

# 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  | 40,000,000 Ordinary Shares<br><br>4,000,000 Options exercisable at \$0.00221 on or before 19 May 2013<br>4,000,000 Options exercisable at \$0.00185 on or before 26 May 2013 |
| 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 under Standby Subscription Agreement  |

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+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	Yes	
	<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>		
5	Issue price or consideration	\$81,135	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Working capital	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	27 & 28 May 2010	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		1,907,430,079	Ordinary shares

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	3,664,846	Options exercisable at \$0.009 on or before 4 September 2011
		2,994,509	Options exercisable at \$0.00297 on or before 24 November 2011
		5,000,000	Options exercisable at \$0.0027 on or before 23 January 2012
		5,600,000	Options exercisable at \$0.00585 on or before 30 April 2012
		5,600,000	Options exercisable at \$0.00477 on or before 7 May 2012
		905,000	Options exercisable at \$0.00378 on or before 26 August 2012
		1,540,000	Options exercisable at \$0.00324 on or before 29 September 2012
		2,800,000	Options exercisable at \$0.00333 on or before 7 October 2012
		6,000,000	Options exercisable at \$0.00333 on or before 2 November 2012
		2,000,000	Options exercisable at \$0.00288 on or before 2 December 2012
		4,000,000	Options exercisable at \$0.00279 on or before 17 December 2012
		4,000,000	Options exercisable at \$0.0027 on or before 5 January 2013
		2,000,000	Options exercisable at \$0.0027 on or before 14 January 2013
		3,000,000	Options exercisable at \$0.00351 on or before 22 January 2013
		8,000,000	Options exercisable at \$0.00351 on or before 29 January 2013
		3,000,000	Options exercisable at \$0.00279 on or before 18 February 2013
		3,000,000	Options exercisable at \$0.00279 on or before 3 March 2013
		3,000,000	Options exercisable at \$0.00189 on or before 25 March 2013
		2,600,000	Options exercisable at \$0.00198 on or before 13 April 2013
		4,000,000	Options exercisable at \$0.00234 on or before 3 May 2013
		4,000,000	Options exercisable at \$0.00208 on or before 11 May 2013
		4,000,000	Options exercisable at \$0.00221 on or before 19 May 2013
		4,000,000	Options exercisable at \$0.00185 on or before 26 May 2013

+ See chapter 19 for defined terms.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

**Part 2 - Bonus issue or pro rata issue**

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has +security holders who will not be sent new issue documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities

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Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

## Entities that have ticked box 34(a)

### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

## Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
If the additional securities do not rank equally, please state:  
• the date from which they do  
• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  
• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

**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.

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+ See chapter 19 for defined terms.

We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 

Date 31 May 2010  
Company Secretary

Print name: Roman Najdecki



31 May 2010

## Notice Under Section 708A(5) of the Corporations Act

This notice is given under paragraph (5)(e) of section 708A of the Corporations Act. The Following securities of the Company were issued without disclosure to investors under Part 6D.2 of the Corporations Act:

Type	Ordinary Shares	Unlisted Options
<b>Class/Description</b>	Ordinary(Fully Paid)	Exercisable at \$0.00221 on or before 19 May 2013 Exercisable at \$0.00185 on or before 26 May 2013
<b>ASX code</b>	IMI	N/A
<b>Date of Issue</b>	27 & 28 May 2010	27 & 28 May 2010
<b>Number issued</b>	40,000,000	8,000,000
<b>Issue price per security</b>	\$0.00203 (average)	Nil

The Company intends to apply to Australian Stock Exchange Limited for quotation of the above shares.

As at the date of this notice, the Company has complied with:

- a) The provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- b) Section 674 of the Corporations Act.

<b>Other information which is excluded information required to be disclosed under paragraph 708A (7) &amp; 708A(8) of the Corporations Act</b>	None
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For and on behalf of the Company,



Roman Najdecki  
Company Secretary  
IM Medical Limited

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