

24 April 2017

IM Medical Q3 Appendix 4C

IM Medical Limited (ASX: IMI, IMIO) (**IMI** or the **Company**) presents its Appendix 4C Cash Flow Statement for the quarter ended 31 March 2017.

On the 4 April the Company announced that it would raise \$500,000 via a non-renounceable rights issue to recapitalize its balance sheet.

The Company also announced that it had entered into a 6 month conditional option agreement to acquire Babylon Operations Pty Ltd. Babylon is a recently established provider of specialised equipment rental and diesel maintenance services to the expanding resource maintenance sector. Should the Company exercise its option, it would undertake a capital raising of between \$3.8m and \$6m. This is expected to facilitate the re-listing of its securities on the ASX following re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Company advises that the holders of the \$330,000 Converting Loan issued in August 2016 and due for repayment by 31 March 2017 have agreed to extend the repayment date to 31 May 2017.

Net operating cash flows for the quarter were up \$165,000 following the receipt of the final payment of \$200,000 from Rox Resources Limited under the 14 December 2016 Settlement Agreement.

Richard Wadley
Director
(03) 9607 8280

Appendix 4C Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

IM Medical Limited

ABN

47 009 436 908

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs		
(f) administration and corporate costs	(2)	(109)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2)	(109)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments /acquisition expenses.	(33)	(199)
(d) intellectual property		
(e) other non-current assets		

Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (Reimbursement of costs in 2.1c)	200	220
2.6 Net cash from / (used in) investing activities	167	21

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes	-	330
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	-	330

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	76	(1)
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2)	(109)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	167	21
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	330
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	241	241

Quarterly report for entities subject to Listing Rule 4.7B

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	241	76
5.2 Call deposits	-	-
- Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	241	76

6. Payments to directors of the entity and their associates

Current quarter \$A'000

6.1 Aggregate amount of payments to these parties included in item 1.2

0

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

0

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7. Payments to related entities of the entity and their associates

Current quarter \$A'000

7.1 Aggregate amount of payments to these parties included in item 1.2

0

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

0

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Quarterly report for entities subject to Listing Rule 4.7B

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	-
8.2 Credit standby arrangements	0	-
8.3 Other (please specify)	0	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Non renounceable pro rata offer	500
9.2 Costs of offer	(80)
9.3 Repayment of Notes	(330)
9.4 Creditors	(146)
9.5 Staff costs	
9.6 Administration and corporate costs	(100)
9.7 Other (Net recovery of acquisition costs)	-
9.8 Total estimated cash (outflows) inflow	(156)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date 24 April 2017

Print name: Richard Wadley

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.