Application submitted	300m+	\$1.5B+

# Genea Biomedx License and Supply Agreement

- Bluechiip enabled IVF sample and temperature tracking cassettes
- Initial Licence and development service revenue received
- Merck Biopharma, Genea Biomedx distribution partner targeted launch FY18
- Immediate application onto existing installed Vitrification and Incubation systems



ESHRE: European Society of Human Reproduction & Embryology Jul '16



Source: <http://biopharma.merckgroup.com/en/products/fertility/infertility/geri/geri.html>



# Bluechip IVF Transport Cooler

Active ID and Temperature Recording in Liquid Nitrogen -196° C



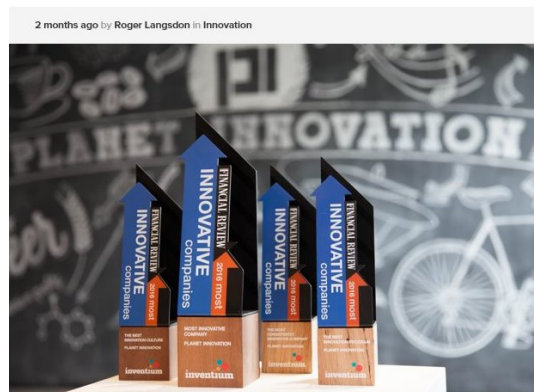
<https://www.youtube.com/watch?v=8BbZZgXnKjY>



# Planet Innovation OEM Partnership

- Sept 2016 OEM **Supply and Master Services Agreement** Executed
- Sept 2016 Planet Innovation direct investment in Bluechiip
- Actively pursuing partnerships to incorporate Bluechiip technology into Planet Innovation's Partner Products

PI wins Australia's Most Innovative Company Award for the third time



Genea's IVF deal with Merck secures manufacturing contract for PI



Pharmaceutical giant Merck Serono has signed an exclusive deal securing them global marketing and commercialization rights to Genea Biomedx's range of IVF products including Gavi and Geri, which were designed by Genea with their development partner, Planet Innovation.

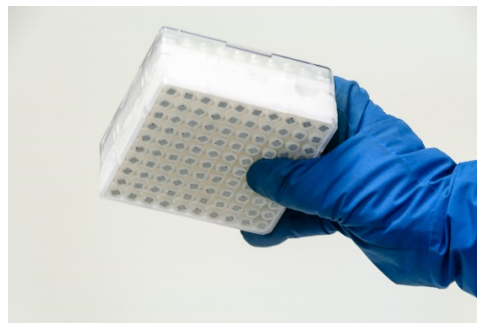




# Labcon North America Ltd

**San Francisco based life science consumable supplier producing over 1.4 billion consumables in 2016**

- Sep 2016 Developer kit sale
- Apr 2017 **Supply and Development Agreement** executed
- Apr 2017 Supply of initial trial products
- End customer trials identified with product orders for end FY17



**\*Bluechip fitted 2ml vials market potential US\$40M a year**

(2ml vials account for only a portion of the total \$200m+ vial storage market)

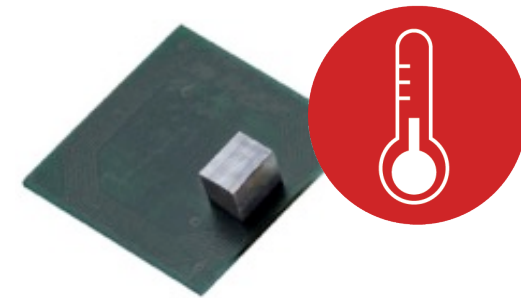
*\*Source: Independent market research report, Nov 2016, HTStec*

# Product Pipeline

## Readers



## Next Generation Chips



- Government co-funded projects with Melbourne and Swinburne Universities to adapt to multiple formats
- Overtemperature chip, Stage 2 funding awarded & Patent Application submitted



# Bluechiip Blue Tray

## Active ID and Temperature Recording in Transit



<https://www.youtube.com/watch?v=8H350vEC9GQ>



# Summary

- Highly differentiated, expanding, protected IP portfolio
- Large growing target market with very large adjacent market opportunities
- Dramatically increasing partner pipeline with well advanced product development
- Partner opportunity conversion with 3 executed licence and supply agreements
- Initial repeat revenues with licence, service and product sales expected to grow significantly later in FY18 on partner's product launch





# Use of Proceeds

The proceeds raised from the Offer will be used to:

- Support the development and release of OEM products through partners signed to date; Genea Biomedx, Planet Innovation and Labcon North America
- Progress to production and build inventory of chips and reader platforms including the hand held reader and multi-sample reader
- Continue to progress and convert our expanding pipeline of OEM opportunities
- Corporate overheads



# Summary of Rights Issue

A summary of the key information in respect of the Rights Issue is shown in the table below. Shareholders should read the Offer Booklet in its entirety before deciding to participate in the Rights Issue.

Ratio	One New Share for every three existing ordinary Shares (Non-renounceable)
Issue Price	\$0.028 per share
Number of New Shares	90.6m
Gross Proceeds	AU\$2.53m (If fully subscribed)



# Summary of Rights Issue

## Key Dates

Thursday, 1 June 2017	Announcement Date Appendix 3B lodged with ASX
Wednesday 7 June 2017	Ex Date
Thursday 8 June 2017	Record Date
Tuesday 13 June 2017	Dispatch of offer documents Rights Issue opens
Friday 30 June 2017	Rights Issue Closing Date
Wednesday 5 July 2017	Shortfall Notification Date
Friday 7 July 2017	Settlement Date

# Contact

Andrew McLellan

Managing Director & CEO

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**Mobile** +61 (0)457 823 470

**Email** [andrew.mclellan@bluechiip.com](mailto:andrew.mclellan@bluechiip.com)

[bluechiip.com](http://bluechiip.com)