



IM MEDICAL LIMITED
ABN 47 009 436 908

Notice of General Meeting

Explanatory Statement

30 APRIL 2010

General Meeting to be held at Pharmacy Guild of Victoria, 40 Burwood Road,
Hawthorn, Victoria, on Friday, 30th April 2010 commencing at 9.30am

The Notice of General Meeting, and Explanatory Statement should be read in their entirety.

IM MEDICAL LIMITED
ABN 47 009 436 908

Notice of General Meeting

Notice is given for a General Meeting of shareholders of IM Medical Limited to be held at Pharmacy Guild of Victoria, 40 Burwood Road, Hawthorn, Victoria, 3122 on **Friday, 30th April 2010 at 9:30 am**.

The Explanatory Statement that accompanies and forms part of this Notice of General Meeting describes the matters to be considered.

Terms used in this Notice of General Meeting will, unless the context otherwise requires, have the same meaning given to them in the Glossary in Section 0 of the Explanatory Statement.

Business and Agenda

Resolution 1: Refreshing capacity to issue equity securities following issues of equity securities in the Company

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the issue by the Company of the following equity securities in the period 2 November 2009 to 25 March 2010 be approved for all purposes, including for the purpose of Listing Rules 7.1 and 7.4:

- (1) *190,000,000 Shares in the Company;*
- (2) *6,000,000 options in the Company over 6,000,000 Shares, exercisable at \$0.00333 per option on or before 2 November 2012; and*
- (3) *2,000,000 options in the Company over 2,000,000 Shares, exercisable at \$0.00288 per option on or before 2 December 2012; and*
- (4) *4,000,000 options in the Company over 4,000,000 Shares, exercisable at \$0.00279 per option on or before 17 December 2012; and*
- (5) *4,000,000 options in the Company over 4,000,000 Shares, exercisable at \$0.00270 per option on or before 4 January 2013; and*
- (6) *2,000,000 options in the Company over 2,000,000 Shares, exercisable at \$0.00270 per option on or before 14 January 2013; and*
- (7) *3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00351 per option on or before 22 January 2013; and*
- (8) *8,000,000 options in the Company over 8,000,000 Shares, exercisable at \$0.00351 per option on or before 29 January 2013; and*
- (9) *3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00297 per option on or before 19 February 2013; and*
- (10) *3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00297 per option on or before 3 March 2013."*
- (11) *3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00189 per option on or before 25 March 2013."*

Voting exclusion statements

In accordance with the Listing Rules, the Company will disregard votes cast:

- (a) on Resolution 1, by Fortrend Securities Pty Ltd and/or an Associate of Fortrend Securities Pty Ltd

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

Roman Najdecki
Company Secretary
25 March 2010

Voting Instructions

Snapshot Date and Voting Entitlements

For the purposes of determining voting entitlements at the General Meeting, the Directors have determined that, under Corporations Regulation 7.11.37, all Shares of the Company that are quoted securities at 7:00 pm (Melbourne time) on 29 April 2010 are taken to be held by the persons who are registered as holding them at that time. The entitlement of Shareholders to vote at the General Meeting will be determined by reference to that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Questions and Comments

The Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the Resolution.

Proxies

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy. The proxy may be an individual or a body corporate. A proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

For an appointment of a proxy to be valid, the Proxy Form and, if the Proxy Form is signed under a power of attorney or other authority, the authority under which the Proxy Form is signed (or a certified copy of the authority) must be received at the following addresses or by fax at least 48 hours prior to the General Meeting at which the proxy intends to vote:

IM Medical Limited
Level 1, 117 Church Street
Hawthorn VIC 3122
Fax: (03) 9860 0999

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Fax: (08) 9315 2233

A Proxy Form accompanies this Notice of General Meeting. Additional Proxy Forms are available on request from the registered office of the Company or its share registry, Security Transfer Registrars Pty Ltd.

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Resolutions. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on the Resolutions will be invalid.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 provides that a company may execute a document without using its common seal if the document is signed by:

- (a) two directors of the company;
- (b) a director and a company secretary of the company; or
- (c) for a proprietary company that has a sole director who is also the sole company secretary — that director.

Corporate Representatives

A Shareholder which is a corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Share Transfer Registrars Pty Ltd, before the General Meeting or at the registration desk on the day of the General Meeting.

IM MEDICAL LIMITED
ABN 47 009 436 908

Explanatory Statement

This Explanatory Statement, its Annexures and all attachments are important documents that form part of this Notice of Meeting and should be read carefully in their entirety.

Explanatory Statement

This Explanatory Statement has been prepared for the Shareholders of IM Medical Limited in connection with the General Meeting of the Company to be held on **Friday 30th April 2010 at 9:30am.**

2. Resolution 1 Refreshing capacity to issue equity securities following issues of equity securities in the Company

The approval proposed in Resolution 1 is a subsequent approval of permitted issues of shares in order to refresh the Company's capacity to issue further shares pursuant to Listings Rule 7.1 and 7.4.

Listing Rule 7.1 provides that the Company can only issue up to 15% of the Company's 'equity securities' (subject to certain exclusions and exceptions) in any 12 month period without obtaining shareholder approval.

Listing Rule 7.4 provides that an issue of equity securities made without the need for approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if:

- the issue did not breach Listing Rule 7.1 and
- members of the company subsequently approve it.

Such approval refreshes the capacity of the Company to issue additional equity securities as permitted under Listing Rule 7.1 within the 15% limit. This is the approval the Company now seeks under Resolution 1.

The Company has issued the following equity securities without approval under Listing Rule 7.1 (**Equity Securities**):

- (a) 190,000,000 fully paid ordinary shares in the Company;
- (b) 6,000,000 options in the Company over 6,000,000 Shares, exercisable at \$0.00333 per option on or before 2 November 2012; and
- (c) 2,000,000 options in the Company over 2,000,000 Shares, exercisable at \$0.00288 per option on or before 2 December 2012; and
- (d) 4,000,000 options in the Company over 4,000,000 Shares, exercisable at \$0.00279 per option on or before 17 December 2012; and
- (e) 4,000,000 options in the Company over 4,000,000 Shares, exercisable at \$0.00270 per option on or before 4 January 2013; and
- (f) 2,000,000 options in the Company over 2,000,000 Shares, exercisable at \$0.00270 per option on or before 14 January 2013; and
- (g) 3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00351 per option on or before 22 January 2013; and

- (h) 8,000,000 options in the Company over 8,000,000 Shares, exercisable at \$0.00351 per option on or before 29 January 2013; and
- (i) 3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00297 per option on or before 19 February 2013; and
- (j) 3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00297 per option on or before 3 March 2013."
- (k) 3,000,000 options in the Company over 3,000,000 Shares, exercisable at \$0.00189 per option on or before 25 March 2013."

All of the shares issued and the options when converted will rank equally with the fully paid ordinary shares of the Company already on issue. The issue of the 190,000,000 Equity Securities without approval did not exceed the Listing Rule 7.1 15% limit, and so did not breach Listing Rule 7.1. As a result of these share issues, the Company cannot issue additional equity securities in the next 12 months without member approval or unless an exception to Listing Rule 7.1 applies.

If members approve this resolution, the Company will have the flexibility to issue more shares in the next 12 months without requiring approval at a meeting of members should the Board believe it is in the best interests of the Company to do so. If this resolution is approved by members, the Company will thereafter be able to issue at least an additional 272,164,511 equity securities without member approval.

If this resolution is not passed:

- (a) the Company was not required, under Listing Rule 7.1, to seek member approval prior to the issues of the equity securities described in this resolution, so the absence of approval will not invalidate the issues of the equity securities;
- (b) the Company's ability to issue further equity securities in the 12 month period will be reduced, unless member approval is obtained for the said subsequent issue or that issue falls within an exception to Listing Rule 7.1.

For the purposes of Listing Rules 7.4 and 7.5, the Company notes that the following share issues were made to Fortrend Small Cap investors pursuant to the \$5 million Standby Subscription Agreement which the Company entered into with Fortrend in August 2008:

Date of issue	No of fully paid ordinary shares issued	No of non listed Options issued	Exercise Price	Exercisable on or before date
2-Nov-09	30,000,000	6,000,000	\$ 0.00333	2-Nov-12
2-Dec-09	10,000,000	2,000,000	\$ 0.00288	2-Dec-12
17-Dec-09	20,000,000	4,000,000	\$ 0.00279	17-Dec-12
4-Jan-10	20,000,000	4,000,000	\$ 0.00270	4-Jan-13
14-Jan-10	10,000,000	2,000,000	\$ 0.00270	14-Jan-13
22-Jan-10	15,000,000	3,000,000	\$ 0.00351	22-Jan-13
29-Jan-10	40,000,000	8,000,000	\$ 0.00351	29-Jan-13
19-Feb-10	15,000,000	3,000,000	\$ 0.00297	19-Feb-13
3-Mar-10	15,000,000	3,000,000	\$ 0.00297	3-Mar-13
25-Mar-10	15,000,000	3,000,000	\$ 0.00189	25-Mar-13

The funds raised from the issues listed in (a) to (k) above were used for working capital purposes.

The directors unanimously recommend that shareholders vote in favour of this resolution

GLOSSARY OF TERMS

In this Notice, unless expressed or implied to the contrary:

Annexure means an annexure to this Notice.

ASIC means the Australian Securities & Investments Commission.

Associate has meaning to it in Division 2 of the Corporations Act.

ASX means the ASX Limited.

Board or means the board of directors of the Company.

Business Day means a day (other than a Saturday or Sunday) on which trading banks in Victoria are open for ordinary business.

Chairman means the chairman of the Board.

Company or **IM Medical** means IM Medical Limited ABN 47 009 436 908.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to this Notice which is incorporated into and forms part of this Notice.

General Meeting means a general meeting of Shareholders of the Company or any adjournment of that Meeting, convened by the Notice.

Listing Rules means the listing rules of the ASX as amended or replaced from time to time.

Notice of General Meeting or **Notice** means this Notice of General Meeting of the Company and its Annexures and attachments.

Options means an option to subscribe for a Share with the terms and conditions set out in Annexure A.

Optionholder means a holder of an Option.

Proxy Form means the proxy form for Shareholders of the Company accompanying this Notice.

Resolution means a resolution set out in this Notice.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share in the Company.

PROXY FORM

Shareholder's name and address

Appointment of proxy

I/We being a member/s of IM Medical Limited and entitled to attend and vote hereby appoint

The Chairman of the meeting (mark with an "X")

OR

If you are not appointing the Chairman of the Meeting as your proxy, please write here the full name of the individual or body corporate (excluding the registered securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of IM Medical Limited to be held at Level 2, 40 Burwood Road, Hawthorn, Victoria on Friday, 30 April 2010 at 9.30am and at any adjournment of that meeting.

Important: for item 3 below

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on item 3 below, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on item 3 and your vote will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

Voting directions to your proxy – please mark "X" to indicate your directions

		For	Against	Abstain
Item 1	Refreshing capacity to issue equity securities following issues of equity securities in the Company			

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business. If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable you directions to be implemented.

Individual or securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact name

Contact daytime telephone

Date

Instructions on how to complete the Proxy Form

Your address

Please insert your name and address as it appears on the company's share register. Please note that you cannot change ownership of your securities using this form.

Appointment of proxy

If you wish to appoint the Chairman of the Meeting as your proxy, please mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

Vote on Items of Business

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item, your vote on that item will be invalid.

Appointment of a second proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may make a copy of this form.

To appoint a second proxy, you must:

- (a) on each of the first Proxy Form and the second Proxy Form, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both forms together in the same envelope.

Signing instructions

You must sign this form as follows in the spaces provided:

- (a) Individual

Where the holding is in one name, the holder must sign

- (b) Joint holding

Where the holding is in more than one name, all of the securityholders should sign

- (c) Power of Attorney

To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

- (d) Companies

Where the company is a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise, this form must be signed by a director jointly with either another director or the company secretary. Please indicate the office held by signing in the appropriate place.

Lodgement of Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 9:30 am on Friday, 30 April 2010. Any Proxy Form received after that time will not be valid for the scheduled meeting.

- (a) In person

- Registered office: IM Medical Limited, 117 Church Street, Hawthorn, Victoria, 3122, Australia
- Share registry: Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross, WA, 6153, Australia

- (b) By mail

- Registered office: IM Medical Limited, 117 Church Street, Hawthorn, Victoria, 3122, Australia
- Share registry: Security Transfer Registrars Pty Ltd, PO Box 535, Applecross, WA, 6953, Australia

- (c) By fax

- Registered office: +61 3 9860 0999
- Share registry: +61 8 9315 2233