ASX
AUSTRALIAN STOCK EXCHANGE

MARKET RELEASE

28 June 2005

SALUS TECHNOLOGIES LIMITED (FORMERLY Q-VIS LIMITED)

PRE-REINSTATEMENT DISCLOSURE

The following information is released as pre-reinstatement disclosure.

1. Distribution schedule - Appendix 1A, paragraph 48.
2. Top 20 holders.
3. Number of securities subject to voluntary escrow and voluntary escrow period
4. Updated statement of financial position
5. Updated use of funds
6. Terms of A Class Shares, A Class Options, B Class Shares, B Class Options and Options on issue.

Security Code: SAH
SAHOA

C Panetta

Christine Panetta
<u>Senior Companies Adviser</u>

SALUS TECHNOLOGIES LIMITED
ABN 98 009 234 173

Level 1, 33 Ord Street
West Perth WA 6005,
PO Box 637 West Perth WA 6872

Telephone: +61 8 9481 2407
Facsimile: +61 8 9481 2690

28 June 2005

Australian Stock Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attention: Christine Panetta – Senior Companies Officer

Dear Christine

SALUS TECHNOLOGIES LIMITED – REINSTATEMENT TO OFFICIAL QUOTATION

The board of directors of Salus Technologies Limited (**Salus**) request that Australian Stock Exchange Limited (**ASX**) reinstate Salus' securities to official quotation as soon as practicable.

We confirm that Salus is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and the market is fully informed.

Please note the following matters:

(a) Salus has completed the non renounceable entitlement issue, AWC shareholder offer and AWC placement offer. Holding statements for the securities have been despatched by the Company's share registry;

(b) Salus has completed the acquisition of Advanced Wound Care Pty Ltd.

Attached is the following information for pre-reinstatement disclosure:

1. Annexure A

    a. Distribution of security holders

    b. Capital Structure

    c. Statement of Compliance with Listing Rules

    d. Statement of Top 20 Holders of each class of Listed Equity Securities

    e. Statement of Financial Position

    f. Use of Funds

   g. Terms and conditions of the A Class Shares, A Class Options, B Class Shares, B Class Options and Options – 30 June 2008

2. Annexure B
   a. Background
   b. Continued business

All enquiries relating to the Company should be directed to Gary Steinepreis on 08 9420 9300.

Yours faithfully

G Steinepreis

Gary Steinepreis
Director
Encl.

Annexure A

Distribution of security holders

Analysis of numbers of listed equity security holders by size of holding:

Category			Number of Shareholders	Number of Optionholders
1	-	1,000	2,202	122
1,001	-	5,000	261	49
5,001	-	10,000	273	103
10,001	-	100,000	343	194
100,001	and over		52	47
			3,131	515

Capital Structure

The capital structure of the Company following completion of the Issue is summarised below:

	Pre-Acquisition	Allotments	Total
Shares			
Current Issued Capital	18,663,040		
Shares issued by entitlement offer to existing shareholders		5,896,548	
Shares issued via Placement		1,000,000	
Shares issued upon completion of Acquisition		5,275,000[1]	
Shares issued by entitlement offer placement applicants and vendors		3,137,500	
Total			**33,972,088**

Class Shares[1]

Number	**Milestone**
5,000,000	A Class – Ethics Committee approval for the commencement of human trials.
5,000,000	B Class - independent confirmation, by WABRI or similar institution, that the Advanced Tissue Engineering technology has successfully reduced the time taken to achieve viable cell populations, suitable for tissue grafting applications, by a minimum 20%.

Options		Terms
Options issued upon completion of the entitlement issue and further entitlement of placement applicants and vendors	27,102,144	Listed Options exercisable at 10 cents on or before 30 June 2008.

Options issued upon meeting milestones [1]	4,500,000	Unlisted Options exercisable at 10 cents on or before 30 June 2008.

Notes:

1 Shares and Class Shares have been issued to shareholders of Advanced Wound Care upon completion of the Acquisition. 1,275,000 Shares are voluntary escrowed for a period of 12 months from the date of their issue.

Statement of Compliance with Listing Rules

Salus is in compliance with the Listing Rules and, in particular, Listing Rule 3.1 and the market is fully informed.

Statement of Top 20 Holders of Listed Equity Securities

Shares

HOLDER NO RANK	NAME AND ADDRESS	UNITS	% I/C
1	JEB HOLDINGS PTY LTD <THE EWARDS FAMILY A/C>	2,353,125	6.93
2	DR KAY FEI CHAN	1,978,125	5.82
3	DR CHIN JOO GOH	1,978,125	5.82
4	BLUE MOUNTAIN ADVISORS LTD	1,384,080	4.07
5	MONARCH CORPORATION PTY LTD <MONARCH A/C>	1,139,063	3.35
6	DOLPHIN TECHNOLOGY PTY LTD <DOLPHIN A/C>	1,139,062	3.35
7	MR MOHAMAD ABAS	793,182	2.33
8	OAKHURST ENTERPRISES PTY LTD	790,548	2.33
9	MS DIANNE MICHELLE WARNER	610,548	1.80
10	MR TREVOR REIDY	470,293	1.38
11	ASCENT CAPITAL PTY LTD	425,274	1.25
12	RIVERVIEW CORPORATION PTY LTD	330,000	0.97
13	MR ANDREW HAMILTON CORVAN	300,000	0.88
14	MISS SHANNAN LEE HARPER	300,000	0.88
15	MRS CATRIONA PRATT	300,000	0.88
16	MRS DONNA ARCHER & MR PETER BRETT ARCHER	275,143	0.81
17	MR PAUL ROBERT HEARNE	240,000	0.71
18	MR MATTHEW SHELDRICK <MATTHEW SHELDRICK FAMILY A/C>	240,000	0.71
19	N&J MITCHELL HOLDINGS PTY LTD <MITCHELL UNIT A/C>	235,548	0.69
20	MRS SYLVIA DUSHANSKY	214,287	0.63
	*** REPORT TOTAL ***	15,496,403	45.62
	*** REMAINDER ***	18,475,685	54.38
	*** GRAND TOTAL ***	33,972,088	100.00

Options

OPT/OPTIONS EXP 30/06/08 @ $0.10

HOLDER NO RANK	NAME AND ADDRESS	UNITS	% I/C
1	JEB HOLDINGS PTY LTD <THE EWARDS FAMILY A/C>	2,353,125	8.68
2	DR KAY FEI CHAN	1,978,125	7.30
3	DR CHIN JOO GOH	1,978,125	7.30
4	BLUE MOUNTAIN ADVISORS LTD	1,384,080	5.11
5	MONARCH CORPORATION PTY LTD <MONARCH A/C>	1,139,064	4.20
6	DOLPHIN TECHNOLOGY PTY LTD <DOLPHIN A/C>	1,139,061	4.20
7	OAKHURST ENTERPRISES PTY LTD	790,548	2.92
8	MS DIANNE MICHELLE WARNER	610,548	2.25
9	MR TREVOR REIDY	470,292	1.74
10	ASCENT CAPITAL PTY LTD	425,274	1.57
11	RIVERVIEW CORPORATION PTY LTD	330,000	1.22
12	MR ANDREW HAMILTON CORVAN	300,000	1.11
13	MISS SHANNAN LEE HARPER	300,000	1.11
14	MRS CATRIONA PRATT	300,000	1.11
15	MRS DONNA ARCHER & MR PETER BRETT ARCHER	275,142	1.02
16	MR PAUL ROBERT HEARNE	240,000	0.89
17	MR MATTHEW SHELDRICK <MATTHEW SHELDRICK FAMILY A/C>	240,000	0.89
18	N&J MITCHELL HOLDINGS PTY LTD <MITCHELL UNIT A/C>	235,548	0.87
19	MRS SYLVIA DUSHANSKY	214,287	0.79
20	EVENFLAN PTY LTD	214,287	0.79
	*** REPORT TOTAL ***	14,917,506	55.04
	*** REMAINDER ***	12,184,638	44.96
	*** GRAND TOTAL ***	27,102,144	100.00

SALUS TECHNOLOGIES LTD
STATEMENT OF FINANCIAL POSITION AS AT 28 JUNE 2005

	$
CURRENT ASSETS	
Cash assets	**1,080,100**
Receivables	**1,500**
TOTAL CURRENT ASSETS	**1,081,600**
NON CURRENT ASSETS	
Plant & equipment	**1,800**
Investment in subsidiary	**263,750**
TOTAL NON CURRENT ASSETS	**265,550**
TOTAL ASSETS	**1,347,150**
CURRENT LIABILITIES	
Accruals	**50,000**
TOTAL CURRENT LIABILITIES	**50,000**
NET ASSETS	**1,297,150**
EQUITY	
Contributed equity	**33,789,280**
Accumulated losses	**(32,492,130)**
TOTAL EQUITY	**1,297,150**

Use of funds

It is noted that programs and budgets are dependant on results. These programs can therefore change depending on the results of the work. However, it is intended to apply funds raised as follows.

Description	**Maximum Subscription Amount $**
Total cash available to meet initial commitments and objectives	**$1,080,100**
Funds raised and available are to be allocated as follows:	
Intellectual property expenditure including Joint venture contribution	175,000
Advance wound care business development and research and development work	500,000
Review and evaluation of new projects	50,000
General working capital	335,100

A CLASS SHARES AND A CLASS OPTIONS

The terms and conditions of the A Class Shares and A Class Options are:

1. **Definitions**

"Advanced Biomembrane Product" means a product or products derived from biomembrane comprising phyto-derived wound dressings from the Hyoscyanmus genus.

"Conversion" means the conversion of an A Class Share to a Share or the conversion of an A Class Option to an Option, and the expressions "Convert", "Converting" and "Converted" shall have corresponding meanings.

"Ethics Committee" means a recognised human research ethics committee of either an Australian University, Australian hospital or an Australian Government regulatory body.

"Milestone" means the completion (by a date that is no later than 24 months from the date of issue of the A Class Shares and A Class Options as the case may be) of Ethics Committee approval for the commencement of human trials of the Advanced Biomembrane Product.

"Options" means quoted options to acquire Shares on the terms and conditions set out in Appendix A.

2. **Rights**

(a) The A Class Shares and A Class Options shall confer on the holder the right to receive notices of general meeting and financial reports and accounts of the Purchaser that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Purchaser.

(b) The A Class Shares and A Class Options do not entitle the holder to vote on any resolutions proposed at a general meeting of the shareholders of the Purchaser.

(c) The A Class Shares and A Class Options do not confer on the holder any right to participate in the surplus profits or assets of the Purchaser on winding up of the Purchaser.

(d) The A Class Shares and A Class Options are not transferable.

(e) If at any time the issued capital of the Purchaser is reconstructed, all rights of the holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(f) The A Class Shares and A Class Options will not be quoted on ASX.

(g) Except to such extent as may be provided in this Schedule 3, or as may be inconsistent with any rights of the A Class Shares and A Class Options in this Schedule 3, the A Class Shares and A Class Options will have no other rights except as set out in this Schedule 3 and those provided at law where such rights at law cannot be excluded by the terms set out in this Schedule.

3. **Conversion of A Class Shares**

A Class Shares will be Converted to Shares and A Class Options will be Converted to Options on the following basis:

(a) one (1) Share for every one (1) A Class Share; and

(b) one (1) Option for every one (1) A Class Option,

on the later to occur of:

(a) achievement by the Company of the Milestone; and

(b) the expiration of 12 months from the date of issue of the A Class Shares and A Class Options to the Vendors,

provided that:

(a) the A Class Shares have not been automatically redeemed; and

(b) that the A Class Options have not expired in accordance with these terms and conditions.

4. **Listing of Converted Shares**

The Purchaser will apply for and use its best endeavours to obtain, as soon as possible, the Official Quotation of the Shares and Options issued as a result of the Conversion of the A Class Shares and A Class Options on the ASX. The Shares and Options into which the A Class Shares and A Class Options will convert will rank pari passu in all respects with existing Shares and Options respectively.

5. **A Class Shares Redeemable by the Company**

All A Class Shares will be automatically redeemed by the Purchaser, for the sum of $1 if the Milestone is not achieved within 24 months from the date of issue of the A Class Shares.

6. **Option Expiry**

The A Class Options expire on the date that is 24 months from the date of issue of the A Class Options to the Vendors.

B CLASS SHARES AND B CLASS OPTIONS

The terms and conditions of the B Class Shares and B Class Options are:

1. **Definitions**

"Advanced Tissue Engineering Technology" means a product or products derived from in-vitro stimulation of isolated cellular materials through applied biomimicry.

"Conversion" means the conversion of a B Class Share to a Share or the conversion of a B Class Option to an Option, and the expressions "Convert", "Converting" and "Converted" shall have corresponding meanings.

"Ethics Committee" means a recognised human research ethics committee of either an Australian University, Australian hospital or an Australian Government regulatory body.

"Milestone" means the completion (by a date that is no later than 24 months from the date of issue of the B Class Shares and B Class Options as the case may be), of independent confirmation, by Western Australian Biomedical Research Institute or similar institution, that the Advanced Tissue Engineering Technology has successfully reduced the time taken to achieve viable cell populations, suitable for tissue grafting applications, by a minimum 20%.

"Options" means quoted options to acquire Shares on the terms and conditions set out in Appendix A.

2. **Rights**

(a) The B Class Shares and B Class Options shall confer on the holder the right to receive notices of general meeting and financial reports and accounts of the Purchaser that are circulated to shareholders. Holders have the right to attend general meetings of shareholders of the Purchaser.

(b) The B Class Shares and B Class Options do not entitle the holder to vote on any resolutions proposed at a general meeting of the shareholders of the Purchaser.

(c) The B Class Shares and B Class Options do not confer on the holder any right to participate in the surplus profits or assets of the Purchaser on winding up of the Purchaser.

(d) The B Class Shares and B Class Options are not transferable.

(e) If at any time the issued capital of the Purchaser is reconstructed, all rights of the holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.

(f) The B Class Shares and B Class Options will not be quoted on ASX.

(g) Except to such extent as may be provided in this Schedule 3, or as may be inconsistent with any rights of the B Class Shares and B Class Options in this Schedule 3, the B Class Shares and B Class Options will have no other rights except as set out in this Schedule 3 and those provided at law where such rights at law cannot be excluded by the terms set out in this Schedule.

3. **Conversion of B Class Shares and B Class Options**

B Class Shares will be Converted to Shares and B Class Options will be Converted to Options on the following basis:

(a) one (1) Share for every one (1) B Class Share; and

(b) one (1) Option for every one (1) B Class Option,

on the later to occur of:

(a) achievement by the Company of the Milestone; and

(b) the expiration of 12 months from the date of issue of the B Class Shares and B Class Options to the Vendors,

provided that:

(a) the B Class Shares have not been automatically redeemed; and

(b) that the B Class Options have not expired in accordance with these terms and conditions.

4. **Listing of Converted Shares**

The Purchaser will apply for and use its best endeavours to obtain, as soon as possible, the Official Quotation of the Shares and Options issued as a result of the Conversion of the B Class Shares and B Class Options on the ASX. The Shares and Options into which the B Class Shares and B Class Options will convert will rank pari passu in all respects with existing Shares and Options respectively.

5. **B Class Shares Redeemable by the Company**

All B Class Shares will be automatically redeemed by the Purchaser for the sum of $1 if the Milestone is not achieved within 24 months from the date of issue of the B Class Shares.

6. **Option Expiry**

The B Class Options expire on the date that is 24 months from the date of issue of the B Class Options to the Vendors

Appendix A
Terms and Conditions of Options

OPTIONS

The terms and conditions of the Options are as follows:

(a) each option entitles the holder to one (1) Share in the Company;

(b) the options are exercisable at any time on or prior to 5.00pm (Western Standard Time) on 30 June 2008 (**Expiry Date**) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the options are exercised to the registered office of the Company;

(c) the option exercise price is 10 cents per option;

(d) an option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the option can be exercised;

(e) subject to the Corporations Act, the Listing Rules and the Company's Constitutions, the options are freely transferable;

(f) all Shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for quotation of the options and all Shares issued upon exercise of the options on ASX;

(g) there are no participating rights or entitlement 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. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue; and

(h) if at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules.

Annexure B

Background

The Company was suspended from the official list of ASX on 19 November 2004.

The proposed prostate cancer transaction via the acquisition of Kelpie Projects Pty Ltd did not successfully complete as the minimum subscription pursuant to the Prospectus was not met. All funds were returned in accordance with the Corporations Act.

The Company wishes to continue its business as a medical research and development company and will make an application to the ASX to be reinstated to trading upon a successful completion of the Acquisition, Placement and Entitlement Issue. If all of these matters are not completed the securities will not be reinstated to trading.

The Company completed a consolidation of capital, has continued with the existing 10% interest in the joint venture with Dr Paul Van Saarloos and Mr Simon Gordon and proposes to add a new project which has commercial milestone incentives to increase the investment portfolio and activities.

As announced to ASX on 24 March 2005, the Company has entered into a Share Sale Agreement with the shareholders of Advanced Wound Care to acquire all of the issued share capital of Advance Wound Care Pty Ltd (the **Acquisition**).

Advanced Wound Care is a medical technology development company with an exclusive world-wide licence to commercialise the advanced wound care technologies of Asia Pacific Life Science Pte Ltd of Singapore.

The opportunity involves two key proprietary technologies, plus a continuing product pipeline, targeting the rapidly expanding advanced wound-care field.

Advanced wound care is a key medical sector and the opportunity being offered, is the result of intensive research and clinical tests over a 5 year period. When a wound, rupture of the skin, burn or acute scar fail to heal rapidly and completely, the monetary cost to the community is immense. The risk of infection, the constant pain and loss of quality of life for the patient is immeasurable. Non-healing and chronic wounds cost the medical sector an estimated US$40 billion per annum and that cost can only increase as populations age, the incidence of diabetes spreads and the cost of long term aged care increases.

The science will be driven by Dr Andrew Barker, an internationally respected protein biologist currently at the University of Western Australia and corporate and promotion by Matthew Sheldrick.

Advanced Wound Care is a private Australian company with an exclusive world-wide licence to commercialise the advanced wound care technologies of Asia Pacific Life Science Pte Ltd of Singapore. The two projects are:

Advanced BioMembrane

Advanced Wound Care's Advanced Biomembrane is a proprietary "puff-on" wound dressing powder that forms a stretchable and breathable "bandage" with antibiotic and wound repair properties. The potent amino-saccharide bio-film, which is extracted from the seeds of a particular plant, is formed when the bio-membrane powder comes in contact with water, blood or the wound environment. The "puff-on" biomembrane can also retain additional drugs, such as antibiotics and is washed off rather than peeled.

Provisional patent specifications have been lodged over the Advanced Biomembrane product and the proprietary process used to extract it.

Advanced Wound Care holds the world-wide exclusive licence to commercially exploit the Advanced Biomembrane and all its potential derivatives.

Target markets include burns, skin grafts, cosmetic surgery, aged care, diabetic ulcers, bed sores, pressure lesions and scars.

Advanced Tissue Engineering

The Advanced Tissue Culture Control is an in-vitro cell culture management technology used to accelerate, retard or manipulate the behaviour of cell growth in culture. It has the ability to selectively control growth rate, orientation, structure and maturation of tissues in culture, without altering the cell's morphology.

Growing human cells in culture for grafts, tissue replacement, stem cell research, therapeutic or genetic purposes is a technique of increasing importance world wide. However, growing living tissues in-vitro can be a slow and complex field and often unsuccessful, due to an inability to control the rate and manner in which living cells divide and proliferate. The goal of Advanced Tissue Culture Control is to provide the tissue engineering industry with its first effective and efficient means of managing cell growth in culture.

Target markets include skin grafts, burns, knee and joint reconstruction, bone grafts, bone healing, oncology and blood work.

Milestones

The Acquisition includes two commercially significant milestones which, when achieved, will confirm the value of the Advanced Wound Care technology to shareholders of the Company.

Advanced BioMembrane Milestone

"Ethics Committee approval for the commencement of human trials"

This is a commercially significant goal. In order for this goal to be achieved, the Advanced Biomembrane project will need to gain the acceptance and approval of University's or Hospitals' Ethics Committee. In doing so, the Ethics Committee, which are made up of independent and respected experts in their fields, will have to be satisfied that the new biomembrane is safe and of sufficient therapeutic value to the patient to offset any potential risk.

Advanced Tissue Engineering Milestone

"Independent confirmation, by Western Australian Biomedical Research Institute (WABRI) or similar institution, that the Advanced Tissue Engineering technology has successfully reduced the time taken to achieve viable cell populations, suitable for tissue grafting applications, by a minimum 20%"

This milestone is a commercially significant goal. Ethics Committee approval will be required, as well as the development of a commercial delivery system. These accomplishments, when achieved, will represent an outcome of considerable medical and commercial importance.