8 May 2019

DPID
Name & Address 1
Name & Address 2
Name & Address 3
Name & Address 4
Name & Address 5
Name & Address 6

Dear Shareholder

RENOUNCEABLE RIGHTS ISSUE

On 8 May 2019 Anteo Diagnostics Limited (**Company**) announced a renounceable pro rata offer of approximately 232 million fully paid ordinary shares (**New Shares**) at an issue price of $0.011 per New Share, with 1 attaching option (exercise price $0.02 expiring 18 months from issue) for every 2 New Share issued (**Rights Issue**).

The Rights Issue is offered on the basis of 1 New Share for every 5 Shares held as at 7:00pm (EST) on 13 May 2019 (**Record Date**) by shareholders with a registered address in Australia or New Zealand, and will raise up to approximately $2.55 million (before costs).

The Rights Issue is partially underwritten by CPS Capital Group Pty Limited for $1 million.

The Directors intend to apply the proceeds from the Rights Issue together with existing cash on hand and expected funds received under an R&D grant as follows:

Use of funds ($'000) (approx.)[1]	**Underwritten Amount**	**Full Subscription**
Battery anode R&D and Battery Composite commercialisation	900	1,200
POC Business Development and Global distribution expansion	700	900
Strengthen patents and IP protection	200	400
Expand Manufacturing Capacity	200	200
Corporate Costs	1,100	1,300
Working Capital	130	670
Costs of the Offer	170	230
Total use of funds	3,400	4,900

1 This table is a statement of the proposed application of the funds raised as at the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the Company's decisions. The Company reserves the right to vary the way funds are applied.

2 Funds raised will, in the event less than Fully Subscription is received, be allocated firstly towards the costs of the Offer and then proportionally as set out above.

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The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Ex date – Shares trade ex Entitlement (**Ex Date**)	10 May 2019
Record date to determine Entitlement (**Record Date**)	13 May 2019
Prospectus with Entitlement and Acceptance Form dispatched Offer opens for receipt of Applications	16 May 2019
Closing date for acceptances	30 May 2019
Notify ASX of under-subscriptions	4 June 2019
Issue of New Shares Dispatch of shareholding statements	6 June 2019
Normal trading of New Shares expected to commence	7 June 2019

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 2 months after the date the Offer is announced. As such the date the New Shares are expected to commence trading on ASX may vary.

The New Shares issued pursuant to the Rights Issue will rank equally with existing fully paid ordinary shares in the Company. Application has been made for the quotation of the New Shares and new options.

The Rights Issue will be offered under a prospectus which was lodged with ASIC on 8 May 2019 (**Prospectus**). The Prospectus will be sent to Eligible Shareholders shortly after the Record Date. Shareholders should consider the Prospectus carefully in deciding whether to acquire securities offered under the Rights Issue.

The capital structure of the Company before and after completion of the Rights Issue is set out below:

	Underwritten Amount	**Full Subscription**
Shares currently on issue	1,159,756,577	1,159,756,577
Total Convertible Securities currently on issue	23,000,000	23,000,000
New Shares offered under the Prospectus, on a 1 for 5 basis[1]	90,909,091	231,951,315
New Options offered under the Prospectus, on the basis of 1 new option for 2 New Shares issued[2]	45,454,545	115,975,657
Total Shares on issue following the Offer	1,250,665,668	1,391,707,892

[1] This assumes no further Shares are issued prior to the Record Date.
[2] The Company will also issue the Lead Manager 1,000,000 new options for every $125,000 raised under the Rights Issue.

Should you have any questions regarding the Rights Issue you may contact the Company on +61 7 3212 6299, or consult your stockbroker or professional adviser.

We look forward to your participation in the Rights Issue.

Yours faithfully

Duncan Cornish
Company Secretary, Anteo Diagnostics Limited