

# **IM MEDICAL LTD**

ACN 009 436 908

## **PROSPECTUS**

**For the offer of up to 550,000,000 Shares to Eligible Shareholders at an issue price of \$0.001 each (being 1,100,000,000 Shares at an issue price of \$0.0005 each on a pre-Consolidation basis), together with a total of up to 137,500,000 New Options (being 275,000,000 New Options on a pre-Consolidation basis), on the basis of one free attaching New Option for every four Shares subscribed for pursuant to the SPP Offer**

**This Prospectus also contains the Shortfall Offer, the Underwriter Share Offer, the Underwriter Option Offer, the Top-up Placement Offer and the Prior Placement Option Offer as detailed in Sections 1.2 and 1.3 of this Prospectus**

**Completion of the Offers is conditional on Shareholder approval of the Offers being obtained at the Company's general meeting being held at 11am AEST on Tuesday, 14 July 2015.**

**THE SPP OFFER CLOSSES AT 5.00PM WST ON 15 JULY 2015.**

**VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.**

**Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Securities under any of the Offers.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**THE SECURITIES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.**

## CORPORATE DIRECTORY

<b>Directors</b>
Mr Nigel Blaze (Non Exec. Chairman) Mr Richard Wadley (Non Exec. Director) Mr Paul Burton (Non Exec. Director)
<b>Company Secretary</b>
Mr Richard Wadley
<b>Registered and Corporate Office</b>
Level 40, 140 William Street, Melbourne VIC 3000, Australia
Telephone: (03) 9607 8280
<b>Share Registry</b>
Security Transfer Registrars 770 Canning Highway, Applecross WA 6153, Australia
Telephone: (08) 9315 2333 International: +618 9315 2333 Facsimile: (08) 9315 2233
<b>Stock Exchange Listing</b>
Australian Securities Exchange ASX Code for Shares: IMI
<b>Underwriter</b>
Patersons Securities Limited Level 23, 2 The Esplanade Perth WA 6000 Australia
<b>Solicitors to the Company</b>
GTP Legal Level 1, 28 Ord Street West Perth WA 6005 Australia

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## IMPORTANT NOTICES

This Prospectus is dated 11 June 2015 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 40, 140 William Street, Melbourne VIC 3000, Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 5.5).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the Shares and New Options offered by this Prospectus.

The Securities offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Applications for Securities pursuant to the SPP Offer can only be made on an original SPP Offer Application Form sent with this Prospectus. The SPP Offer Application Form sets out the parcels of Securities that an Eligible Shareholder is entitled to apply for under the SPP Offer.

Applications for Securities pursuant to the Top-up Placement can only be made on an original personalised Top-up Placement Application Form sent with this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia or New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

## PROPOSED TIMETABLE

Record Date	29 May 2015
Lodgement of Prospectus with ASIC and ASX	11 June 2015
Prospectus and Application Form sent to Eligible Shareholders	12 June 2015
Opening Date for the SPP Offer	12 June 2015
Shareholder Meeting to approve the Offers and the Consolidation	14 July 2015
Following shareholder approval Company announces shareholder approval of the Consolidation	14 July 2015
Closing Date for the SPP Offer*	15 July 2015
Last day for trading pre-Consolidation Securities (note this will not apply to Securities to be issued under this Prospectus, as they will be issued at a later date)	15 July 2015
Trading in post-Consolidation Securities commences on a deferred settlement basis (note this will not apply to Securities to be issued under this Prospectus, as they will be issued at a later date)	16 July 2015
Record Date for the Consolidation Last day to register transfers on a pre-Consolidation basis (note this will not apply to Securities to be issued under this Prospectus, as they will be issued at a later date)	20 July 2015
First day to register transfers on a post-Consolidation basis (note this will not apply to Securities to be issued under this Prospectus, as they will be issued at a later date)	21 July 2015
Anticipated date for the issue of the Securities pursuant to the Offers and announcement of take up and any scale back under the SPP Offer**	22 July 2015
Anticipated date on which holding statements are sent to Shareholders**	24 July 2015
Latest date for Company to send notice to each Security holder of pre and post Consolidation holdings	27 July 2015

\* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the SPP Offer. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the Securities.

\*\* Indicative date only.

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## 1. Details of the Offers

### 1.1 The SPP Offer

The Company is making offers pursuant to this Prospectus of up to 550,000,000 Shares and 137,500,000 New Options (being 1,100,000,000 Shares and 275,000,000 New Options on a pre-Consolidation basis) to Eligible Shareholders, up to a maximum value of \$15,000.00 per Eligible Shareholder, pursuant to a fully underwritten share purchase plan (**SPP Offer**).

The SPP Offer will raise up to a maximum of \$550,000 in total and Eligible Shareholders may participate by applying for parcels of Shares at an issue price of \$0.001 each (being an issue price of \$0.0005 each on a pre-Consolidation basis), together with one free attaching New Option for every four Shares subscribed for under the SPP Offer, exercisable at \$0.002 (being \$0.001 on a pre-Consolidation basis) on or before 31 March 2019.

Completion of the SPP Offer is conditional on Shareholder approval of the Offers being obtained at the Company's general meeting being held at 11am AEST on Tuesday, 14 July 2015 (**Shareholder Meeting**).

Further information on parcel sizes you may apply for and how to apply is set out in Sections 1.9, 1.12(a) and 2.1.

Participation in the SPP Offer is optional and is subject to the terms and conditions in this Prospectus.

Refer to Section 5.1 for a summary of the rights attaching to the Shares and Section 5.2 for the terms and conditions of the New Options.

### 1.2 Shortfall Offer

In the event that not all Eligible Shareholders accept their full entitlement pursuant to the SPP Offer, the Underwriter will subscribe for the Shortfall pursuant to the terms of the Underwriting Agreement (**Shortfall Offer**).

Under the Shortfall Offer, the Underwriter (and the sub-underwriters) will subscribe for the Shortfall Shares at an issue price of \$0.001 per Shortfall Share (being an issue price of \$0.0005 each on a pre-Consolidation basis), together with one free attaching New Option for every four Shares subscribed for under the SPP Offer, exercisable at \$0.002 (being \$0.001 on a pre-Consolidation basis) on or before 31 March 2019, which is the issue price at which the SPP Offer has been made to Eligible Shareholders.

Completion of the Shortfall Offer is conditional on Shareholder approval of the Offers being obtained at the Shareholder Meeting.

### 1.3 The Other Offers

The Company is also making offers pursuant to this Prospectus of:

- (a) Up to 62,500,000 Shares (being 125,000,000 Shares on a pre-Consolidation basis) for nil cash consideration to the Underwriter, as the management fee payable to Patersons pursuant to the Underwriting Agreement (**Underwriter Share Offer**).
- (b) Up to 275,000,000 New Options (being 550,000,000 New Options on a pre-Consolidation basis) to the Underwriter and the Sub-underwriters of the SPP Offer

for nil cash consideration, on the basis of one New Option for every two Shares sub-underwritten under the SPP Offer (**Underwriter Option Offer**).

- (c) Up to 200,000,000 Shares and 50,000,000 New Options (being 400,000,000 Shares and 100,000,000 New Options on a pre-Consolidation basis) to the Underwriter or its nominees (the **Top-up Placement Offer**). The Top-up Placement will raise up to a maximum of \$200,000 in total at an issue price of \$0.001 each (being an issue price of \$0.0005 each on a pre-Consolidation basis), together with one free attaching New Option (exercisable at \$0.002 (being \$0.001 on a pre-Consolidation basis) on or before 31 March 2019) for every four Shares subscribed for under the Top-up Placement Offer. The Top-up Placement Offer is not underwritten.
- (d) Up to 62,000,000 New Options (being 124,000,000 New Options on a pre-Consolidation basis) for nil cash consideration, on the basis of one New Option for every two Shares subscribed for under the Prior Placement (being one for every Share subscribed for under the Prior Placement on a pre-Consolidation basis) (**Prior Placement Option Offer**).

The Underwriter Share Offer, the Underwriter Option Offer and the Top-up Placement Offer under this Prospectus are made only to the Underwriter or its nominees (including sub-underwriters of the SPP Offer).

The Prior Placement Option Offer under this Prospectus is made only to the persons who participated in the Prior Placement (**Prior Placement Participants**).

Depending on the context, the SPP Offer, the Shortfall Offer, the Underwriter Share Offer, the Underwriter Option Offer, the Top-up Placement Offer and the Prior Placement Option Offer shall together, or separately, be called the "**Offer**" or "**Offers**" as applicable.

Completion of the Offers is conditional on Shareholder approval of the Offers being obtained at the Shareholder Meeting.

Further information on how to apply is set out in Sections 1.12(b) to 1.12(d).

Participation in the Offers is optional and is subject to the terms and conditions in this Prospectus.

Refer to Section 5.1 for a summary of the rights attaching to the Shares and Section 5.2 for the terms and conditions of the New Options.

#### **1.4 Consolidation of share capital**

Unless otherwise stated, all references to securities of the Company as set out in this Prospectus are on the basis that the Consolidation of the Company's issued capital on a ratio of 1:2 (which is proposed for Shareholder approval at the Shareholder Meeting) has been implemented.

#### **1.5 Purpose of the Offers**

As outlined in Sections 1.1 and 1.2 above, the Company proposes to raise up to \$550,000 through the SPP Offer and up to \$200,000 through the Top-up Placement Offer.

Completion of both the SPP Offer and the Top-up Placement Offer is conditional on Shareholder approval of the Offers being obtained at the Shareholder Meeting.

This Prospectus has been issued to make the SPP Offer. This Prospectus has also been issued to facilitate secondary trading of the Shares and New Options to be issued under the Offers and the Shares to be issued upon exercise of the New Options. Issuing the New Options under this Prospectus will enable persons who are issued the New Options to on-sell the Shares issued on exercise of the New Options pursuant to ASIC Class Order C04/671.

Accordingly, the purpose of this Prospectus is to:

- (a) make the SPP Offer;
- (b) ensure that the on-sale of the Shares and New Options to be issued under the Offers is in accordance with the Corporations Act; and
- (c) ensure that the on-sale of the underlying securities to be issued upon exercise of the New Options is in accordance with ASIC Class Order C04/671.

## 1.6 Use of Company Funds

Completion of the issue of Securities offered by this Prospectus will result in an increase in the cash on hand of up to approximately \$750,000 (before payment of Offer costs).

The total funds of the Company, including the funds raised under the SPP Offer and Top-up Placement Offer, are proposed to be expended as follows:

Description	A\$
1. Cash as at 31 March 2015	\$120,000
2. Funds raised under the SPP Offer (before costs of the SPP Offer)	550,000
3. Funds raised pursuant to Top-up Placement Offer (before costs of the Top-up Placement Offer)	200,000 <sup>(1)</sup>
<b>Total cash as at the date of this Prospectus and funds raised under the SPP Offer and the Top-up Placement Offer</b>	<b>\$870,000</b>
1. Repayment of Convertible Loans and associated fees and interest	\$385,890
2. Working Capital and Administration	\$401,610 <sup>(1)</sup>
3. Costs of SPP Offer and Top-up Placement Offer	\$82,500 <sup>(2)</sup>
<b>Total use of funds</b>	<b>\$870,000</b>

(1) This amount will be reduced if the maximum amount is not raised under the Top-up Placement.

(2) This amount only includes payments to be made in cash. See Section 5.10 for more details. Pursuant to the terms of the Underwriting Agreement, the Underwriter is also entitled to be:

- (a) issued 62,500,000 Shares (being 125,000,000 Shares on a pre-Consolidation basis) subject to:
  - (i) Shareholder approval which will be sought at the Shareholder Meeting; and

- (ii) completion of the SPP Offer and the Top-up Placement Offer,  
(being the Shares the subject of the Underwriter Share Offer); and
- (b) granted to itself or its nominees up to 275,000,000 New Options (being 550,000,000 New Options on a pre-Consolidation basis) under the Underwriter Option Offer.

No funds will be raised from the Underwriter Share Offer, the Underwriter Option Offer or the Prior Placement Option Offer.

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the amount raised under the Top-up Placement Offer, the development of new opportunities and other factors (including the risk factors outlined in Section 3).

Unallocated working capital may be utilised by the Company to pay for cost overruns in development of new opportunities and in the administration of the Company.

## **1.7 Opening and Closing Dates**

The Company will accept Application Forms from the Opening Date, being 12 June 2015, until 5.00pm WST on the Closing Date, being 15 July 2015 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

## **1.8 Shareholder Eligibility to participate in SPP Offer**

Participation in the SPP Offer is open to each person registered as a holder of Shares on the Record Date, being 29 May 2015, who has a registered address in Australia or New Zealand (**Eligible Shareholders**).

Trustees and nominees are able to apply for one maximum parcel of Securities under the SPP Offer for each beneficiary.

## **1.9 Parcels of Securities**

Regardless of the number of Shares currently owned, Eligible Shareholders are entitled to apply for a parcel of Securities in the Company valued at:

- (a) \$1,000 (1,000,000 Shares and 250,000 New Options (being 2,000,000 Shares and 500,000 New Options on a pre-Consolidation basis));
- (b) \$2,000 (2,000,000 Shares and 500,000 New Options (being 4,000,000 Shares and 1,000,000 New Options on a pre-Consolidation basis));
- (c) \$5,000 (5,000,000 Shares and 1,250,000 New Options (being 10,000,000 Shares and 2,500,000 New Options on a pre-Consolidation basis));
- (d) \$10,000 (10,000,000 Shares and 2,500,000 New Options (being 20,000,000 Shares and 5,000,000 New Options on a pre-Consolidation basis)); or
- (e) \$15,000 (15,000,000 Shares and 3,750,000 New Options (being 30,000,000 Shares and 7,500,000 New Options on a pre-Consolidation basis)).

Each Eligible Shareholder may only apply for one of these parcels.



## 1.10 Scale Back

The Company does not intend to issue more than 550,000,000 Shares and 137,500,000 attaching New Options (being 1,100,000,000 Shares and 275,000,000 attaching New Options on a pre-Consolidation basis) under the SPP Offer. If Applications for more than 550,000,000 Shares and 137,500,000 attaching New Options are received, the Company may, in its absolute discretion, undertake a scale-back to the extent and in the manner it sees fit and a shareholder may be issued a lesser number of Shares than applied for.

The Company intends to scale-back oversubscriptions on a first-come first-served basis. Any scale-back will be announced on 22 July 2015. If the Company scales-back an application or purported application, the Company will promptly return the relevant application monies to the shareholder, without interest.

## 1.11 Underwriting of SPP Offer

The SPP Offer is fully underwritten by Patersons Securities Limited (the **Underwriter**) on the terms of the underwriting agreement entered into between the Company and the Underwriter (**Underwriting Agreement**). A summary of the Underwriting Agreement is set out in Section 5.3. Subject to Shareholder approval of the Offers being obtained at the Shareholder Meeting, any shortfall from the SPP Offer will be issued to the Underwriter or sub-underwriters nominated by the Underwriter.

The Top-up Placement Offer is not underwritten.

## 1.12 How to apply

### (a) SPP Offer

Subject to any scale back in accordance with Section 1.10, acceptance of a completed the general application form accompanying this Prospectus (**SPP Offer Application Form**) or BPAY payment by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities applied for. The SPP Offer Application Form does not need to be signed to be a binding acceptance of Securities.

Applications and payments may not be withdrawn once the Company has received them. Oversubscriptions or refunds of other Application Monies in any circumstances will be without interest.

If the SPP Offer Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance of an SPP Offer Application Form as valid and how to construe, amend or complete the Application Form, is final.

Applications will not be accepted after the Closing Date.

The Company reserves the right to reject any Application where it believes there is non-compliance with any terms or conditions of the SPP Offer.

By applying for Securities under the SPP Offer, you will have agreed to be bound by the terms and conditions of the SPP Offer as set out in this Prospectus.

**(b) Top-up Placement Offer**

The Top-up Placement Offer is an offer only to the Underwriter or its nominees (including the Sub-underwriters who sub-underwrite the SPP Offer). Only the Underwriter or its nominees may apply for Securities under the Top-up Placement Offer.

Offers under the Top-up Placement Offer may be made for a period of 30 days after the Closing Date of the SPP Offer. A personalised Application Form will be issued to the Underwriter and each of its nominees together with a copy of this Prospectus. The number of Shares and attaching New Options to be offered to the Underwriter and each of its nominees will be outlined in the personalised Application Form provided by the Company. The Company will only provide personalised Application Forms in relation to the Top-up Placement Offer to the persons entitled to participate in that Offer.

In order to apply for the grant of Shares and attaching New Options under the Top-up Placement Offer you must complete and return the personalised Application Form provided to you to the Company, together with a cheque for the Application Monies or a payment to the bank account advised by the Company by the time and date advised by the Company.

**(c) Underwriter Share Offer and Underwriter Option Offer**

Each of the Underwriter Share Offer and the Underwriter Option Offer is an offer only to the Underwriter or its nominees (including the Sub-underwriters who sub-underwrite the SPP Offer). Only the Underwriter or its nominees may apply for Securities under the Underwriter Share Offer and the Underwriter Option Offer.

A personalised Application Form will be issued to the Underwriter and each of its nominees together with a copy of this Prospectus. The number of Shares and/or New Options (as applicable) to be offered to the Underwriter and each of its nominees will be outlined in the personalised Application Form provided by the Company. The Company will only provide personalised Application Forms in relation to the Underwriter Share Offer and the Underwriter Option Offer to the persons entitled to participate in those Offers.

In order to apply for the grant of Shares and/or New Options (as applicable) under either the Underwriter Share Offer and the Underwriter Option Offer you must complete and return the personalised Application Form provided to you to the Company by the time and date advised by the Company.

**(d) Prior Placement Option Offer**

The Prior Placement Option Offer is an offer only to the Prior Placement Participants. Only the Prior Placement Participants may apply for New Options under the Prior Placement Option Offer.

A personalised Application Form will be issued to the Prior Placement Participants together with a copy of this Prospectus. The number of New Options to be offered to you will be outlined in the personalised Application Form provided by the Company. The Company will only provide personalised Application Forms in relation to the Prior Placement Option Offer to the persons entitled to participate in that Offer.

In order to apply for the grant of New Options under the Prior Placement Option Offer you must complete and return the personalised Application Form provided to you to the Company by the time and date advised by the Company.

### **1.13 Issue**

All Securities offered by this Prospectus are expected to be issued, and security holder statements sent, on or before the date specified in the timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in the Securities. Applicants who sell Securities before they receive their holding statements will do so at their own risk.

### **1.14 Application Monies**

All Application Monies received for the Securities under the SPP Offer, the Shortfall Offer and the Top-up Placement Offer will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to the SPP Offer, the Shortfall Offer and the Top-up Placement Offer under this Prospectus until the Securities are issued. All Application Monies will be returned (without interest) if the Securities are not issued. In particular, if Shareholder approval of the Offers is not obtained, all Application Monies will be returned (without interest).

The Shares under the Underwriter Share Offer are being issued to the Underwriter as payment for services provided by the Underwriter, and the New Options under the Underwriter Option Offer and the Prior Placement Option Offer are being granted as free attaching Options to the Underwriter, its nominees and the Prior Placement Participants, so no application monies are required to be paid to subscribe for Shares pursuant to the Underwriter Share Offer or New Options pursuant to the Underwriter Option Offer and the Prior Placement Option Offer. Accordingly, no funds will be raised by the Underwriter Share Offer, the Underwriter Option Offer or the Prior Placement Option Offer.

### **1.15 ASX quotation**

Application will be made to ASX no later than seven days after the date of this Prospectus for the Official Quotation of the Shares and New Options offered under the Offers. If permission is not granted by ASX for the Official Quotation of the Shares and New Options offered by this Prospectus within three months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

### **1.16 CHESS**

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares.

If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Security Transfer Registrars and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Securityholding changes. Shareholders may request a statement at any other time, however a charge may be made for additional statements.

### **1.17 Overseas Shareholders**

Due to foreign security laws, it is not practical for Shareholders whose registered address is outside Australia or New Zealand to participate under the SPP Offer.

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in Australia and New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in Australia and New Zealand. Where the Prospectus has been sent to Shareholders domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by the Prospectus, the Prospectus is provided for information purposes only.

The SPP Offer is being made in New Zealand in reliance on the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. This document is not a prospectus or investment statement under New Zealand law and has not been registered or filed with, or approved by, any New Zealand regulatory authority under or in accordance with the New Zealand Securities Act 1978 or any other relevant law in New Zealand. This document may not contain all the information that an investment statement, or a prospectus under New Zealand law is required to contain.

### **1.18 Modification and termination of the SPP Offer or the Top-up Placement Offer and Dispute Resolution**

The Company may modify or terminate the SPP Offer or the Top-up Placement Offer at any time including closing the SPP Offer or the Top-up Placement Offer early.

The Company will notify ASX of any modification to, or termination of, the SPP Offer or the Top-up Placement Offer. The omission to give notice of any modification to, or termination of, the SPP Offer or the Top-up Placement Offer or the failure of ASX to receive such notice will not invalidate the modification or termination.

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP Offer or the Top-up Placement Offer, whether generally or in relation to any participant or application, and the decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates.

The Company reserves the right to waive strict compliance with any provision of the terms and conditions of this Prospectus. The powers of the Company under this Prospectus may be exercised by the Directors or any delegate of the Directors.

### **1.19 Risk factors**

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are in Section 3.

### **1.20 Taxation implications**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Securities under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

### **1.21 Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2014 is in the Annual Financial Report which was lodged with ASX on 1 October 2014.

A summary of activities relating to the Company for the half year ended 31 December 2014 is in the Half Year Accounts, lodged with ASX on 27 February 2015.

The Company's continuous disclosure notices (i.e. ASX announcements) since 30 June 2014 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in any of the Offers.

### **1.22 Privacy**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### **1.23 Enquiries concerning Prospectus**

Enquiries concerning the Application Form can be obtained by contacting Security Transfer Registrars by telephone on (08) 9315 2333.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (03) 9607 8280.

If you have any questions regarding the Offers or how to deal with the Offers, please contact your professional advisor or stockbroker.

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## 2. Action required by Shareholders

### 2.1 Application for Securities under the SPP Offer

Eligible Shareholders may apply to purchase a parcel of Securities under the SPP Offer valued at any one of:

- (a) \$1,000 (1,000,000 Shares and 250,000 New Options (being 2,000,000 Shares and 500,000 New Options on a pre-Consolidation basis));
- (b) \$2,000 (2,000,000 Shares and 500,000 New Options (being 4,000,000 Shares and 1,000,000 New Options on a pre-Consolidation basis));
- (c) \$5,000 (5,000,000 Shares and 1,250,000 New Options (being 10,000,000 Shares and 2,500,000 New Options on a pre-Consolidation basis));
- (d) \$10,000 (10,000,000 Shares and 2,500,000 New Options (being 20,000,000 Shares and 5,000,000 New Options on a pre-Consolidation basis)); or
- (e) \$15,000 (15,000,000 Shares and 3,750,000 New Options (being 30,000,000 Shares and 7,500,000 New Options on a pre-Consolidation basis)).

Each Eligible Shareholder may only apply for one of these parcels.

Should you wish to participate in the SPP Offer, then applications for Securities under this Prospectus may be made:

- (a) on the personalised SPP Offer Application Form which accompanies this Prospectus;
- (b) or by completing a BPAY® payment,

in accordance with the instructions referred to in this Prospectus and on the SPP Offer Application Form. Please read the instructions carefully.

Should you wish to make application via the personalised SPP Offer Application Form, please complete the SPP Offer Application Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the SPP Offer Application Form.

If you wish to pay via BPAY® you must follow the instructions in the SPP Offer Application Form and quote your personalised reference number that has been provided on the personalised SPP Offer Application Form. You will be deemed to have applied for Securities upon receipt of the BPAY® payment by the Company. Eligible Shareholders who elect to pay via BPAY® do not need to return their completed SPP Offer Application Form. If you elect to pay via BPAY® then your payment must be made before 4.00pm (WST) on the Closing Date. Please read the instructions carefully.

Completed SPP Offer Application Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "IM Medical Ltd" and lodged and

received at any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By delivery            Security Transfer Registrars  
770 Canning Highway, Applecross WA 6153, Australia,

By Post                Security Transfer Registrars  
PO Box 535, Applecross WA 6953, Australia

The Company shall not be responsible for any postal or delivery delays or delay in the receipt of the BPAY® payment.

## **2.2 SPP Offer Certifications**

By returning the SPP Offer Application Form or by making the BPAY payment you are deemed to have given the Company the certifications in the SPP Offer Application Form.

## **2.3 No application**

If you do not wish to apply for any Securities pursuant to the SPP Offer, you are not obliged to do anything.

The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to apply for any Securities pursuant to the SPP Offer.

## **2.4 Enquiries concerning the SPP Offer**

If you have any queries concerning the SPP Offer please contact:

Security Transfer Registrars  
770 Canning Highway, Applecross WA 6153, Australia,

**Telephone:** (08) 9315 2333

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### 3. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

#### 3.1 Risks specific to the Company

(a) **Failure to Complete the SPP Offer and the Top-up Placement Offer**

Completion of the SPP Offer and the Top-up Placement Offer are subject to Shareholder approval of the Offers.

There is a risk that Shareholder approval will not be obtained and that the SPP Offer and the Top-up Placement Offer may not be completed.

If the SPP Offer does not complete, the Company will not have sufficient funds to repay the convertible notes it has on issue. There is no certainty that the Company will be able to raise sufficient funds from other sources to repay the convertible notes. Therefore if the SPP Offer does not complete there is a risk that the solvency of the Company may be jeopardised.

(b) **ASX Listing**

The ASX has certain requirements, including the level of the operations that listed companies must meet in order to remain listed. If these requirements in the discretion of the ASX are not met, the ASX has the ability to suspend a company until such time as the requirements are met. The Company has in the recent past had a limited level of business operations and consequently there is a risk that the ASX may exercise its discretion that these requirements are not met and suspend the Company.

The Company has been and still is actively investigating the investment in or acquisition of business operations, and is thereby actively seeking to satisfy the ASX requirements.

(c) **Negative Cash Operating Position**

As at the date of this Prospectus the Company is operating on a negative cash operating basis, that is, its operating expenses exceed its revenues. The Company may be unable to enter into new contracts (and meet the requisite deliverables under such contracts) or identify new business opportunities (refer to Section 3.1(d) below) whilst still operating the cash flow negative operating business. As such it is possible that the Company's cash flow position will remain negative and its financial position may thus worsen. A failure by the Company to successfully mitigate the risk



of this occurring may cause the Company's financial position to deteriorate and affect the Company's ability to operate as a going concern.

(d) **New Business Opportunities**

The Company is currently pursuing new business opportunities. Should a suitable new business opportunity be identified, it will then need to be assessed for its technical, legal and commercial suitability.

There can be no guarantee that any proposed acquisition of a new business or project will be completed or will be successful. The acquisition of new business opportunities (whether completed or not) may also require payment of monies (as a deposit or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence.

If any proposed acquisition is not completed, monies already advanced may not be recoverable. Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the risks associated with operating a new business or project will also apply. Any such new business or project will also be subject to the risks associated with the industry in which they operate.

(e) **Future Capital Requirements**

The Company may have a need to raise funds in the future (whether by way of debt or equity) even if the SPP Offer and the Top-up Placement Offer are completed.

The ability of the Company to meet this future requirement, should it arise, will be dependent on the Company's continued access to credit markets, funding sources and financing facilities.

Recent developments in global financial markets have adversely affected the liquidity of global credit markets, which has resulted in an increase in the cost of funding and in certain cases a reduction in the availability of funding sources throughout global markets. Access to credit markets on less favourable terms will impact the Company's access to financing facilities should the need arise, and may have a material adverse effect on the Company's future financial performance and position.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing, if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if, and when, needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities and its solvency.

(f) **Liquidity**

The Shares and options in the Company that are listed on the ASX have only limited liquidity. The value of Shares traded in the 12 months prior to the date of this prospectus was \$126,656. None of the Company's options were traded in the last 12 months.

There can be no certainty that there will be a liquid market for the Company's Shares and options on completion of the Offers.

## 3.2 General Risks

### (a) General Economic Conditions

The operating and financial performance of the Company may be influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates, access to debt and capital markets, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters, and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic condition, including a decrease in commodity demand, may have an adverse impact on the Company's business or financial condition. No guarantee can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factor.

### (b) Global Credit and Investment Markets

In recent years global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including ASX). This may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

### (c) Securityholders' Margin Lending arrangements

Securityholders may, from time to time, enter into margin lending arrangements for the purchase of Securities in the Company on terms and conditions not known to the Company.

The Company is unable to predict the risk of financial failure or default by a Securityholder who has entered into such an arrangement or insolvency or other managerial failure by any party who may have provided such an arrangement to the Securityholder. Such an event may lead to parcels of Securities being made available for sale which may impact negatively on the price of the Securities.

### (d) Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors.

The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of the Company.

### (e) Securities Investment

Applicants should be aware that there are risks associated with any securities investment. The prices at which Shares trade may be above or below the issue or acquisition price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(f) **Share market conditions**

Share market conditions may affect the value of Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) changes in investor sentiment toward particular market sectors;
- (iv) the demand for, and supply of, capital; and
- (v) terrorism or other hostilities.

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

### **3.3 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

## 4. Effect of the Offers

### 4.1 Capital Structure on completion of the Offers

	Number of Shares (pre-Consolidation)	Number of Shares (post-Consolidation)	Number of Options (pre-Consolidation)	Number of Options (post-Consolidation)
Balance at the date of this Prospectus	952,465,220	476,232,610	717,713,008 <sup>(1)</sup>	358,856,504 <sup>(2)</sup>
To be issued under the SPP Offer and the Shortfall Offer	1,100,000,000	550,000,000	275,000,000 <sup>(3)</sup>	137,500,000 <sup>(4)</sup>
To be issued under the Top-Up Placement Offer	400,000,000	200,000,000	100,000,000 <sup>(3)</sup>	50,000,000 <sup>(4)</sup>
To be issued under the Underwriter Share Offer	125,000,000	62,500,000	-	-
To be issued under the Underwriter Option Offer	-	-	550,000,000 <sup>(3)</sup>	275,000,000 <sup>(4)</sup>
To be issued under the Prior Placement Option Offer	-	-	124,000,000 <sup>(3)</sup>	62,000,000 <sup>(4)</sup>
<b>Balance after the Offers (if fully subscribed)</b>	<b>2,577,465,220</b>	<b>1,288,732,610</b>	<b>1,766,713,008</b>	<b>883,356,504</b>

(1) Options each exercisable at \$0.0072 on or before 30 September 2016.

(2) Options each exercisable at \$0.0144 on or before 30 September 2016.

(3) Options each exercisable at \$0.001 on or before 31 March 2019.

(4) Options each exercisable at \$0.002 on or before 31 March 2019.

### 4.2 Pro Forma Statement of Financial Position

#### Basis of Preparation

The Pro-forma Statement of financial position has been prepared in accordance with the ASIC Guide to Disclosing Pro Forma Financial Information.

The consolidated statement of financial position as at 31 March 2015 is based on the unaudited management reports and has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The statement of financial position as at 31 March 2015 have been prepared to provide Shareholders with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The pro forma statement of financial position is based on the unaudited statement of financial position as at 31 March 2015 and has then been adjusted to reflect the following material transactions, assuming Shareholder approval is obtained for the proposed transaction.

Consolidated \$000'S	IM Medical Ltd (Unaudited Management Report)	Pro-forma Adjustments	Pro-forma post Offers
<b>Assets</b>			
<b>Current Assets</b>			
Cash at Bank	120	282	402
Sundry debtors	10		10
	130	282	412
<b>Non-current assets</b>			
Total Non-current assets	-		-
Total Assets	130	282	412
<b>Liabilities</b>			
Trade Creditors	80		80
Total Current Liabilities	80		80
<b>Non-Current liabilities</b>			
Total Non Current Liabilities	-		-
<b>Net Assets</b>	50	282	332
<b>Equity</b>			
Shares Issued	24,350	813	25,163
Cost of Issue	-	(145)	(145)
In-specie Distribution	(2,307)	-	(2,307)
Notes	300	(300)	
Accumulated losses	(22,293)	(86)	(22,379)
<b>Total Equity</b>	50	282	332

### Pro Forma Adjustments

The pro forma statement of financial position has been prepared based on the unaudited statement of financial position as at 31 March 2015 that has been adjusted to reflect the following transactions and events relating to the issue of Shares and New Options under this Prospectus:

- (a) Receipt of proceeds of the Offers net of capital raising costs of \$605,000 (gross proceeds of the Offers are \$750,000 and capital raising costs associated with both the SPP Offer and Top-up Placement Offer are expected to be \$145,000), on the assumption that the Top-up Placement Offer is fully taken up.
- (b) Repayment of the \$300,000 Converting Loan including a redemption payment of \$60,000 and accrued interest of 15% p.a. from 24 December 2014 to 22 July 2015 of \$25,890.

### 4.3 Market price of Shares

During the three months immediately preceding the date of lodgement of this Prospectus with ASIC the Company's Shares have only traded at \$0.001 per Share.

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.001 per Share on 1 June 2015 (being the last day that Shares were traded on ASX).

#### **4.4 Dividend policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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## **5. Additional information**

### **5.1 Rights attaching to Shares**

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

#### **(a) Voting**

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the Share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

#### **(b) General Meetings**

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

#### **(c) Dividends**

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number of, and the amount paid on (no credited), the Shares held.

#### **(d) Transfer of Shares**

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Operating Rules. If the

Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Operating Rules.

(e) **Variation of Rights**

The Company may only modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the shareholders of the shares of that class, or with the written consent of the holders of at least three-quarters of the issued shares of that class.

(f) **Directors**

The minimum number of Directors is three. Currently, there are four Directors. Directors, other than the managing Director, must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. No Director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next general meeting.

(g) **Decisions of Directors**

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) **Issue of Further Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) **Alteration to the Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(j) **ASX Listing Rules Prevail**

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules prevail.

## 5.2 **Terms and Conditions of the New Options**

The New Options entitle the holder to subscribe for Shares on the following terms and conditions:

(a) **Entitlement**

Each New Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

The Options have an exercise price of \$0.002 (being \$0.001 on a pre-Consolidation basis) (**Exercise Price**) and an expiry date of 31 March 2019 (**Expiry Date**).

(c) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date.

(d) **Notice of Exercise**

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

(e) **Shares issued on exercise**

Shares issued on exercise of the Options will rank equally with the then shares of the Company.

(f) **Quotation of Shares on exercise**

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(g) **Timing of issue of Shares**

After an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (i) issue the Share; and
- (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

(i) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.



(j) **Adjustment for entitlement issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - E[P-(S+D)]}{N+1}$$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

(k) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(l) **Quotation of Options**

The Options will be listed Options.

(m) **Options transferable**

The Options are freely transferable.

(n) **Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

### 5.3 **Underwriting Agreement and Mandate Letter**

Pursuant to the Underwriting Agreement, the Underwriter has agreed to manage the SPP Offer and conditionally fully underwrite the SPP Offer. The Underwriting Agreement supersedes a mandate letter between the Company and the Underwriter and the Company dated 28 May 2015 in relation to the SPP Offer (the **Mandate Letter**). The Mandate Letter continues to apply in relation to the Top-Up Placement Offer.

The Underwriting Agreement remains conditional upon Shareholder approval of the Offers at the Shareholder Meeting.

Pursuant to the Underwriting Agreement, the Company has agreed to:

- (a) pay the Underwriter a fee of 6% of the total amount raised pursuant to the SPP Offer (being \$33,000), in consideration for the Underwriter's underwriting obligations;
- (b) issue to the Underwriter (or its nominees):
  - (i) 50,000,000 Shares (100,000,000 Shares on a pre-Consolidation basis) on completion of the SPP Offer; and
  - (ii) 12,500,000 Shares (25,000,000 Shares on a pre-Consolidation basis) on completion of the Top-up Placement Offer,(together, being the Shares the subject of the Underwriter Share Offer); and
- (c) grant to the Underwriter (or its nominees) 275,000,000 New Options (being 550,000,000 New Options on a pre-Consolidation basis) under the Underwriter Option Offer.

In addition, the Underwriter will be reimbursed for all costs and expenses of and incidental to the SPP Offer. If the Company or the Underwriter terminates the Underwriting Agreement, the Company will pay the Underwriter a termination fee of \$60,000 and any accrued expenses up to the date of termination.

Pursuant to the Mandate Letter, the Company has also agreed to pay the Underwriter a new issue fee of 6% of the total amount raised pursuant to the Top-up Placement Offer (being \$33,000 if the Top-up Placement Offer is fully subscribed).

The obligation of the Underwriter to underwrite the SPP Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement, upon or at any time prior to the Issue Date, if:

- (a) **(Indices fall)**: the All Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement (i.e. 5,143.1 or less); or
- (b) **(Shareholder Approval)**: Shareholder approval of the Offers is obtained before 15 July 2015 (or such other date agreed in writing between the Company and the Underwriter); or
- (c) **(Prospectus)**: the Prospectus or the SPP Offer is withdrawn by the Company; or
- (d) **(Supplementary prospectus)**:
  - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of an occurrence as described in paragraph (o)(vi) below, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or

replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or

- (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or
- (e) **(Non-compliance with disclosure requirements)**: it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act;
- (f) **(Misleading Prospectus)**: it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (g) **(No Official Quotation)**: ASX has indicated before 17 July 2015 (or such other date agreed in writing between the Company and the Underwriter) that Official Quotation will not be granted in accordance with the timetable set out in the Underwriting Agreement or will be granted with such conditions attached so as to represent a Material Adverse Effect, having been granted, is subsequently withdrawn, withheld or qualified; or
- (h) **(Restriction on allotment)**: the Company is prevented from allotting the Shares under the SPP Offer within the time required by the Underwriting Agreement, the Corporations Act, the ASX Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (i) **(Withdrawal of consent to Prospectus)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (j) **(ASIC or other prosecution)**: ASIC gives notice of any deficiency in the SPP Offer, the Prospectus or related documents or ASIC gives notice of an intention to hold a hearing, examination or investigation, or it requires information to be disclosed in connection with the SPP Offer, the Prospectus or the Company; or
- (k) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
- (l) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the People's Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated in any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (m) **(Authorisation)**: any authorisation which is material to anything referred to in the SPP Offer or the share purchase plan is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or

- (n) **(Indictable offence)**: a director or a senior manager of a Relevant Company is charged with an indictable offence; or
- (o) **(Termination Events)**: subject always to the material adverse effect qualification described below, any of the following events occur:
- (i) **(Default)**: default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
  - (ii) **(Incorrect or untrue representation)**: any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
  - (iii) **(Contravention of constitution or Act)**: a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
  - (iv) **(Adverse change)**: an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast disclosed to ASX prior to the date of the Underwriting Agreement becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
  - (v) **(Error in Due Diligence Results)**: it transpires that any of the due diligence results (as defined in the Underwriting Agreement) or any part of the verification material (as defined in the Underwriting Agreement) was false, misleading or deceptive or that there was an omission from them;
  - (vi) **(Significant change)**: a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
  - (vii) **(Public statements)**: without the prior approval of the Underwriter a public statement is made by the Company in relation to the SPP Offer or the share purchase plan;
  - (viii) **(Misleading information)**: any material information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the SPP Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
  - (ix) **(Official Quotation qualified)**: the Official Quotation is qualified or conditional other than as set out in the definition of Official Quotation in the Listing Rules;
  - (x) **(Change in Act or policy)**: there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;

- (xi) **(Prescribed Occurrence)**: a Prescribed Occurrence occurs;
- (xii) **(Suspension of debt payments)**: the Company suspends payment of its debts generally;
- (xiii) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of a Relevant Company;
- (xiv) **(Judgment against a Relevant Company)**: a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
- (xv) **(Litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims disclosed to the Underwriter prior to the date of the Underwriting Agreement;
- (xvi) **(Board and senior management composition)**: there is a change in the composition of the Board or a change in the senior management of the Company before completion of the SPP Offer without the prior written consent of the Underwriter;
- (xvii) **(Change in shareholdings)**: there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) **(Timetable)**: there is a delay in any specified date in the timetable set out in the Underwriting Agreement which is greater than 3 Business Days;
- (xix) **(Force Majeure)**: a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xx) **(Certain resolutions passed)**: a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the SPP Offer;
- (xxii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a related company;
- (xxiii) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets;
- (xxiv) **(Material Breach)**: if the Company fails to rectify any material breach of the Underwriting Agreement having been given 10 business days' notice in writing by the Underwriter of such breach having occurred; or

- (xxv) **(Suspension):** the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension.

The Underwriter may not exercise its rights under termination event (o) above unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a termination event has or is likely to have, or two or more termination events together have or are likely to have:

- (a) a Material Adverse Effect; or
- (b) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this type.

Defined terms used in this section 5.3 have the following meanings, which are given to the terms in the Underwriting Agreement:

**"Event of Insolvency"** means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b);
  - (ii) winding up a corporation; or
  - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

**"Force Majeure"** means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

**"Insolvency Provision"** means any Act relating to insolvency, sequestration, liquidation or bankruptcy (including any Act relating to the avoidance of conveyances in fraud of creditors or of preferences, and any Act under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

**"Material Adverse Effect"** means:

- (a) a material adverse effect on the outcome of the SPP Offer or on the subsequent market for the Shares issued under the SPP Offer (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Shares under the SPP Offer); or
- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole; or
- (c) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
- (d) a material adverse effect on the tax position of either:
  - (i) the Company and its Subsidiaries either individually or taken as a whole; or
  - (ii) an Australian resident shareholder in the Company.

**"Prescribed Occurrence"** means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) a Relevant Company:
  - (i) entering into a buy back agreement or;
  - (ii) resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the SPP Offer or the terms of the Underwriting Agreement;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;

- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

**"Relevant Company"** means the Company and each material Subsidiary.

**"Subsidiary"** means each company which at the date of execution of the Underwriting Agreement or at the time of completion of the share purchase plan is a subsidiary of the Company within the meaning of the Corporations Act.

#### 5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below).

#### 5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Financial Report of the Company for the year ended 30 June 2014, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;
- (b) the half-year financial report for the half-year ended 31 December 2014 lodged by the Company with ASX on 27 February 2015; and
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
01/06/2015	Underwritten Security Purchase Plan
28/05/2015	Trading Halt
22/05/2015	Corporate Update



<b>Date Lodged</b>	<b>Subject of Announcement</b>
01/05/2015	Alteration to Notice of Meeting
28/04/2015	Appendix 4C - quarterly
24/04/2015	Notice of General Meeting/Proxy Form
27/02/2015	Half Yearly Report and Accounts
30/01/2015	Appendix 4C - quarterly
23/12/2014	Syncom Investor Presentation
23/12/2014	Agreement to acquire Syncom Australia Pty Ltd
19/12/2014	Trading Halt
28/11/2014	Results of Meeting
28/11/2014	Chairman's Address to Shareholders
31/10/2014	Appendix 4C - quarterly
28/10/2014	Annual Report to shareholders
28/10/2014	Notice of Annual General Meeting/Proxy Form

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 40, 140 William Street, Melbourne VIC 3000, Australia;

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.11 and the consents provided by the Directors to the issue of this Prospectus.

## **5.6 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

## **5.7 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## **5.8 Directors' interests**

- (a) Interests

Except as disclosed in this Prospectus, no Director or proposed director, and no firm in which a Director or proposed director:

- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offers or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or

- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offers.

(b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the Shares and Options of the Company at the date of this Prospectus:

Director	No. of Shares Held	No. of Options Held
Nigel Blaze	Nil	Nil
Richard Wadley	Nil	Nil
Paul Burton	Nil	Nil

(c) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$250,000 per annum to be paid as non-executive Directors' fees.

The amount of aggregate remuneration approved by Shareholders and the manner in which is it apportioned amongst Directors is reviewed annually. Each Director receives a fee for being a Director of the Company and is entitled to be paid an additional fee for each Board Committee on which the Director sits. The entitlement to the additional fees for serving on a committee recognizes the additional time commitment required by Directors in discharging their responsibilities to the Board.

Directors, or their nominee companies, received the following remuneration for the preceding two financial years:

Directors	Year	Salary & Fees \$	Superannuation \$	Share Based Payments \$	Total \$
Nigel Blaze	2014/2015	29,789 <sup>(1)</sup>	-	-	27,706
	2013/2014	32,560	-	-	32,560
Richard Wadley	2014/2015	63,053 <sup>(2)</sup>	-	-	53,338
	2013/2014	77,800	-	-	77,800
Paul Burton	2014/2015	25,145 <sup>(3)</sup>	-	-	25,145
	2013/2014	33,225	-	-	33,225

(1) \$21,456 paid, \$8,333 accrued.

(2) \$39,999 paid, \$23,653 accrued.

(3) \$16,812 paid, \$8,333 accrued.

## 5.9 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offers or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offers.

GTP Legal will be paid fees of approximately \$12,000 (plus GST) in relation to the preparation of this Prospectus. In the past two years, GTP Legal has received approximately \$156,500 for the provision of legal services to the Company.

The Underwriter will be paid fees of approximately \$45,000 (excluding GST) in relation to its services as manager and underwriter of the SPP Offer and manager of the Top-up Placement Offer. The Underwriter will also be:

- (a) issued 62,500,000 Shares (being 125,000,000 Shares on a pre-Consolidation basis) subject to:
  - (i) Shareholder approval which will be sought at the Shareholder Meeting; and
  - (ii) completion of the SPP Offer and the Top-up Placement Offer; and
- (b) granted to itself or its nominees up to 275,000,000 New Options (being 550,000,000 New Options on a pre-Consolidation basis) under the Underwriter Option Offer.

In the past two years, the Underwriter has received approximately \$14,880 for the provision of corporate advisory services to the Company.

Security Transfer Registrars has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

## 5.10 Expenses of Offers

The estimated expenses of the Offers, assuming full take up of the Offers, are as follows:

	\$
Underwriters fees	107,500 <sup>(1)</sup>
ASIC lodgement fee	2,290
ASX quotation fee	4,200
Legal expenses	12,000
Share registry costs	4,000
Printing, mailing and other expenses	15,010
<b>Total</b>	<u>145,000</u>

(1) Comprising fees of approximately \$45,000 (excluding GST) in relation to its services as manager and underwriter of the SPP Offer and manager of the Top-up Placement Offer, and Shares to the value of \$62,500 to be issued as the Underwriter's management fee under the Underwriting Agreement (being the Shares the subject of the Underwriter Share Offer).

## 5.11 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with ASIC:

GTP Legal has given, and has not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company. GTP Legal has not authorised or caused the issue of this Prospectus or the making of the Offers under this Prospectus. GTP Legal makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

Patersons has given, and at the time of lodgement of this Prospectus has not withdrawn its consent to be named in this Prospectus as underwriter of the SPP Offer, in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name. Patersons was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons. To the maximum extent permitted by law, Patersons expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Security Transfer Registrars has given, and has not withdrawn, its written consent to be named as share registry to the Company. Security Transfer Registrars has had no involvement in the preparation of any part of this Prospectus other than being named as share registry to the Company. Security Transfer Registrars has not authorised or caused the issue of this Prospectus and the making of the Offers under this Prospectus. Security Transfer Registrars makes no representation regarding, and to the extent permitted by law excludes any responsibility for, any statements in or omissions from any part of this Prospectus.

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## 6. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



**Richard Wadley, Director and Company Secretary**

Dated: 11 June 2015

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## 7. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**AEST** means Australian Eastern Standard Time, being the time in Melbourne, Victoria.

**Annual Financial Report** means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2014 and includes the corporate directory, Shareholder

information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities for the year ended 30 June 2014, together with a Directors' report in relation to that financial year and the auditor's report for the year to 30 June 2014.

**Applicant** means a person who submits an Application Form or makes a BPAY Payment.

**Application** means a valid application for Securities made pursuant to this Prospectus on an Application Form.

**Application Form** means the SPP Offer Application Form or a personalised Application Form provided by the Company in relation to any of the other Offers (as applicable).

**Application Monies** means application monies for Securities received by the Company.

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX** means ASX Limited ACN 008 624 691.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** means the day specified in the proposed timetable or such later date as the Directors may determine.

**Company** means IM Medical Ltd ACN 009 436 908.

**Consolidation** means the consolidation of the Company's issued capital on a ratio of 1:2.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

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

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** has the meaning in Section 1.8.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Listing Rules** means the Listing Rules of ASX.

**Mandate Letter** has the meaning in Section 5.3.

**New Option** means an Option exercisable at \$0.002 (being \$0.001 on a pre-Consolidation basis) on or before 31 March 2019 and otherwise with the terms and conditions in Section 5.2.

**Offer** or **Offers** has the meaning in Section 1.3.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Shares on the Official List.

**Option** means the right to acquire one Share.

**Patersons** means Patersons Securities Limited ACN 008 896 311.

**Prior Placement** means the issue by the Company on 24 December 2013 of a total of 124,000,000 Shares at an issue price of \$0.002 each to raise \$248,000 (before costs).

**Prior Placement Option Offer** has the meaning in Section 1.3.

**Prospectus** means this prospectus dated 11 June 2015.

**Record Date** means the day specified in the proposed timetable.

**Section** means a section of this Prospectus.

**Security** means a Share or Option.

**Security Transfer Registrars** means Security Transfer Registrars Pty Ltd ACN 008 894 488.

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

**Shareholder** means a holder of Shares.

**Shareholder Meeting** has the meaning in Section 1.1.

**Shortfall** or **Shortfall Shares** means the Securities to be issued under the SPP Offer for which valid Applications have not been received by the Closing Date.

**Shortfall Offer** is as defined in Section 1.2.

**SPP Offer** has the meaning in Section 1.1.

**SPP Offer Application Form** has the meaning given in Section 1.12(a).

**Top-up Placement Offer** has the meaning in Section 1.1.

**Underwriter** has the meaning given in Section 1.11.

**Underwriter Option Offer** has the meaning in Section 1.3.

**Underwriter Share Offer** has the meaning in Section 1.3.

**Underwriting Agreement** has the meaning given in Section 1.11.

**WST** means Western Standard Time, being the time in Perth, Western Australia.