

12 October 2017

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Please find attached a letter dispatched today to shareholders regarding the non-renounceable entitlement offer announced to ASX on 11 October 2017.

Yours faithfully

Bruno Firriolo
Company Secretary

12 October 2017

Dear Shareholder

FORTE CONSOLIDATED LIMITED – NON-RENOUNCEABLE RIGHTS ISSUE

As announced on 11 October 2017, Forte Consolidated Limited (ACN 148 168 825) (**Company**) is undertaking a pro-rata non-renounceable rights issue (**Rights Issue** or **Offer**) of approximately 44,769,547 fully paid ordinary shares subject to rounding of fractional entitlements (**New Share**) to raise up to approximately \$895,390 before costs. The price of New Shares under the Offer is A\$0.02 each (**Issue Price**) and will be offered to eligible shareholders on the basis of one (1) Share for every four (4) Shares held on the Record Date. The Company lodged an offer document for the Rights Issue (**Offer Document**) with ASX on 11 October 2017.

The Company intends to apply the funds raised from the Offer towards:

Item of Expenditure	Amount (\$)	Percentage (%)
Further the development of the Company's Johnnycake Project	\$540,000	60%
Working capital	\$328,000	37%
Expenses of the Offer	\$27,390	3%
TOTAL	\$895,390	100%

The above table is a statement of the Board's current intentions as at the date of the Offer. The allocation of funds set out in the above table may change depending on a number of factors. The Board reserves the right to alter the way the funds are applied.

The Offer is being made to all shareholders of the Company named on its register of members at 4pm (WST) on 16 October 2017, whose registered address is in Australia, New Zealand, or Hong Kong (**Eligible Shareholders**).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer (assuming full subscription), the Company will have issued approximately 44,769,547 New Shares resulting in total Shares on issue of approximately 223,847,734 subject to rounding of fractional entitlements.

A copy of the Offer Document is available on ASX's and the Company's website. Eligible Shareholders will be mailed an Offer Document together with an Entitlement and Acceptance Form no later than 19 October 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Offer Document.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements will be rounded up to the nearest whole number of New Shares.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for New Shares pursuant to the Offer Document (**Entitlement**) or part of your Entitlement. To take up all or some of your Entitlement you will need to ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5pm (WST) on 31 October 2017, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate application monies (at \$0.02 per Share) by following the instructions set out in the Entitlement and Acceptance Form.
- You may wish to accept your full Entitlement **and** apply for additional Shortfall Shares. To take up all your Entitlement and apply for Shortfall Shares you will need to ensure your application money for the Entitlement and Shortfall Shares you wish to take up is received by the Company by no later than 5pm (WST) on 31 October 2017, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form, including filling in the number of Shortfall Shares you wish to apply for in the shortfall section on the Entitlement and Acceptance Form, and attach your cheque, drawn on an Australian bank or bank draft or money order made payable in Australian currency, for the appropriate application monies (at \$0.02 per Share) by following the instructions set out in the Entitlement and Acceptance Form.
- You may do nothing. If you choose to do nothing with your Entitlement, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Company Announces Rights Issue	Prior to the commencement of trading on 11 October 2017
Lodgement of Offer Document, Appendix 3B and s708AA Cleansing Notice with ASX	Prior to the commencement of trading on 11 October 2017
Notice sent to Shareholders	12 October 2017
Ex date	13 October 2017
Record Date for determining Entitlements	16 October 2017
Offer Document sent out to Eligible Shareholders & Company announces this has been completed & Offer Opening Date	19 October 2017
Last day to extend the Closing Date	25 October 2017
Closing Date	31 October 2017
Shares quoted on a deferred settlement basis	1 November 2017
ASX notified of under subscriptions	3 November 2017

Issue date/Shares entered into Shareholders'
security holdings

7 November 2017

Quotation of Shares issued under the Offer

8 November 2017

If you have any queries concerning the Rights Issue, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or Mr Bruno Firriolo, Forte Consolidated Limited's Company Secretary, on +61 8 9240 4111.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Terpu". The signature is written in a cursive style with a large, looping initial "J".

**MR JOHN TERPU
EXECUTIVE CHAIRMAN
FORTE CONSOLIDATED LIMITED**