



1 February 2017

Dear Optionholder

Notification of underwritten accelerated non-renounceable entitlement issue

Animoca Brands Corporation Limited (**Company**) has announced to ASX Limited (**ASX**) an accelerated pro-rata non-renounceable rights issue on the basis of four (4) fully paid ordinary shares for every five ordinary shares held by Shareholders registered at 7.00 pm (AEDT) on 3 February 2017 at an issue price of \$0.03 (3 cents) (**Rights Issue**).

The Rights Issue Offer comprises:

- an institutional entitlement offer to raise approximately \$3.1 million; and
- a retail entitlement offer to raise approximately \$2.1.

The options held by you do not give you an entitlement to participate in the Rights Issue. However, should you exercise your options prior to the date for determining entitlements to the Rights Issue, the shares issued to you on the exercise of options will give you an entitlement to participate in the retail component of the Rights Issue provided that your registered address is in Australia or New Zealand.

If you wish to participate in the Rights Issue, you will need to exercise your options at least 1 day prior to 3 February 2017 (**Record Date**) in accordance with their terms.

Pursuant to section 708AA of the *Corporations Act* 2001, the Company is not required, and consequently, will not issue a prospectus or other disclosure document for the Rights Issue.

However, an Offer document will be lodged with ASX and is available on the ASX website at www.asx.com.au in respect of the Retail Offer. The offer document will be dispatched to retail shareholders of the Company registered on the share register on the Record Date on 3 February 2017 and who have their registered address in Australia or New Zealand.

Should you have any queries in relation to this matter, please do not hesitate to contact the Share Registry on 1300 992 916.

Yours faithfully

A handwritten signature in black ink, appearing to read "Robby Yung", written over a white background.

Robby Yung

Chief Executive Officer, Animoca Brands Corporation Limited

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