

Appendix 3B

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

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

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

IM Medical Limited ("Company")

ABN

47 009 436 908

We (the entity) give ASX the following information.

Part 1 - All issues

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

- | | | |
|---|--|--|
| 1 | *Class of *securities issued or to be issued | Fully paid ordinary shares and free attaching options. |
| 2 | Number of *securities issued or to be issued (if known) or maximum number which may be issued | 498,237,396 fully paid ordinary shares.
498,237,396 free attaching options. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares

Free attaching options (each with an exercise price of \$0.002 expiring or before 31 March 2019) |

⁺ See chapter 19 for defined terms.

4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Shares will rank equally with existing fully paid ordinary shares. Free attaching options will rank equally with existing listed IMIOA options. Shares issued on exercise of the options to shares will rank equally with existing shares.						
5 Issue price or consideration	\$0.001 cents per Share. Options free attaching on the basis of one option for every share subscribed for under the offer.						
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Non-renounceable pro-rata offer to eligible shareholders as at the record date. Funds raised will be used for the payment of liabilities and existing creditors and to provide working capital.						
7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates	12 May 2017						
8 Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table> <tr> <th>Number</th><th>⁺Class</th></tr> <tr> <td>1,826,870,453</td><td>Fully paid ordinary shares.</td></tr> <tr> <td>993,302,151</td><td>Options exercisable at \$0.002 on or before 31 March 2019.</td></tr> </table>	Number	⁺ Class	1,826,870,453	Fully paid ordinary shares.	993,302,151	Options exercisable at \$0.002 on or before 31 March 2019.
Number	⁺ Class						
1,826,870,453	Fully paid ordinary shares.						
993,302,151	Options exercisable at \$0.002 on or before 31 March 2019.						

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9 Number and ⁺class of all ⁺securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="694 154 997 201">Number</th><th data-bbox="997 154 1300 201">⁺Class</th></tr> </thead> <tbody> <tr> <td data-bbox="694 201 997 1097"></td><td data-bbox="997 201 1300 1097"></td></tr> </tbody> </table>	Number	⁺ Class		
Number	⁺ Class				
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change.				

Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
12 Is the issue renounceable or non-renounceable?	non-renounceable
13 Ratio in which the ⁺securities will be offered	3 Shares for every 8 Shares held. 1 free attaching option for each new share subscribed for under the offer.
14 ⁺Class of ⁺securities to which the offer relates	Fully paid ordinary shares. Free attaching options (each with an exercise price of \$0.002 expiring or before 31 March 2019).
15 ⁺Record date to determine entitlements	11 April 2017

⁺ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes
17	Policy for deciding entitlements in relation to fractions	Rounded down
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	5 May 2017
20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	6.50% on the total amount raised under the offer
22	Names of any brokers to the issue	Patersons Securities Limited
23	Fee or commission payable to the broker to the issue	Nil
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Nil
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	13 April 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	13 April 2017
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if	N/A

⁺ See chapter 19 for defined terms.

	applicable)	
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Issue date	12 May 2017

Part 3 - Quotation of securities

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

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

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

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☒ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☒ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)					
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 60px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

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Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

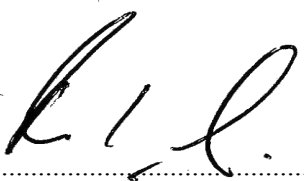
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
(Director/Company secretary)

Date: 5 April 2017

Print name: Richard Wadley

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