

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

IM Medical Limited

ABN

47 009 436 908

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Ordinary Shares<br>Unlisted Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 18,324,230 Ordinary Shares<br>3,664,846 Unlisted options exercise price \$0.009 expiring 4 September 2011.  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Issue of ordinary shares and unlisted options as per Standby Subscription Agreement.<br>Unlisted options issued with an exercise price \$0.009 expiring 4 September 2011. |

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+ See chapter 19 for defined terms.

| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Yes</p>   |  |        |        |               |   |            |  |
|--|--|--|--------|--------|---------------|---|------------|--|
| <p>5 Issue price or consideration</p>  | <p>\$148,426</p>   |  |        |        |               |   |            |  |
| <p>6 Purpose of the issue<br/>(If issued as consideration for the acquisition of assets, clearly identify those assets)</p>  | <p>Working capital</p>   |  |        |        |               |   |            |  |
| <p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>  | <p>4 September 2008</p>  |  |        |        |               |   |            |  |
| <p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>   | <table border="1"> <thead> <tr> <th data-bbox="695 1225 914 1261">Number</th> <th data-bbox="914 1225 1294 1261">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1261 914 1361">1,235,232,533</td> <td data-bbox="914 1261 1294 1361">Ordinary shares</td> </tr> <tr> <td data-bbox="695 1361 914 1480">62,500,000</td> <td data-bbox="914 1361 1294 1480">Options exercisable at \$0.04 on or before 31 Dec 2008.</td> </tr> </tbody> </table>   |  | Number | +Class | 1,235,232,533 | Ordinary shares   | 62,500,000 | Options exercisable at \$0.04 on or before 31 Dec 2008.      |
| Number   | +Class   |  |        |        |               |   |            |  |
| 1,235,232,533  | Ordinary shares  |  |        |        |               |   |            |  |
| 62,500,000   | Options exercisable at \$0.04 on or before 31 Dec 2008.  |  |        |        |               |   |            |  |
| <p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>   | <table border="1"> <thead> <tr> <th data-bbox="695 1552 877 1588">Number</th> <th data-bbox="877 1552 1294 1588">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1588 877 1688">6,000,000</td> <td data-bbox="877 1588 1294 1688">Options exercisable at \$0.02 on or before 31 December 2008</td> </tr> <tr> <td data-bbox="695 1688 877 1807">3,664,846</td> <td data-bbox="877 1688 1294 1807">Options exercisable at \$0.009 on or before 4 September 2011</td> </tr> </tbody> </table> |  | Number | +Class | 6,000,000     | Options exercisable at \$0.02 on or before 31 December 2008 | 3,664,846  | Options exercisable at \$0.009 on or before 4 September 2011 |
| Number   | +Class   |  |        |        |               |   |            |  |
| 6,000,000  | Options exercisable at \$0.02 on or before 31 December 2008  |  |        |        |               |   |            |  |
| 3,664,846  | Options exercisable at \$0.009 on or before 4 September 2011   |  |        |        |               |   |            |  |
| <p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>   | <p>Unchanged</p>   |  |        |        |               |   |            |  |

## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date 9 September 2008

Company Secretary

Print name:

Roman Najdecki

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+ See chapter 19 for defined terms.