

24 October 2017

ASX Release

Prospectus Offer to Raise up to \$6 million

The Directors of **IM Medical Limited** (ASX: IMI, IMIO) are pleased to advise that it has today lodged a prospectus to raise up to \$6.0 million (before costs) (**Offer**).

The Offer is partially underwritten by Patersons Securities Limited (AFSL No. 239 052) to the minimum subscription of \$4,000,000.

The Offer comprises a priority offer to eligible shareholders with a registered address in Australia on the record date of 23 October 2017 and an offer to the general public, further details of which are set out in the prospectus.

The indicative timetable for the Offer is as follows:

Event	Date
Lodgement of this Prospectus with ASIC	24 October 2017
Opening Date of the Offer	31 October 2017
Annual General Meeting	1 November 2017
Closing Date of the Offer (5.00pm AWST)	22 November 2017
Issue of Shares and Options under the Offer	1 December 2017
Completion of the acquisition of Babylon Operations Pty Ltd	1 December 2017
Despatch of holding statements	1 December 2017
Expected date for Shares and Options to be reinstated to trading on the ASX	4 December 2017

The prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy ASX's requirements for re-listing following a change to the nature and scale of the Company's activities in relation to the proposed acquisition of Babylon Operations Pty Ltd. Completion of the acquisition is subject to and conditional upon (amongst other things) the approval of the Company's shareholders at the Company's Annual General Meeting to be held on 1 November 2017.

A copy of the Company's prospectus dated 24 October 2017 accompanies this announcement.

Richard Wadley
Company Secretary

IM MEDICAL LIMITED

ACN 009 436 908

(to be renamed Babylon Pump & Power Limited) Prospectus

For the offer of up to 300,000,000 Shares (post Consolidation) at a price of \$0.02 per Share, together with up to 150,000,000 free attaching Options (post Consolidation) (on the basis of 1 Option for every 2 Shares issued) each with an exercise price of \$0.04 and expiring 31 March 2019, to raise up to \$6,000,000 (before costs and expenses) (**Offer**). The Offer is subject to a minimum subscription of \$4,000,000.

The Offer is partially underwritten by Patersons Securities Limited (AFSL No. 239 052) to the minimum subscription of \$4,000,000.

The Offer comprises:

- a priority offer to Eligible Shareholders of the Company as at the Record Date (**Priority Offer**); and
- an offer to the general public (**Public Offer**).

The Offer is scheduled to close at 5:00pm (WST) on 22 November 2017 unless extended or withdrawn.

IMPORTANT NOTICE

Re-compliance with Chapters 1 and 2

This prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-listing following a change to the nature and scale of the Company's activities.

Conditional Offer

The Offer is subject to certain conditions precedent. Please refer to Section 2.2 of this Prospectus for further details. No Securities will be issued under this Prospectus until such time as the conditions precedent are satisfied.

Ancillary Offers

This prospectus also contains ancillary offers of Shares, Options and Performance Rights. Please refer to Section 9.8 of this Prospectus for further details.

Other Important Information

The Securities offered by this Prospectus should be considered as speculative.

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

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Important Notices

This Prospectus contains offers for Securities in IM Medical Limited (ACN 009 436 908) (**Company**). This Prospectus is issued by the Company.

This Prospectus is dated 24 October 2017 and a copy of this Prospectus was lodged with ASIC on that date.

ASIC and ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of the Prospectus is 13 months after the date it was lodged with ASIC (**Expiry Date**). No Securities will be allotted, issued or transferred on the basis of this Prospectus after the Expiry Date.

Application will be made for the admission of the Company to the Official List and quotation of its Shares on the ASX (**Listing**) with the proposed ASX Code BPP, and Options with the proposed ASX Code BPPO within 7 days after the date of this Prospectus. The fact that ASX may list the Shares or Options of the Company is not to be taken in any way as an indication of the merits of the Company or the listed Shares or Options. ASX takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Applications for Securities offered pursuant to this Prospectus can only be submitted on an original Application Form, which accompanies this Prospectus.

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

The Company, the Share Registry and the Underwriter disclaim all liability, whether in negligence or otherwise, to persons who trade Shares or Options before receiving their holding statement.

Exposure Period

The Corporations Act prohibits the Company from processing Applications under the Offer in the seven day period after lodgement of this Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware

that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications for Securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge applications prior to the expiry of the Exposure Period.

Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company.

In particular, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest in the Company. Some of the key risk factors that should be considered by prospective investors are set out in Sections 1.3 and 6. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, warrants or guarantees the performance of the Company or the repayment of capital or any return on investment made pursuant to this Prospectus. This Prospectus includes information regarding past performance of the Company. Investors should be aware that past performance is not indicative of future performance.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares and Options issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

Obtaining a copy of this Prospectus

A hard copy of the Prospectus is available free of charge during the Offer period to any eligible person in Australia by calling Patersons Securities Limited, the Lead Manager, on 08 9263 1150 between 8.30am and 5.30pm (WST), Monday to Friday.

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application forms on the basis of a paper prospectus lodged with ASIC, and the publication of notices

referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

A copy of this Prospectus can be downloaded from the website of the Company at www.immedical.com.au. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the Application Form it was not provided together with the electronic Prospectus and any relevant supplementary or replacement Prospectus or any of those documents were incomplete or altered.

Foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to persons to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register this Prospectus or qualify the Shares or Options or otherwise permit a public offering of the Shares and Options the subject of this Prospectus in any jurisdiction outside Australia. It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Shares and Options pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

The Company does not propose to give any taxation advice and, to the maximum extent permitted by law, the Company, its Directors, officers and each of their respective advisers accept no responsibility or liability for any taxation consequences of subscribing for Securities under this Prospectus. You should consult your own professional tax advisers in regard to taxation implications of the Offer.

Website and Incorporation by reference

No document or information included on our website (except for the audited financial report of Babylon for the period from 13 February 2017 to 30 June 2017 (see section 9.15) is incorporated by reference into this Prospectus.

Privacy Statement

The Company collects information about securityholders when they apply for Securities under the Offer for the purposes of processing their Application and, if the Application is successful, to administer their security holding in the Company.

By applying for Securities, each securityholder agrees that the Company may use the information provided for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Underwriter, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

The Corporations Act requires the Company to include information about a securityholder (including name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a securityholder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its securityholders) and compliance by the Company with legal and regulatory requirements. The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

A person who has provided such information has a right 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 offices.

Forward-looking statements

This Prospectus contains forward looking statements, including as to the Company's strategy which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Sections 1.3 and 6. Past performance should not be relied upon as being indicative of future performance.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Governing law

The Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the law applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

Defined terms and interpretation

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Financial information presentation

Historical financial information, including the pro forma financial information, has been prepared and presented in accordance with the recognition and measurement principles prescribed by the Australian Accounting Standards (as adopted by the Australian Accounting Standards Board (**AASB**)). The historical financial information also complies with the Australian equivalents to the recognition and measurement principles of the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

Certain terms or abbreviations used in this Prospectus have defined meanings which are explained in the glossary in Section 11. A reference to a Section is a reference to a Section in this Prospectus.

Conditional Offer

The Offer under this Prospectus is subject to and conditional on a number of conditions including Shareholders approving various resolutions at the Annual General Meeting, the Company achieving the Minimum Subscription, the conditions precedent to the Option and Share Purchase Deed being satisfied or waived (other than the condition for raising the Minimum Subscription) and the Company receiving conditional approval for re-admission to the Official List. Please refer to Section 2.2 of this Prospectus for details of the conditions to the Offer.

Consolidation

At the Annual General Meeting, Shareholder approval will be sought to consolidate the issued capital of the Company on the basis that every 20 Shares are consolidated into 1 Share. Unless otherwise stated, all references to Securities of the Company as set out in this Prospectus are on the basis that the Consolidation is approved and has occurred.

Questions

If you have any questions in relation to the Offer, contact the Lead Manager, Patersons Securities Limited on 08 9263 1150 between 8.30am and 5.30pm (WST), Monday to Friday.

This document is important and should be read in its entirety.

Key Offer Information and Indicative Timetable

The Offer and capital structure¹	
Offer Price per Share	\$0.02
Shares on issue as at the date of this Prospectus	91,343,523
Shares to be issued under the Offer (assuming Minimum Subscription)	200,000,000
Gross proceeds of the Offer (before costs and expenses) (assuming Minimum Subscription)	\$4,000,000
Shares to be issued under the Offer (assuming Full Subscription)	300,000,000
Gross proceeds of the Offer (before costs and expenses) (assuming Full Subscription)	\$6,000,000
Shares to be issued to the Babylon Vendors under the Acquisition	55,750,000
Total Shares on issue on completion of Offer and Acquisition (assuming Minimum Subscription)	347,093,523
Total Shares on issue on completion of Offer and Acquisition (assuming Full Subscription)	447,093,523
Options on issue as at the date of this Prospectus	49,665,108
Options to be issued under the Offer (assuming Minimum Subscription)	100,000,000
Options to be issued under the Offer (assuming Full Subscription)	150,000,000
Options to be issued to Sub-Underwriters	100,000,000
Options to be issued to the Babylon Vendors under the Acquisition	27,875,000
Total Options on issue on completion of Offer and Acquisition (assuming Minimum Subscription)	277,540,108
Total Options on issue on completion of Offer and Acquisition (assuming Full Subscription)	327,540,108
Performance Rights to be issued to incoming Senior Management (including Proposed Directors, Michael Shelby and Patrick Maingard)	40,000,000
Indicative market capitalisation at the Offer Price (assuming Minimum Subscription) ²	\$6,941,870
Indicative market capitalisation at the Offer Price (assuming Full Subscription) ²	\$8,941,870

¹ All figures provided on a post Consolidation basis. Refer to Section 1.5 for further details relating to the proposed capital structure of the Company.

² The market capitalisation is calculated based on the Offer Price multiplied by the number of Shares on issue (and does not take into account issued Options). There is no guarantee that the Shares will trade at the Offer Price upon Listing.

Event	Date
Lodgement of this Prospectus with ASIC	24 October 2017
Opening Date of the Offer	31 October 2017
Annual General Meeting	1 November 2017
Closing Date of the Offer (5.00pm AWST)	22 November 2017
Issue of Shares and Options under the Offer	1 December 2017

Completion of the Acquisition	1 December 2017
Despatch of holding statements	1 December 2017
Expected date for Shares and Options to be reinstated to trading on the ASX	4 December 2017

Note: This timetable is indicative only. Unless otherwise indicated, all times given are Western Standard Time, Australia. The Company, in consultation with the Underwriter, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares and free attaching Options the subject of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Letter from the Chairman

Dear Investor,

On behalf of the Directors, I am pleased to present this Prospectus and to offer you the opportunity to participate in the offer of up to 300,000,000 Shares (post Consolidation) at a price of \$0.02 per Share, together with one free attaching Option for every two Shares subscribed to raise up to \$6,000,000 (before costs and expenses) (**Offer**). The Offer is subject to a minimum subscription of \$4,000,000 which is underwritten by Patersons Securities Limited subject to the conditions outlined in Section 8.1(c). Eligible Shareholders will also receive a priority entitlement to subscribe for up to \$2,500,000 of the Offer. Details of the Offer are outlined in Section 2.

IM Medical Limited (**Company**) has entered into a binding option and share purchase deed for the acquisition of Babylon Operations Pty Ltd (**Babylon**), a recently established provider of speciality equipment and services to the expanding resources maintenance sector. Babylon was established in February 2017 by Michael Shelby, an oil & gas executive with international experience. Babylon intends to focus on the oil & gas and mining sectors, providing specialised equipment rental, specialised operators and technicians, and repair and maintenance of customer equipment with an emphasis on rebuilding and maintenance of large diesel engines. An overview of the Babylon business is set out in section 3.

The Directors believe that the acquisition of Babylon provides an attractive opportunity for the Company to enter the growing specialised resources maintenance sector. Following the recent resource sector construction boom, BIS Schrapnel's Maintenance in Australia 2016-2031 report estimates the annual maintenance expenditure in Australia's resources industry will grow to \$10 billion within five years. This expected surge in maintenance has been described as the next phase of the resources boom.

The Company sold its former business (which business was in the healthcare sector) in early 2012. Since that time, the Company has considered a number of other opportunities, primarily for operating businesses. The acquisition of Babylon will constitute a significant change in the nature of the Company's activities to industrial services, and the Company is required by ASX to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking initial admission to the Official List of ASX. This process is well advanced with the Company's Annual General Meeting scheduled to be held on 1 November 2017 for approval of the necessary resolutions, including a consolidation of the Company's issued capital on the basis that every 20 Shares on issue be consolidated into one Share, to be undertaken prior to completion of the Offer. The Offer will provide sufficient funds to satisfy the minimum net tangible asset requirements for the Company's re-admission to the Official List. It will also provide the funds required for further development and commercialisation of the Babylon business as well as necessary working capital for the Company.

Subject to Shareholder approval, the Company proposes to change its name to "Babylon Pump & Power Limited" in line with its change in activity, with the Company's ASX code proposed to change from "IMI" to "BPP".

This Prospectus contains important information regarding the Offer, the financial position, operations, management team and future plans of Babylon, and the proposed new Directors of the Company who have the skills and experience to lead the Company in this expanding sector. The key risks associated with an investment in the Company are set out in Section 6, and should be considered by investors in detail.

I encourage you to read this Prospectus thoroughly and carefully before making any investment decision and consult with your independent professional adviser in connection with the Offer. In particular, investors should be aware that Babylon is a recently established company with a limited trading history. It has incurred losses since its inception while it has been engaged in establishing its business. Historical financial information of Babylon is contained in the Investigating Accountants Report in Section 7.

If you wish to apply for Shares and free attaching Options, I encourage you to consider applying early. The Directors reserve the right to close the Offer early once fully subscribed. Your Board is excited

about the new direction offered by the acquisition of Babylon and the growth which we expect to be generated from it.

Yours faithfully

Nigel Blaze
Chairman
IM Medical Limited (to be renamed Babylon Pump & Power Limited)

1 Investment Overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for any Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Securities offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends nor can any guarantee be given about the future value of the Securities.

1.1 The Company and the Acquisition

Item	Summary	Further information
Who is the issuer of this Prospectus?	IM Medical Limited ACN 009 436 908 (to be renamed Babylon Pump & Power Limited, subject to Shareholder approval at the Annual General Meeting).	Section 3.1
What is the Company and what does it do?	<p>The Company was incorporated on 23 January 1990 and listed on the ASX on 6 February 1997.</p> <p>The Company's most recent business was operating Melbourne Specialist Imaging, a provider of radiology services in Melbourne, Victoria. These operations were sold to Capitol Health Limited in early 2012 in exchange for shares in Capitol Health Limited, which were distributed to Shareholders in April 2012.</p> <p>Since 2012, the Company has considered a number of other opportunities, primarily for operating businesses.</p> <p>The Company's securities have been suspended from trading on ASX since 29 December 2015 and will remain suspended until it re-complies with Chapters 1 and 2 of the Listing Rules.</p> <p>The Company announced on 4 April 2017 that it had entered into a binding agreement which provided the Company with a 6 month option to acquire all of the issued capital of Babylon.</p> <p>The Company exercised the Babylon Option on 26 September 2017, as announced to the market on that date. Completion of the Acquisition remains subject to certain conditions. It is intended that following completion of the Acquisition and the Offer that the Company will be re-admitted to the Official List.</p>	Section 3.1
Who is Babylon and what does it do?	Babylon was established in February 2017 by Mr Michael Shelby, an oil & gas executive with international experience, and is a new provider of speciality equipment and services to the expanding resources maintenance sector.	Section 3.2
What are the key terms of the Acquisition?	<p>The key terms of the Option and Share Purchase Deed and the Acquisition are as follows:</p> <p>(a) Consideration: the consideration payable by the Company to the Babylon Vendors to acquire 100% of the issued capital in Babylon is 55,750,000 Shares and 27,875,000 quoted Options (each on a post-Consolidation basis). The Options have an exercise price of \$0.04 and expire 31 March 2019, and will be in the class as the Company's existing class of quoted IMIOA Options;</p>	Section 3.3

Item	Summary	Further information
	<p>(b) Conditions Precedent: completion of the Acquisition is conditional on the satisfaction or waiver of the conditions precedent set out in Section 8.1(a), including the following:</p> <ul style="list-style-type: none"> (i) Shareholders approving the Acquisition Resolutions and the election of Michael Shelby, Patrick Maingard and Michael Kenyon as Directors with effect from completion of the Acquisition; (ii) the Company achieving firm commitments for the Minimum Subscription; and (iii) the Company receiving confirmation from the ASX that its Shares will be-requoted on the Official List on terms and conditions acceptable to the Company and the Founding Shareholder; <p>(c) Performance Rights: in connection with the Acquisition, subject to Shareholder approval, the Company will grant a total of 40,000,000 Performance Rights to incoming Senior Management (including Proposed Directors, Michael Shelby and Patrick Maingard); and</p> <p>(d) Board changes: with effect from completion of the Acquisition, subject to Shareholder approval, all existing Board members will resign and Michael Shelby will be appointed as Executive Chairman, Patrick Maingard will be appointed Executive Director and Michael Kenyon will be appointed Non-Executive Director and Company Secretary.</p>	
<p>What is the effect of the Acquisition and the Offer on the Company?</p>	<p>Completion of the Acquisition will result in a change in the nature and scale of the Company's activities which requires Shareholder approval under the Listing Rules. The Company will also need to re-comply with the requirements of Chapters 1 and 2 of the Listing Rules.</p> <p>Shareholder approval with respect to all resolutions relating to the Acquisition and the Re-Compliance will be sought at the Company's Annual General Meeting to be held on 1 November 2017.</p> <p>The Company's Securities have been suspended from trading since 29 December 2015 and will not be reinstated until the Company has satisfied the conditions of the Offer and re-complied with Chapters 1 and 2 of the Listing Rules. There is a risk that the Company may not be able to meet the requirements for re-admission to the Official List. In the event the conditions of the Offer are not satisfied or the Company does not receive conditional approval for re-admission to the Official List on terms and conditions acceptable to the Company or the Company is unable to satisfy any such conditions then the Company will not proceed with the issue of Securities under the Offer and will repay all Application Monies received (without interest).</p>	<p>Section 3.4</p>

Item	Summary	Further information
What approvals will be sought at the Annual General Meeting?	<p>At the Annual General Meeting to be held on 1 November 2017, the Company will seek Shareholder approval for (among other matters):</p> <ul style="list-style-type: none"> (a) a change in the nature and scale of the Company's activities as a result of the Acquisition; (b) the issue of 55,750,000 Shares and 27,875,000 Options as consideration under the Acquisition; (c) the issue of up to 300,000,000 Shares at an issue price of \$0.02 each and up to 150,000,000 free attaching Options (each on a post Consolidation basis) the subject of the Offer; (d) the issue of 100,000,000 Options to Sub-Underwriters of the Offer; (e) the Consolidation; (f) the issue of 40,000,000 Performance Rights to incoming Senior Management, including Proposed Directors, Michael Shelby and Patrick Maingard; (g) the change of the Company's name from IM Medical Limited to Babylon Pump & Power Limited; (h) the election of Michael Shelby, Patrick Maingard and Michael Kenyon as Directors with effect from completion of the Acquisition; and (i) the adoption of a new constitution, including proportional takeover provisions. 	Section 2.2(a)

1.2 The Company's business model post completion of the Offer and the Acquisition

The Company intends to complete the Offer and the Acquisition and become a specialised equipment rental and equipment maintenance services provider with an emphasis on large diesel engines to the expanding resources maintenance sector. Key aspects of the Company's business model assuming completion of the Offer and the Acquisition are set out below:

Item	Summary	Further information
What is the Company's strategy and business model?	<p>Following completion of the Acquisition, the Company's key focus will be to operate the speciality equipment rental and maintenance service provider business recently established by Babylon. Babylon intends to specialise in providing these services to the expanding resources maintenance sector focussing in two niche areas:</p> <ul style="list-style-type: none"> (a) Specialised Equipment Rental – Owning and renting specialised pumping equipment and providing operators and technicians for the oil & gas and mining sectors. 	Section 3.4(a)

Item	Summary	Further information
	<p>Target applications for the rental fleet currently owned or to be acquired by Babylon include process and pipeline maintenance, wellhead and well service work, decommissioning services and mine dewatering and water management.</p> <p>(b) Equipment Maintenance Services – Repair and maintenance of customer equipment with a specific emphasis on rebuilding and providing maintenance for large diesel engines similar to the Babylon rental fleet. The engine rebuild service is focused on engines of 1000hp or greater. Points of differentiation include a focus on smaller underserved equipment owners, flexible parts and labour supply, in-house testing capability and an experienced and respected team.</p> <p>Babylon's initial focus has been on diesel engine services and work has commenced on contracts with companies in the oil & gas and mining sectors for pump, engine and component rebuilds. This will continue to be the short term focus while Babylon builds up its rental fleet. Babylon has commenced rental operations using cross hired equipment. This will continue until Babylon is able to acquire equipment for its own rental fleet.</p>	
<p>How will the Company generate income and what are its significant costs?</p>	<p>The Company expects to generate the majority of its revenues from equipment rental income and from equipment maintenance services.</p> <p>The most significant expenditure is expected to be on the acquisition and improvement of rental assets together with costs associated with sales and marketing and plant and equipment to improve diesel engine services business capabilities.</p>	<p>Section 3.4</p>
<p>What are the key dependencies of the Company's business model?</p>	<p>Following completion of the Acquisition, the Company's key dependencies will be the ability to retain key personnel and attract suitably qualified staff to support business growth, the availability and cost of acquiring new equipment, and the ability to attract and retain customers.</p>	<p>Section 3.4</p>
<p>What is the Company's growth strategy?</p>	<p>Following completion of the Acquisition, Babylon plans to expand the rental fleet and increase sales and marketing activity in the specialty equipment rental market focusing on pumping and power. Babylon plans to acquire quality pre-owned equipment on the second hand market and use in-house experience to rebuild and improve these rental assets to meet market demands in a cost efficient manner.</p> <p>Key elements of the Babylon's strategic plan include:</p> <ul style="list-style-type: none"> • acquiring rental equipment in order to have fleet ready for hire to meet market opportunities; • leveraging existing customers and historical business networks to expand services as new rental assets are acquired; 	<p>Section 3.4(c)</p>

Item	Summary	Further information
	<ul style="list-style-type: none"> • further developing marketing tools and expanding sales and business development beyond first order from existing networks; and • commencing sales activities outside the Western Australian market for both diesel maintenance and rental opportunities. 	

1.3 Key Risks

Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks and uncertainties. The risk factors set out in Section 6, and other general risks applicable to all investments in listed securities, may affect the value of the Securities in the future. An investment in the Securities should be considered speculative. Investors may lose some or all of their investment.

Based on the information available, a non-exhaustive list summarising the key risk factors affecting the Company is set out below. Investors should refer to the more comprehensive list of risks set out in Section 6. Where relevant, the risks below assume completion of the Acquisition and Offer have occurred. The occurrence of any one of the risks below could adversely impact the Company's operating or financial performance.

The Company's primary business on completion of the Offer and the Acquisition will be to operate the business currently carried on by Babylon. The risks and comments relating to Babylon as disclosed below will be risks of the Company group following completion of the Acquisition and the Offer.

Key Risks	Summary	Further Information
Dependence on key personnel	The success of Babylon, including its ability to effectively execute its business strategy, depends to a significant extent on its key personnel, in particular the senior management team, comprising Michael Shelby, Patrick Maingard and Mark Lagemann. The loss of key personnel could cause a significant disruption to Babylon's business and could adversely affect its operations.	Section 6.1(b)
Limited trading history	Babylon was established in February 2017 and whilst its management have significant experience in the resources services sector, Babylon has a limited trading history. In its first few months of operations, Babylon has generated revenue from a targeted pool of customers, however it has incurred losses since its inception while it has been engaged in establishing its business. Given this limited trading history, there is inherent uncertainty in relation to Babylon's business, and investors should consider Babylon's prospects in light of its limited trading history.	Section 6.1(c)
Availability of equipment	Babylon's initial focus has been on diesel engine services and work has commenced on contracts with companies in the oil & gas and mining sectors for pump, engine and component rebuilds. This will continue to be the short term focus while Babylon builds up its rental fleet. Babylon has commenced rental operations using cross-hired equipment. This will continue until Babylon is able to acquire rental assets. There is	Section 6.1(d)

Key Risks	Summary	Further Information
	a risk that the specialist equipment required by Babylon may be in short supply, or have higher than anticipated cost, thereby limiting the ability to meet customer needs, generate new revenue and/or attract new customers.	
Failure to retain and attract customers	There can be no guarantee that Babylon's business development and marketing activities will be successful in attracting new customers to Babylon's business or retaining existing customers, the failure of which would have an adverse impact on Babylon's business, operations and financial performance.	Section 6.1(e)
Additional funds	<p>The funds raised under the Offer are considered sufficient to meet the initial growth strategy objectives of Babylon as disclosed in Section 3.4(c). Additional funding may be required by Babylon to implement or continue its growth strategy activities, including if new equipment costs exceed Babylon's estimates. To effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities, and to meet any unanticipated liabilities or expenses which Babylon may incur, additional equity or other finance may be required.</p> <p>There can be no assurance that the Company will be able to obtain further financing on a timely basis, on favourable terms or that such further funding will be sufficient to enable the Company to implement its planned commercial strategy.</p>	Section 6.1(f)
Management of growth	There is a risk that the Company will not be able to manage growth of the Babylon business, for example, due to Babylon's small management team or if the cost of the equipment required for such growth exceeds management's expectations or available working capital. The capacity of the Company to properly implement and manage business growth including cash flow management may affect its operations and prospects.	Section 6.1(g)
Competition	Babylon operates in a competitive market. The market for provision of equipment hire and maintenance services is broad with international corporations, large local operators and smaller specialised operators competing for business. Competition also exists between service providers and the customer itself who has the alternative of purchasing rather than hiring equipment and maintaining equipment themselves. There is no certainty that Babylon will be able to compete successfully with existing and new potential competitors.	Section 6.1(h)
Revenue risks	Babylon charges service charges and hire fees to its customers for its specialised equipment hire and equipment maintenance services. There is a risk that Babylon may not be able to maintain its anticipated revenue per customer. To date Babylon's customers are on short term purchase order contracts. The lack of long term contracted revenues creates	Section 6.1(i)

Key Risks	Summary	Further Information
	uncertainty of future revenues.	
Maintenance and repair of equipment for hire	<p>The retention and growth by Babylon of its customer base is dependent on continued availability of its equipment for hire, and the ability of Babylon to deliver a high level of maintenance and customer support. Babylon may need to invest more on these matters than anticipated due to unanticipated wear and tear or damage to its equipment for hire.</p> <p>This increased investment could lead to reduced return on its products as well as delays in delivering equipment for hire to customers. This may impact on Babylon's brand and reputation, business and financial performance. In addition, if there is a decline in customer service delivery, this may also adversely impact on Babylon's brand and reputation.</p>	Section 6.1(j)
Commodity Prices	<p>The key driver of demand for mining and oil & gas services is overall level of investment in plant and equipment for production, new exploration and sustaining works, all of which are ultimately driven by commodity pricing. Accordingly, Babylon's future ability to generate revenue or attract funding will be related to the price of commodities. Commodity prices fluctuate and are affected by a range of factors outside of Babylon's control, including the relationship between global supply and demand for such commodities, forward selling by producers, the cost of production and general global economic conditions.</p>	Section 6.1(p)

1.4 Financial Information

Item	Summary	Further information																																																																	
<p>What is the Company's pro forma financial position?</p>	<p>The pro forma financial position of the Company is set out below and in section 7 of the Prospectus.</p> <table border="1" data-bbox="416 398 1129 1245"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Pro forma after Offer</th> </tr> <tr> <th>\$4 million</th> <th>\$6 million</th> </tr> <tr> <th></th> <th>\$</th> <th>\$</th> </tr> </thead> <tbody> <tr> <td>CURRENT ASSETS</td> <td></td> <td></td> </tr> <tr> <td>Cash and cash equivalents</td> <td>3,863,268</td> <td>5,729,268</td> </tr> <tr> <td>Trade and other receivables</td> <td>88,244</td> <td>88,244</td> </tr> <tr> <td>TOTAL CURRENT ASSETS</td> <td>3,951,512</td> <td>5,817,512</td> </tr> <tr> <td>NON CURRENT ASSETS</td> <td></td> <td></td> </tr> <tr> <td>Goodwill</td> <td>370,979</td> <td>370,979</td> </tr> <tr> <td>Plant and equipment</td> <td>335,160</td> <td>335,160</td> </tr> <tr> <td>TOTAL NON CURRENT ASSETS</td> <td>706,139</td> <td>706,139</td> </tr> <tr> <td>TOTAL ASSETS</td> <td>4,657,651</td> <td>6,523,651</td> </tr> <tr> <td>CURRENT LIABILITIES</td> <td></td> <td></td> </tr> <tr> <td>Trade and other payables</td> <td>134,496</td> <td>134,496</td> </tr> <tr> <td>TOTAL CURRENT LIABILITIES</td> <td>134,496</td> <td>134,496</td> </tr> <tr> <td>TOTAL LIABILITIES</td> <td>134,496</td> <td>134,496</td> </tr> <tr> <td>NET ASSETS</td> <td>4,523,155</td> <td>6,389,155</td> </tr> <tr> <td>EQUITY</td> <td></td> <td></td> </tr> <tr> <td>Issued capital</td> <td>27,916,122</td> <td>29,796,122</td> </tr> <tr> <td>Reserves</td> <td>511,500</td> <td>511,500</td> </tr> <tr> <td>Accumulated losses</td> <td>(23,904,467)</td> <td>(23,918,467)</td> </tr> <tr> <td>TOTAL EQUITY</td> <td>4,523,155</td> <td>6,389,155</td> </tr> </tbody> </table> <p>The pro forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of Shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in the Investigating Accountant's Report in section 7 of the Prospectus.</p>		Pro forma after Offer		\$4 million	\$6 million		\$	\$	CURRENT ASSETS			Cash and cash equivalents	3,863,268	5,729,268	Trade and other receivables	88,244	88,244	TOTAL CURRENT ASSETS	3,951,512	5,817,512	NON CURRENT ASSETS			Goodwill	370,979	370,979	Plant and equipment	335,160	335,160	TOTAL NON CURRENT ASSETS	706,139	706,139	TOTAL ASSETS	4,657,651	6,523,651	CURRENT LIABILITIES			Trade and other payables	134,496	134,496	TOTAL CURRENT LIABILITIES	134,496	134,496	TOTAL LIABILITIES	134,496	134,496	NET ASSETS	4,523,155	6,389,155	EQUITY			Issued capital	27,916,122	29,796,122	Reserves	511,500	511,500	Accumulated losses	(23,904,467)	(23,918,467)	TOTAL EQUITY	4,523,155	6,389,155	<p>Section 7</p>
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<p>Are there any forecasts of future earnings?</p>	<p>There are no forecasts of future earnings of the Company provided in this Prospectus. The Company has largely been dormant since early 2012, and Babylon has only been operating since February 2017. Therefore, the Directors believe that they do not have a reasonable basis to forecast future earnings.</p>	<p>Section 4, 6.1(c)</p>																																																																	
<p>Will the Company have sufficient funds for its activities?</p>	<p>In the Board's opinion, upon successful completion of the Offer, the Company will have sufficient working capital to pursue its stated activities.</p>	<p>Section 2.6</p>																																																																	

Item	Summary	Further information
What is the Company's dividend policy?	The policy of the Company will be to invest all cash flow into the business in order to maximise its growth for the foreseeable future. Accordingly, at the date of this Prospectus, the Proposed Directors do not intend to declare or pay any dividends in the foreseeable future following the Company's Listing.	Section 9.9

1.5 Overview of the Offer

Item	Summary	Further information
Why is the Offer being conducted?	The purpose of the Offer is to raise up to \$6,000,000, and to enable the Company to complete the Acquisition, facilitate an application by the Company for re-admission to the Official List, to assist the Company to re-comply with Chapters 1 and 2 of the Listing Rules and position the Company to achieve its strategy as set out in Section 3.2.	Section 2.6
What is the Offer?	<p>The Offer is an offer of up to 300,000,000 Shares (post Consolidation) at a price of \$0.02 per Share, together with up to 150,000,000 (post Consolidation) free attaching Options (on the basis of 1 Option for every 2 Shares issued) each with an exercise price of \$0.04 and expiring 31 March 2019 to raise up to \$6,000,000 (before costs and expenses). The Options offered will be in the same class as the Company's existing quoted IMIOA Options.</p> <p>The Offer is subject to a minimum subscription of \$4,000,000.</p> <p>The Offer is partially underwritten by Patersons Securities Limited (AFSL No. 239 052) to the minimum subscription of \$4,000,000.</p> <p>The Offer comprises:</p> <ul style="list-style-type: none"> • Priority Offer - a priority offer to Eligible Shareholders; and • Public Offer - an offer to the general public. <p>Under the Priority Offer, up to 125,000,000 Shares (and 62,500,000 free attaching Options) have been set aside for Eligible Shareholders. Eligible Shareholders will be allocated Shares and Options under the Priority Offer at the discretion of the Company in consultation with the Underwriter. If the Company receives Applications from Eligible Shareholders for more than 125,000,000 Shares (and 62,500,000 free attaching Options), the Company intends to treat such additional Applications under the Priority Offer as being made under the Public Offer, subject to such additional Applications satisfying the minimum application size of 100,000 Shares (and 50,000 free attaching Options) as required under the Public Offer.</p>	Section 2.1
What are the Ancillary	This Prospectus also contains the following Ancillary Offers (all on a post Consolidation basis):	Section 9.8

Item	Summary	Further information
Offers?	<ul style="list-style-type: none"> • the offer of 55,750,000 Shares and 27,875,000 Options (each with an exercise price of \$0.04 expiring 31 March 2019 and in the same class as the Company's existing IMIOA Options) to the Babylon Vendors under the Acquisition; • the offer of 100,000,000 Options (each with an exercise price of \$0.04 expiring 31 March 2019 and in the same class as the Company's existing IMIOA Options) to Sub-Underwriters of the Offer; and • the offer of 40,000,000 Performance Rights to incoming Senior Management, including Proposed Directors, Michael Shelby and Patrick Maingard. 	
What are the conditions to the Offer?	<p>The issue of the Securities under the Offer is conditional on the following:</p> <ul style="list-style-type: none"> • the Company raising the Minimum Subscription of \$4,000,000; • the Company receiving conditional approval for re-admission to the Official List on terms acceptable to the Company and the Founding Shareholder; • Shareholders approving the Acquisition Resolutions and the election of Michael Shelby, Patrick Maingard and Michael Kenyon with effect from completion of the Acquisition at the Annual General Meeting; and • the conditions precedent to the Option and Share Purchase Deed being satisfied or waived (other than the condition precedent relating to the Company raising the Minimum Subscription). <p>If any of the conditions of the Offer are not satisfied or waived then the Company will not proceed with the Offer and the Company will repay all Application Monies received without interest.</p>	Section 2.2
Is there a Minimum Subscription?	<p>Yes. The Minimum Subscription is 200,000,000 Shares at the Offer Price of \$0.02 per Share to raise \$4,000,000.</p> <p>The Offer is underwritten to the Minimum Subscription of \$4,000,000, subject to the terms of the Underwriting Agreement.</p> <p>If the Minimum Subscription is not raised within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not proceed with the Offer and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act.</p>	Section 2.1

Item	Summary	Further information																																	
Who is the Lead Manager?	The Lead Manager is Patersons Securities Limited (AFSL 239 052). Patersons Securities Limited has also underwritten the Offer to the minimum subscription of \$4,000,000.	Section 2.5																																	
Is the Offer underwritten?	Yes. The Offer is underwritten to the minimum subscription of \$4,000,000 (being the Minimum Subscription) by the Underwriter, Patersons Securities Limited (AFSL 239 052) on the terms of the Underwriting Agreement.	Section 2.5																																	
What is the minimum Application size under the Offer?	<p>The minimum Application size for Applicants under the Priority Offer is 50,000 Shares and 25,000 free attaching Options (equivalent to \$1,000.00).</p> <p>The minimum Application size for Applicants under the Public Offer is 100,000 Shares and 50,000 free attaching Options (equivalent to \$2,000.00).</p>	Section 2.8																																	
How will existing funds and the funds raised under the Offer be used?	<p>The Company intends to apply funds raised from the Offer as follows:</p> <table border="1" data-bbox="424 887 1177 2022"> <thead> <tr> <th data-bbox="424 887 762 1014">PROPOSED USE OF FUNDS</th> <th data-bbox="762 887 911 1014">\$4,000,000 Minimum Subscription</th> <th data-bbox="911 887 1177 1014">\$6,000,000 Full Subscription</th> </tr> </thead> <tbody> <tr> <td data-bbox="424 1014 762 1106">Company cash on hand (30 June 2017) ¹</td> <td data-bbox="762 1014 911 1106">\$126,822</td> <td data-bbox="911 1014 1177 1106">\$126,822</td> </tr> <tr> <td data-bbox="424 1106 762 1198">Babylon cash on hand (30 June 2017) ²</td> <td data-bbox="762 1106 911 1198">\$299,346</td> <td data-bbox="911 1106 1177 1198">\$299,346</td> </tr> <tr> <td data-bbox="424 1198 762 1361">Babylon share placements (20 July and 17 September 2017) (after costs)</td> <td data-bbox="762 1198 911 1361">\$184,500</td> <td data-bbox="911 1198 1177 1361">\$184,500</td> </tr> <tr> <td data-bbox="424 1361 762 1453">Proceeds from the Offer (before costs)</td> <td data-bbox="762 1361 911 1453">\$4,000,000</td> <td data-bbox="911 1361 1177 1453">\$6,000,000</td> </tr> <tr> <td data-bbox="424 1453 762 1583">Total cash on completion of re-compliance</td> <td data-bbox="762 1453 911 1583">\$4,610,668</td> <td data-bbox="911 1453 1177 1583">\$6,610,668</td> </tr> <tr> <td colspan="3" data-bbox="424 1583 1177 1653">USE OF FUNDS</td> </tr> <tr> <td data-bbox="424 1653 762 1744">Purchase of equipment for rental</td> <td data-bbox="762 1653 911 1744">\$2,801,000</td> <td data-bbox="911 1653 1177 1744">\$4,594,000</td> </tr> <tr> <td data-bbox="424 1744 762 1836">Repay existing Director debts ³</td> <td data-bbox="762 1744 911 1836">\$238,690</td> <td data-bbox="911 1744 1177 1836">\$238,690</td> </tr> <tr> <td data-bbox="424 1836 762 1928">Business development & Marketing</td> <td data-bbox="762 1836 911 1928">\$140,000</td> <td data-bbox="911 1836 1177 1928">\$190,000</td> </tr> <tr> <td data-bbox="424 1928 762 2020">Corporate & Administrative Costs</td> <td data-bbox="762 1928 911 2020">\$300,000</td> <td data-bbox="911 1928 1177 2020">\$300,000</td> </tr> </tbody> </table>	PROPOSED USE OF FUNDS	\$4,000,000 Minimum Subscription	\$6,000,000 Full Subscription	Company cash on hand (30 June 2017) ¹	\$126,822	\$126,822	Babylon cash on hand (30 June 2017) ²	\$299,346	\$299,346	Babylon share placements (20 July and 17 September 2017) (after costs)	\$184,500	\$184,500	Proceeds from the Offer (before costs)	\$4,000,000	\$6,000,000	Total cash on completion of re-compliance	\$4,610,668	\$6,610,668	USE OF FUNDS			Purchase of equipment for rental	\$2,801,000	\$4,594,000	Repay existing Director debts ³	\$238,690	\$238,690	Business development & Marketing	\$140,000	\$190,000	Corporate & Administrative Costs	\$300,000	\$300,000	Section 2.6
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Item	Summary		Further information																				
	Working Capital	\$581,578	\$604,578																				
	Costs of the Capital Raising	\$549,400	\$683,400																				
	Total	\$4,610,668	\$6,610,668																				
	<p>1. <i>Between 30 June 2017 and the date of the Prospectus, the Company's cash position reduced by approximately \$90,000.</i></p> <p>2. <i>Between 30 June 2017 and the date of the Prospectus, Babylon raised \$184,500 (after costs) and its cash at bank reduced by approximately \$203,000 as against its 30 June 2017 cash on hand of \$299,346 (after adjusting that balance for funds raised of \$184,500 (after costs)).</i></p> <p>3. <i>Directors' debt includes \$65,776 accrued from 30 June 2017 to 30 November 2017.</i></p> <p>The table above represents the Company's current intentions as at the date of this Prospectus based on the current business plan of the Company and business conditions. The amount and timing of the actual expenditure may vary and will depend upon numerous factors, including the timing and success of the Company's activities and the risk factors outlined in Section 6.</p>																						
<p>What is the effect of the Offer on the capital structure of the Company?</p>	<p>The capital structure of the Company following completion of the Offer (on a post Consolidation basis) and the Acquisition is summarised below:</p>																						
	<table border="1"> <thead> <tr> <th data-bbox="432 1193 991 1238">Capital Structure</th> <th data-bbox="991 1193 1177 1238">Number</th> </tr> </thead> <tbody> <tr> <td data-bbox="432 1238 991 1328">Shares on issue as at the date of this Prospectus</td> <td data-bbox="991 1238 1177 1328">91,343,523</td> </tr> <tr> <td data-bbox="432 1328 991 1417">Shares to be issued under the Offer (assuming Minimum Subscription)</td> <td data-bbox="991 1328 1177 1417">200,000,000</td> </tr> <tr> <td data-bbox="432 1417 991 1507">Shares to be issued under the Offer (assuming Full Subscription)</td> <td data-bbox="991 1417 1177 1507">300,000,000</td> </tr> <tr> <td data-bbox="432 1507 991 1597">Shares to be issued to the Babylon Vendors under the Acquisition</td> <td data-bbox="991 1507 1177 1597">55,750,000</td> </tr> <tr> <td data-bbox="432 1597 991 1686">Total Shares on issue on completion of the Offer and the Acquisition (undiluted and assuming Minimum Subscription)</td> <td data-bbox="991 1597 1177 1686">347,093,523</td> </tr> <tr> <td data-bbox="432 1686 991 1776">Total Shares on issue on completion of the Offer and the Acquisition (undiluted and assuming Full Subscription)</td> <td data-bbox="991 1686 1177 1776">447,093,523</td> </tr> <tr> <td data-bbox="432 1776 991 1865">Options on issue as at the date of this Prospectus</td> <td data-bbox="991 1776 1177 1865">49,665,108</td> </tr> <tr> <td data-bbox="432 1865 991 1955">Options to be issued under the Offer (assuming Minimum Subscription)</td> <td data-bbox="991 1865 1177 1955">100,000,000</td> </tr> <tr> <td data-bbox="432 1955 991 2031">Options to be issued under the Offer (assuming Full Subscription)</td> <td data-bbox="991 1955 1177 2031">150,000,000</td> </tr> </tbody> </table>		Capital Structure	Number	Shares on issue as at the date of this Prospectus	91,343,523	Shares to be issued under the Offer (assuming Minimum Subscription)	200,000,000	Shares to be issued under the Offer (assuming Full Subscription)	300,000,000	Shares to be issued to the Babylon Vendors under the Acquisition	55,750,000	Total Shares on issue on completion of the Offer and the Acquisition (undiluted and assuming Minimum Subscription)	347,093,523	Total Shares on issue on completion of the Offer and the Acquisition (undiluted and assuming Full Subscription)	447,093,523	Options on issue as at the date of this Prospectus	49,665,108	Options to be issued under the Offer (assuming Minimum Subscription)	100,000,000	Options to be issued under the Offer (assuming Full Subscription)	150,000,000	
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Item	Summary		Further information
	Options to be issued to Sub-Underwriters	100,000,000	
	Options to be issued to the Babylon Vendors under the Acquisition	27,875,000	
	Total Options on issue on completion of the Offer and the Acquisition (assuming Minimum Subscription)	277,540,108	
	Total Options on issue on completion of the Offer and the Acquisition (assuming Full Subscription)	327,540,108	
	Existing Performance Rights on issue	Nil	
	Performance Rights to be issued to incoming Senior Management, including Proposed Directors, Michael Shelby and Patrick Maingard	40,000,000	
How do I apply for Shares and Options under the Offer?	<p>Investors wishing to apply for Shares and Options under this Prospectus should use the relevant Application Form as follows:</p> <ul style="list-style-type: none"> • Priority Offer Application Form – for Applicants who are Eligible Shareholders to apply under the Priority Offer; and • Public Offer Application Form – for all other Applicants. <p>Application Forms must be completed in accordance with the instruction accompanying the relevant Application Form.</p> <p>Applications for Shares must be for a minimum of 50,000 Shares and 25,000 free attaching Options (equivalent to \$1,000.00) under the Priority Offer and for a minimum of 100,000 Shares and 50,000 free attaching Options (equivalent to \$2,000) under the Public Offer. Payment for the Shares must be made in full at the issue price of \$0.02 per Share multiplied by the number of Shares applied for. The Options under the Priority Offer and Public Offer are free attaching and no additional subscription price is payable for the grant of the Options.</p> <p>Priority Offer</p> <p>Under the Priority Offer, up to 125,000,000 Shares (and 62,500,000 free attaching Options) have been set aside for Eligible Shareholders. Eligible Shareholders will be allocated Shares and Options under the Priority Offer at the discretion of the Company in consultation with the Underwriter. If the Company receives Applications from Eligible Shareholders for more than 125,000,000 Shares (and 62,500,000 free attaching Options), the Company intends to treat such additional Applications under the Priority Offer as being made under the Public Offer, subject to such additional Applications satisfying the minimum application size of 100,000 Shares (and 50,000 free attaching Options) as required under the Public Offer. If you are an Eligible Shareholder applying for Shares and Options under the Priority Offer you can apply and pay for Shares and Options by either:</p>		Section 2.8

Item	Summary	Further information
	<ul style="list-style-type: none"> • payment by BPAY® option - please follow the instructions on the personalised Priority Offer Application Form accompanying this Prospectus to make a BPAY® payment; or • payment by cheque - manually completing the Priority Offer Application Form and returning it accompanied by a cheque in Australian dollars for the full amount of the application being \$0.02 per Share multiplied by the number of Shares applied for. The Options are free attaching Options and no additional subscription price is payable for the grant of the Options. Cheques must be made payable to "IM Medical Limited" and should be crossed "Not Negotiable". <p>Public Offer</p> <p>Application Forms for the Public Offer must be manually completed. Applicants under the Public Offer may pay by cheque or electronic funds transfer. The Options are free attaching Options and no additional subscription price is payable for the grant of the Options. If an Applicant is paying by:</p> <ul style="list-style-type: none"> • cheque, the cheque must be in Australian dollars for the full amount of the application being \$0.02 per Share multiplied by the number of Shares applied for. Cheques must be made payable to "IM Medical Limited" and should be crossed "Not Negotiable"; or • BPAY® via internet or phone banking, please visit the Company's share registry's website: www.securitytransfer.com.au and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application. <p>Completed Application Forms and cheques or BPAY® payments must be received by 5pm WST on the Closing Date of 22 November 2017. The Company reserves the right to extend the Closing Date or close the Offer early without notice (in its absolute discretion).</p>	
<p>What is the allocation policy of Shares and Options under the Offer?</p>	<p>Eligible Shareholders who validly apply under the Priority Offer will be given preference in respect of allocation of up to 125,000,000 Shares (and up to 62,500,000 free attaching Options). The allocation of Shares and Options under the Priority Offer will be determined at the discretion of the Company in consultation with the Underwriter.</p> <p>If the Company receives Applications from Eligible Shareholders for more than 125,000,000 Shares (and 62,500,000 free attaching Options), the Company intends to treat such additional Applications under the Priority Offer as being made under the Public Offer, subject to such additional Applications satisfying the minimum application size of 100,000 Shares (and 50,000 free attaching Options) as required under the Public Offer. Following the allocation of Shares and Options to validly</p>	<p>Section 2.10</p>

Item	Summary	Further information
	applying Eligible Shareholders under the Priority Offer, the remaining Shares and Options will be allocated to Applicants under both the Priority Offer and the Public Offer as determined by the Company and the Underwriter.	
When will I know if my Application was successful?	It is expected that holding statements will be sent to successful Applicants by post on or about 1 December 2017.	Section 2.10(b)
What rights and liabilities attach to the Shares and Options being offered?	<p>All Shares issued under the Offer will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to the Shares are described in Annexure A.</p> <p>All Options issued under the Offer will rank equally in all respects with the Company's existing IMIOA Options on issue. The terms and conditions of the Options are set out in Annexure B.</p>	Sections 12 and 13
Is there a cooling off period?	No.	
Can the Offer be withdrawn by the Company?	<p>Yes. The Company reserves the right not to proceed with the Offer at any time before the issue of Shares and Options to successful Applicants.</p> <p>If the Offer does not proceed, Application Monies will be refunded as soon as practicable in accordance with the requirements of the Corporations Act. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p>	Section 2.11
Will the Shares and Options be quoted on the ASX?	Yes. However, there is a risk that the Company may not be able to meet the requirements of the ASX for re-quotations of its Shares and Options on the ASX. Should this occur, the Shares and Options will not be able to be traded on the ASX until such time as those requirements can be met, if at all.	Section 2.10(c)
Will any Securities be restricted in accordance with the ASX Listing Rules?	<p>Yes. The Company anticipates entering into the following restriction arrangements with:</p> <ul style="list-style-type: none"> (a) the Sub-Underwriters to the Offer in relation to the Sub-Underwriter Options; and (b) Michael Shelby and Patrick Maingard in relation to the Performance Rights which are proposed to be issued to them subject to Shareholder approval as detailed in Section 9.8. <p>The Sub-Underwriter Options would represent approximately 36% of all the Options on issue following completion of the Acquisition and the Offer based on the Minimum Subscription.</p>	Section 2.12
Is there any brokerage, commission or	No brokerage, commission or stamp duty should be payable by Applicants on acquisition of Shares and Options under the Offer.	

Item	Summary	Further information
stamp duty payable by Applicants?		
Are there any taxation considerations?	The tax consequences of any investment in the Shares and Options will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 2.15
Where can I find out more information about the Offer?	Questions relating to the Offer can be directed to the Underwriter, Patersons Securities Limited, on +61 8 9263 1150.	Section 2.16
How can I obtain further advice?	By speaking to your accountant, stockbroker or other professional adviser.	

1.6 Directors, Senior Management and major Shareholders

Item	Summary	Further information
Who are the Directors and the Proposed Directors of the Company?	<p>The current Directors of the Company are Nigel Blaze (Chairman), Richard Wadley (Non-Executive Director) and Paul Burton (Non-Executive Director).</p> <p>With effect from completion of the Acquisition, all of the current Directors will resign and subject to Shareholder approval, the following Proposed Directors will join the Board:</p> <ul style="list-style-type: none"> • Michael Shelby – Executive Chairman; • Patrick Maingard – Executive Director; and • Michael Kenyon – Non-Executive Director and Company Secretary. <p>Biographies outlining the relevant expertise and experience of the Proposed Directors is included in section 5.1.</p>	Section 5.1
Who is the Senior Management?	<p>With effect from completion of the Acquisition, the key management personnel will comprise:</p> <ul style="list-style-type: none"> • Mr Shelby - Executive Chairman; • Mr Maingard - Executive Director; • Mark Lagemann – Operations Manager, Babylon. <p>Biographies outlining the relevant expertise and experience of Senior Management is included in sections 5.1 and 5.3 and a summary of their service agreements is included in sections 8.1(d), 8.1(e) and 8.2(b).</p>	

Item	Summary	Further information																																	
<p>What are the Directors' and Proposed Directors' current relevant interests in Securities in the Company and what is their proposed participation in the Offer?</p>	<p>The Directors and Proposed Directors current relevant interests in Securities in the Company (post-Consolidation) are:</p> <table border="1" data-bbox="416 405 1182 723"> <thead> <tr> <th>Director / Proposed Director</th> <th>Shares</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Nigel Blaze</td> <td>56,719</td> <td>15,469</td> </tr> <tr> <td>Richard Wadley</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Paul Burton</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Michael Shelby</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Patrick Maingard</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Michael Kenyon</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>The following Directors and Proposed Directors intend to participate in the Offer as follows:</p> <ul style="list-style-type: none"> • Mr Wadley will subscribe for 500,000 Shares (\$10,000) together with 250,000 free attaching Options; • Mr Blaze will subscribe for 500,000 Shares (\$10,000) together with 250,000 free attaching Options; and • Mr Maingard will subscribe for 1,000,000 Shares (\$20,000) together with 500,000 free attaching Options. <p>As detailed in Section 9.8, as part of the Acquisition, it is also proposed that subject to Shareholder approval, the Company will issue Performance Rights to incoming Senior Management as follows:</p> <table border="1" data-bbox="416 1294 1182 1478"> <thead> <tr> <th>Person</th> <th>Proposed role</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Michael Shelby</td> <td>Executive Chairman</td> <td>20,000,000</td> </tr> <tr> <td>Patrick Maingard</td> <td>Executive Director</td> <td>8,000,000</td> </tr> <tr> <td>Mark Lagemann</td> <td>Operations Manager</td> <td>12,000,000</td> </tr> </tbody> </table>	Director / Proposed Director	Shares	Options	Nigel Blaze	56,719	15,469	Richard Wadley	Nil	Nil	Paul Burton	Nil	Nil	Michael Shelby	Nil	Nil	Patrick Maingard	Nil	Nil	Michael Kenyon	Nil	Nil	Person	Proposed role	Performance Rights	Michael Shelby	Executive Chairman	20,000,000	Patrick Maingard	Executive Director	8,000,000	Mark Lagemann	Operations Manager	12,000,000	<p>Section 9.1</p>
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Item	Summary	Further information																												
	<p>Assuming Mr Blaze, Mr Wadley and Mr Maingard are allocated Shares and Options under this Offer in accordance with their intended participation set out above, and the issue of Performance Rights as set out above, the Directors' and Proposed Directors' relevant interests in Securities in the Company post completion of the Acquisition and the Offer will be as follows:</p> <table border="1" data-bbox="416 499 1182 853"> <thead> <tr> <th>Director / Proposed Director</th> <th>Shares</th> <th>Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Nigel Blaze</td> <td>556,719</td> <td>515,469</td> <td>Nil</td> </tr> <tr> <td>Richard Wadley</td> <td>500,000</td> <td>250,000</td> <td>Nil</td> </tr> <tr> <td>Paul Burton</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>Michael Shelby</td> <td>2,500,000</td> <td>1,250,000</td> <td>20,000,000</td> </tr> <tr> <td>Patrick Maingard</td> <td>1,000,000</td> <td>500,000</td> <td>8,000,000</td> </tr> <tr> <td>Michael Kenyon</td> <td>1,000,000</td> <td>500,000</td> <td>Nil</td> </tr> </tbody> </table> <p>At the time of re-admission to the Official List, the Company will satisfy the 20% minimum free float requirement.</p>	Director / Proposed Director	Shares	Options	Performance Rights	Nigel Blaze	556,719	515,469	Nil	Richard Wadley	500,000	250,000	Nil	Paul Burton	Nil	Nil	Nil	Michael Shelby	2,500,000	1,250,000	20,000,000	Patrick Maingard	1,000,000	500,000	8,000,000	Michael Kenyon	1,000,000	500,000	Nil	
Director / Proposed Director	Shares	Options	Performance Rights																											
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Michael Kenyon	1,000,000	500,000	Nil																											
<p>What are the Directors' and Proposed Directors' remuneration arrangements and benefits?</p>	<p>The Directors' remuneration for the financial years ended 30 June 2016 and 30 June 2017, and for the period 1 July 2017 to the date of this Prospectus is set out below:</p> <table border="1" data-bbox="416 1111 1182 1323"> <thead> <tr> <th>Director</th> <th>Year ended 30 June 2016</th> <th>Year ended 30 June 2017</th> <th>1 July 2017 to date</th> </tr> </thead> <tbody> <tr> <td>Nigel Blaze</td> <td>\$25,000</td> <td>\$25,000</td> <td>\$10,314</td> </tr> <tr> <td>Richard Wadley</td> <td>\$44,840</td> <td>\$47,400</td> <td>\$37,857</td> </tr> <tr> <td>Paul Burton</td> <td>\$37,600</td> <td>\$34,900</td> <td>\$14,314</td> </tr> </tbody> </table> <p>1. <i>Remuneration represents annual contracting fees (on which no superannuation is payable).</i></p> <p>All of the current Directors will resign on completion of the Acquisition. The proposed remuneration and benefits of the Proposed Directors moving forward is as follows:</p> <table border="1" data-bbox="416 1581 1182 1765"> <thead> <tr> <th>Proposed Director</th> <th>Annual remuneration</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Michael Shelby</td> <td>\$240,000</td> <td>20,000,000</td> </tr> <tr> <td>Patrick Maingard</td> <td>\$150,000</td> <td>8,000,000</td> </tr> <tr> <td>Michael Kenyon</td> <td>\$40,000</td> <td>Nil</td> </tr> </tbody> </table> <p>1. <i>Remuneration represents annual fixed salary (exclusive of superannuation).</i></p> <p>The Directors are parties to the Deeds of Access, Indemnity and Insurance in Section 9.2(b), and the Proposed Directors have entered into such deeds on the same terms.</p>	Director	Year ended 30 June 2016	Year ended 30 June 2017	1 July 2017 to date	Nigel Blaze	\$25,000	\$25,000	\$10,314	Richard Wadley	\$44,840	\$47,400	\$37,857	Paul Burton	\$37,600	\$34,900	\$14,314	Proposed Director	Annual remuneration	Performance Rights	Michael Shelby	\$240,000	20,000,000	Patrick Maingard	\$150,000	8,000,000	Michael Kenyon	\$40,000	Nil	<p>Section 9.1</p>
Director	Year ended 30 June 2016	Year ended 30 June 2017	1 July 2017 to date																											
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Item	Summary	Further information															
Who are the substantial shareholders of the Company?	<p>As at the date of this Prospectus, the following Shareholders are registered as holding 5% or more of the total Shares on issue (on a pre-Consolidation basis):</p> <table border="1" data-bbox="416 434 1182 714"> <thead> <tr> <th data-bbox="416 434 735 533">Shareholder</th> <th data-bbox="735 434 975 533">Number of Shares held</th> <th data-bbox="975 434 1182 533">% of Shares/voting power</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 533 735 600">Chesapeake Capital Limited</td> <td data-bbox="735 533 975 600">196,068,830</td> <td data-bbox="975 533 1182 600">10.73%</td> </tr> <tr> <td data-bbox="416 600 735 714">Mr Mark John Bahen & Mrs Margaret Patricia Bahen</td> <td data-bbox="735 600 975 714">127,470,237</td> <td data-bbox="975 600 1182 714">6.97%</td> </tr> </tbody> </table> <p>Chesapeake Capital Limited has committed to subscribe for 10,000,000 Shares in the Offer as a Sub-underwriter to the Offer on a firm basis.</p> <p>Chemco Superannuation Fund Pty Ltd (Chemco) holds 23.49% of the shares of Chesapeake Capital Limited. The shareholders and directors of Chemco are Beverley Michelle Martin and William Gordon Martin.</p> <p>On completion of the Acquisition and the Offer (assuming the Minimum Subscription), the following Shareholders are expected to hold 5% or more of the total Shares on issue (on a post-Consolidation basis):</p> <table border="1" data-bbox="416 1193 1182 1361"> <thead> <tr> <th data-bbox="416 1193 735 1292">Shareholder</th> <th data-bbox="735 1193 975 1292">Number of Shares held</th> <th data-bbox="975 1193 1182 1292">% of Shares/voting power</th> </tr> </thead> <tbody> <tr> <td data-bbox="416 1292 735 1361">Chesapeake Capital Limited</td> <td data-bbox="735 1292 975 1361">19,803,441</td> <td data-bbox="975 1292 1182 1361">5.71%</td> </tr> </tbody> </table>	Shareholder	Number of Shares held	% of Shares/voting power	Chesapeake Capital Limited	196,068,830	10.73%	Mr Mark John Bahen & Mrs Margaret Patricia Bahen	127,470,237	6.97%	Shareholder	Number of Shares held	% of Shares/voting power	Chesapeake Capital Limited	19,803,441	5.71%	
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2 Details of the Offer

2.1 The Offer

The Offer is an offer of up to 300,000,000 Shares (post Consolidation) at a price of \$0.02 per Share together with up to 150,000,000 free attaching quoted Options (on the basis of 1 Option for every 2 Shares issued) each with an exercise price of \$0.04 and expiring 31 March 2019 to raise up to \$6,000,000 (before costs and expenses). The Offer is subject to a minimum subscription of 200,000,000 Shares (post Consolidation) to raise \$4,000,000.

The Offer is partially underwritten by Patersons Securities Limited (AFSL No. 239 052) to the minimum subscription of \$4,000,000.

The Offer comprises:

- **Priority Offer** - a priority offer to Eligible Shareholders; and
- **Public Offer** - an offer to the general public.

No Shares or Options will be issued unless the Minimum Subscription has been received.

The Shares offered under this Prospectus will rank equally with the existing Shares at that time of issue. Refer to Annexure A for details of the rights attaching to the Shares.

The Options offered are in the same class as the Company's existing quoted IMIOA Options. Refer to Annexure B for the terms and conditions of the Options.

2.2 Conditions to the Offer

Completion of the issue of the Securities under the Offer is subject to the following conditions:

- (a) Shareholders approving the Acquisition Resolutions at the Annual General Meeting, being:
 - (i) a change in the nature and scale of the Company's activities as a result of the Acquisition;
 - (ii) the issue of 55,750,000 Shares and 27,875,000 Options as consideration under the Acquisition;
 - (iii) the issue of up to 300,000,000 Shares at an issue price of \$0.02 each and up to 150,000,000 free attaching Options (each on a post Consolidation basis) the subject to the Offer;
 - (iv) the issue of 100,000,000 Options to Sub-Underwriters of the Offer;
 - (v) the Consolidation; and
 - (vi) the issue of 40,000,000 Performance Rights to incoming Senior Management (including Proposed Directors, Michael Shelby and Patrick Maingard);(together, the **Acquisition Resolutions**);
- (b) Shareholders approving the election of Michael Shelby, Patrick Maingard and Michael Kenyon as Directors with effect from completion of the Acquisition;
- (c) the Company raising the Minimum Subscription;

- (d) the Company receiving conditional approval for re-admission to the Official List on terms acceptable to the Company and the Founding Shareholder; and
- (e) the conditions precedent to the Option and Share Purchase Deed being satisfied or waived (other than the condition precedent relating to the Company raising the Minimum Subscription).

2.3 Annual General Meeting

The Company has convened its 2017 Annual General Meeting to consider (among other things) the Acquisition Resolutions and the election of Michael Shelby, Patrick Maingard and Michael Kenyon as Directors. The Annual General Meeting is scheduled to be held on 1 November 2017.

2.4 Minimum Subscription

The minimum level of subscription for the Offer is 200,000,000 Shares at \$0.02 per Share to raise \$4,000,000. No Shares or Options will be issued unless the Minimum Subscription has been received. If the Minimum Subscription is not received within four months after the date of this Prospectus (or such period as varied by ASIC), the Company will not proceed with the Offer and will repay all Application Monies (without interest) as soon as practicable or issue a supplementary or replacement prospectus and allow Applicants one month in which to withdraw their Applications and be repaid their Application Monies in full without interest in accordance with the Corporations Act.

2.5 Underwriter and Lead Manager

The Offer is underwritten to \$4,000,000 (being the Minimum Subscription amount) by the Underwriter pursuant to the terms of the Underwriting Agreement. The Underwriter will also act as Lead Manager to the Offer. A summary of the key terms of the Underwriting Agreement is set out in Section 8.1(c).

2.6 Purpose of the Offer and proposed sources and uses of funds

The purpose of the Offer is to:

- (a) raise up to \$6,000,000 from Applications by the issue of up to 300,000,000 Shares at an issue price of \$0.02 per Share and 150,000,000 free attaching Options;
- (b) facilitate an application by the Company to seek re-admission to the Official List and to assist the Company to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules; and
- (c) position the Company to achieve its strategy as set out in Section 3.4.

The Company intends to apply the funds raised from the Offer, together with its and Babylon's cash reserves over the next two years following admission of the Company to the Official List of the ASX as follows:

PROPOSED USE OF FUNDS	\$4,000,000 Minimum Subscription	\$6,000,000 Full Subscription
Company cash on hand (30 June 2017) ¹	\$126,822	\$126,822
Babylon cash on hand (30 June 2017) ²	\$299,346	\$299,346
Babylon share placements (20 July and 17 September 2017)	\$184,500	\$184,500

PROPOSED USE OF FUNDS	\$4,000,000 Minimum Subscription	\$6,000,000 Full Subscription
(after costs)		
Proceeds from the Offer (before costs)	\$4,000,000	\$6,000,000
Total cash on completion of re-compliance	\$4,610,668	\$6,610,668
USE OF FUNDS		
Purchase of equipment for rental	\$2,801,000	\$4,594,000
Repay existing Director debts ³	\$238,690	\$238,690
Business development & Marketing	\$140,000	\$190,000
Corporate & Administrative Costs	\$300,000	\$300,000
Working Capital	\$581,578	\$604,578
Costs of the Capital Raising	\$549,400	\$683,400
Total	\$4,610,668	\$6,610,668

Notes:

1. Between 30 June 2017 and the date of the Prospectus, the Company's cash position reduced by approximately \$90,000.
2. Between 30 June 2017 and the date of the Prospectus, Babylon raised \$184,500 (after costs) and its cash at bank reduced by approximately \$203,000 as against its 30 June 2017 cash on hand of \$299,346 (after adjusting that balance for funds raised of \$184,500 (after costs)).
3. Directors' debt includes \$65,776 accrued between 30 June 2017 and 30 November 2017.

In the event the Company raises more than the Minimum Subscription but less than Full Subscription, it is anticipated that funds will be applied towards the purchase of additional equipment for rental, and to business development and marketing costs.

The table above represents the Company's current intentions as at the date of this Prospectus based on the current business plan of the Company and business conditions. The amount and timing of the actual expenditure may vary and will depend upon numerous factors, including the timing and success of the Company's activities and the risk factors outlined in Section 6. As with any work plan and budget, intervening events and new circumstances have the potential to affect the manner in which funds are ultimately applied. Accordingly, the actual expenditures may vary from the above estimates and the Board reserves the right to vary the expenditures dependent on circumstances and other opportunities.

The Board believes that funds raised from the Offer assuming the Minimum Subscription is raised, together with existing cash reserves, will provide the Company with sufficient working capital to carry out its stated objectives.

2.7 Key dates

Set out below are key dates relating to the Offer:

Event	Date
Lodgement of this Prospectus with ASIC	24 October 2017
Opening Date of the Offer	31 October 2017
Annual General Meeting	1 November 2017
Closing Date of the Offer (5.00pm AWST)	22 November 2017
Issue of Shares and Options under the Offer	1 December 2017
Completion of the Acquisition	1 December 2017
Despatch of holding statements	1 December 2017
Expected date for Shares and Options to be reinstated to trading on the ASX	4 December 2017

Note: This timetable is indicative only. Unless otherwise indicated, all times given are Western Standard Time, Australia. The Company, in consultation with the Underwriter, reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late applications, either generally or in particular cases, or to cancel or withdraw the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before the allocation of Shares and free attaching Options the subject of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

2.8 How to Apply under the Offer

How to Apply

Applicants may apply for Shares and Options by completing a valid Application Form attached to or accompanying this Prospectus in accordance with the instructions set out in the Application Form. Applicants should note there are two separate Application Forms:

- (a) a Priority Offer Application Form for Eligible Shareholders; and
- (b) a Public Offer Application Form for all other Applicants.

Applications for Shares must be for a minimum of 50,000 Shares (equivalent to \$1,000.00) under the Priority Offer and for a minimum of 100,000 Shares (equivalent to \$2,000) under the Public Offer. Payment for the Shares must be made in full at the issue price of \$0.02 per Share multiplied by the number of Shares applied for. The Options under the Priority Offer and Public Offer are free attaching and no additional subscription price is payable for the grant of the Options.

Priority Offer Applications

Eligible Shareholders can apply under the Priority Offer. Eligible Shareholders are Shareholders of the Company with a registered address in Australia on the Record Date of 23 October 2017.

Under the Priority Offer, up to 125,000,000 Shares (and 62,500,000 free attaching Options) have been set aside for Eligible Shareholders. Eligible Shareholders will be allocated Shares and Options under the Priority Offer at the discretion of the Company in consultation with the Underwriter. If the Company receives Applications from Eligible Shareholders for more than 125,000,000 Shares (and 62,500,000 free attaching Options), the Company intends to treat such additional Applications under the Priority Offer as being made under the Public Offer, subject to such additional Applications

satisfying the minimum application size of 100,000 Shares (and 50,000 free attaching Options) as required under the Public Offer. Applications under the Priority Offer must be made using the personalised Priority Offer Application Form accompanying this Prospectus, which contains the details of the Eligible Shareholder. If you are an Eligible Shareholder applying for Shares and Options under the Priority Offer you can apply and pay for Shares and Options by either:

- (a) payment by BPAY® option – please follow the instructions on the personalised Priority Offer Application Form accompanying this Prospectus to make a BPAY® payment; or
- (b) payment by cheque - manually completing the Priority Offer Application Form and returning it accompanied by a cheque in Australian dollars for the full amount of the application being \$0.02 per Share multiplied by the number of Shares applied for. The Options are free attaching Options and no additional subscription price is payable for the grant of the Options. Cheques must be made payable to “IM Medical Limited” and should be crossed “Not Negotiable”.

Completed Priority Offer Application Forms and accompanying cheques must reach the Company's Registry at the address indicated on the form by the Closing Date.

All BPAY® payments by Applicants under the Priority Offer must be received by the Company by the Closing Date. It is your responsibility to be aware of your financial institution's cut-off time for making payments.

Applications under the Priority Offer can only be made in the registered name of the Eligible Shareholder set out on the personalised Priority Offer Application Form accompanying this Prospectus. If you wish to apply for Shares and Options under the Offer in a name other than the Eligible Shareholder, you must apply using a Public Offer Application Form.

Public Offer Applications

Application for Shares and free attaching Options under the Public Offer must be made using the Public Offer Application Form. Applicants under the Public Offer may pay by cheque or electronic funds transfer. If an Applicant is paying by:

- (a) cheque, the cheque must be in Australian dollars for the full amount of the application being \$0.02 per Share multiplied by the number of Shares applied for. The Options are free attaching Options and no additional subscription price is payable for the grant of the Options. Cheques must be made payable to “IM Medical Limited” and should be crossed “Not Negotiable”; or
- (b) BPAY® via internet or phone banking, please visit our share registry's website: www.securitytransfer.com.au and complete the online application form. All online applicants can BPAY their payments via internet or phone banking. A unique reference number will be quoted upon completion of the application.

If you are paying by cheque, your completed Public Offer Application Form and accompanying cheque must reach the Company's Registry at the address indicated on the form by the Closing Date.

You do not need to return any documents if you make payment via BPAY®. Your BPAY® reference number will process your payment to your application electronically and you will be deemed to have applied for such securities for which you have paid.

All BPAY® payments must be received by the Company by the Closing Date. It is your responsibility to be aware of your financial institution's cut-off time for making payments.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date of the offer. BPAY® applications will only be regarded as accepted if payment is received by the Registry from your financial institution on or prior to the Closing Date. It is the Applicant's responsibility to ensure funds are submitted correctly by the Closing Date and time.

No brokerage, commission or stamp duty is payable by Applicants on an acquisition of Shares and Options under the Offer.

The Closing Date for the Offer is 5.00pm WST on 22 November 2017, or such earlier or later date as the Directors, in their absolute discretion, may determine. The Company reserves the right to extend the Closing Date or close the Offer early without notice.

To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may download a copy of the Prospectus from the Company's website www.immedical.com.au. You may also obtain a copy of this Prospectus from the Underwriter. Please telephone on +61 8 9263 1150 to obtain a copy.

Subject to Sections 2.10 and 2.11 the Shares and Options to be issued under the Offer will be issued as soon as practicable after the Closing Date. It is expected that holding statements will be sent to successful Applicants by post on or about 1 December 2017.

2.9 Application Monies to be held on Trust

To the extent required by the Corporations Act, until the Shares and Options are issued under this Prospectus, the Application Monies for Shares and free attaching Options will be held by the Company on trust on behalf of Applicants in a separate bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus. However, the Company will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest. If the Shares and Options to be issued under this Prospectus are not admitted to quotation within three months after the date of the Prospectus, no Shares and Options will be issued and Application Monies will be refunded in full without interest in accordance with the Corporations Act.

2.10 Allocation Policy, Issue of Shares and Options, ASX Listing and Discretion

(a) Allocation Policy

Eligible Shareholders who validly apply under the Priority Offer will be given preference in respect of the allocation of up to 125,000,000 Shares (and up to 62,500,000 free attaching Options). The allocation of Shares and Options under the Priority Offer will be at the discretion of the Company in consultation with the Underwriter.

If the Company receives Applications from Eligible Shareholders for more than 125,000,000 Shares (and 62,500,000 free attaching Options), the Company intends to treat such additional Applications under the Priority Offer as being made under the Public Offer, subject to such additional Applications satisfying the minimum application size of 100,000 Shares (and 50,000 free attaching Options) as required under the Public Offer.

The Company, in conjunction with the Underwriter, reserves the right to reject any application or to allocate any Applicant fewer Shares and Options than the number applied for.

Where the number of Shares and Options issued to an Applicant is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

The Company's decision on the number of Shares and Options to be allocated to an Applicant is final.

(b) **Issue of Shares and Options**

Subject to satisfaction of the conditions to completion of the issue of Securities under the Offer in Section 2.2, allotment of Shares and Options offered by the Prospectus will take place as soon as practicable after the Closing Date.

It is expected that holding statements will be sent to successful Applicants on or about 1 December 2017.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares and Options issued under the Offer. Applicants who sell Shares and/or Options before they receive their holding statements do so at their own risk.

(c) **ASX Listing**

Within 7 days after the date of this Prospectus the Company will apply to ASX for admission to the Official List and for the Shares and Options the subject of this Prospectus to be granted Official Quotation.

However, Applicants should be aware that ASX will not commence Official Quotation of any Shares and Options until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List. As such, Shares and Options offered under the Offer may not be able to be traded for some time after the close of the Offer.

If the Shares and Options are not admitted to Official Quotation by ASX before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, or if ASX rejects the Company's application to be re-admitted to the Official List, the Company will not issue any Shares and Options and will repay all Application Monies for the Shares within the time prescribed by the Corporations Act, without interest. In those circumstances, the Acquisition will not proceed.

The fact that ASX may grant Official Quotation to the Shares and Options is not to be taken in any way as an indication of the merits of the Company or the Shares and Options now offered for subscription. ASX takes no responsibility for the contents of this Prospectus.

2.11 Discretion to not proceed or withdraw the Offer

The Company reserves the right, in consultation with the Underwriter, not to proceed with the Offer, withdraw the Offer, or any part of it, at any time before the issue of Shares and Options to successful Applicants. If the Offer (or any part of it) does not proceed, Application Monies will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

The Company also reserves the right (subject to the ASX Listing Rules and the Corporations Act) to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares and Options than the amount applied for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

2.12 Restricted Securities

The Company anticipates entering into restriction arrangements with:

- (a) the Sub-Underwriters to the Offer in relation to the Sub-Underwriter Options; and
- (b) Michael Shelby and Patrick Maingard in relation to the Performance Rights which are proposed to be issued to them subject to Shareholder approval as detailed in Section 9.8.

The Sub-Underwriter Options will represent approximately 36% of all the Options in issue following completion of the Acquisition and the Offer based on the Minimum Subscription.

It is intended that each of the affected persons will enter into restriction agreements in respect of their Restricted Securities in the form required under ASX Listing Rules, which prevents them from disposing of the Restricted Securities (including any Shares issued on exercise of any option) for the applicable restriction period. The restrictions on the holder of Restricted Securities include prohibitions on selling, assigning, transferring or otherwise disposing of any interest in the Restricted Securities (or agreeing to do any of those things), granting, or agreeing to grant, a security interest over the Restricted Securities, and doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Restricted Securities.

Under ASX Listing Rule 9.17, subject to certain conditions, the ASX may consent to the removal of certain restrictions in respect of the Restricted Securities to enable the holder of Restricted Securities to accept a takeover bid or to enable Restricted Securities to be transferred or cancelled as part of a scheme of arrangement under Part 5.1 of the Corporation Act.

As detailed in Section 9.13(a), the Company has been granted a waiver from Listing Rule 9.1.3 to permit those Babylon Vendors who paid cash for their Babylon shares to be treated as promoter or related party seed capitalists of the Company, or unrelated seed capitalists of the Company, and for cash formula relief be applied to their Consideration Shares and Consideration Options.

2.13 Applications outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register this Prospectus or qualify the Shares or Options or otherwise permit a public offering of the Shares and Options the subject of this Prospectus in any jurisdiction outside Australia. It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the issue of the Shares and Options pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

2.14 Commencement of Trading

It is the responsibility of Applicants to determine their allocation prior to trading in Shares and Options. Applicants trading in Shares and Options prior to receiving a holding statement do so at their own risk. The Company, the Share Registry and the Underwriter disclaim all liability, whether in negligence or otherwise, to persons who sell Shares and Options before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.

Shares and Options are expected to re-commence trading on ASX on a normal settlement basis in accordance with the key dates at the start of this Prospectus.

2.15 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers. To the maximum extent permitted by law, neither the Company nor any of its Directors, officers nor any of their respective advisers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

2.16 Enquiries

This is an important document and should be read in its entirety. Investors should consult with their professional advisers before deciding whether to apply for Shares and Options under this Prospectus. Any investment in the Company under this Prospectus should be considered highly speculative.

3 Overview of the Company, the Acquisition and Babylon

3.1 Company background

The Company was incorporated on 23 January 1990 and listed on the ASX on 6 February 1997.

The Company's most recent business was operating Melbourne Specialist Imaging, a provider of radiology services in Melbourne, Victoria. These operations were sold to Capitol Health Limited in early 2012 in exchange for shares in Capitol Health Limited, which were distributed to Shareholders in April 2012.

Since 2012, the Company has considered a number of other opportunities, primarily for operating businesses.

The Company's Securities have been suspended from trading on ASX since 29 December 2015 and will remain suspended until it re-compiles with Chapters 1 and 2 of the Listing Rules.

The Company announced on 4 April 2017 that it had entered into a binding agreement which provided the Company with a 6 month option to acquire all of the issued capital of Babylon. Babylon provides specialised equipment rental and equipment maintenance services to the expanding resources maintenance sector.

The Company exercised the Babylon Option on 26 September 2017, as announced to the market on that date. Completion of the Acquisition remains subject to certain conditions including the Company achieving firm commitments for the Minimum Subscription, the Company receiving confirmation from the ASX that its Shares will be re-quoted on the Official List on terms and conditions acceptable to the Company and the Founding Shareholder, and Shareholder approval of the Acquisition Resolutions and the election of Michael Shelby, Patrick Maingard and Michael Kenyon as Directors with effect from completion of the Acquisition (refer to Sections 8.1(a) for further details).

The Company has three wholly owned subsidiaries, EHealth Imaging Pty Ltd, Intelliheart Pty Ltd and IM Zinc Exploration Pty Ltd which are dormant. On 24 August 2017, the Company applied to ASIC for the deregistration of these subsidiaries.

3.2 Babylon

(a) Overview

Babylon was established in February 2017 by Mr Michael Shelby, an oil & gas executive with international experience who most recently had management responsibility for growing the oil & gas service business of Resource Equipment Ltd (ASX: **RQL**) from inception until RQL was acquired by Pump Services, LLC by way of cash on market takeover offer completed in 2015.

Babylon is a new speciality equipment and service provider to the expanding resources maintenance sector. Babylon intends to specialise in two niche areas:

- (i) **Specialised Equipment Rental** – Owning and renting specialised pumping equipment and providing operators and technicians for the oil & gas and mining sectors. Target applications for the rental fleet currently owned or to be acquired by Babylon include process and pipeline maintenance, wellhead and well service work, decommissioning services and mine dewatering and water management.
- (ii) **Equipment Maintenance Services** – Repair and maintenance of customer equipment with a specific emphasis on rebuilding and providing maintenance for large diesel engines similar to the Babylon rental fleet. The engine rebuild service is focused on engines of 1000hp or greater. Points of differentiation include a focus on smaller underserved equipment owners, flexible parts and labour supply, in-house testing capability and an experienced and respected team.

Babylon's initial focus has been on diesel engine services and work has commenced on contracts with companies in the oil & gas, and mining sectors for pump, engine and component rebuilds. This will continue to be the short term focus while Babylon builds up its rental fleet. Babylon has commenced rental operations using cross-hired equipment. This will continue until Babylon is able to acquire rental assets.

(b) Current Operations

Since commencing operations in May 2017, Babylon has:

- secured a leased operations facility, strategically located in Forrestfield, Western Australia, near the Perth Airport and spent over \$100,000 in workshop set up;
- assembled an experienced operations team with 3 full time staff and 4 casual staff as at 31 August 2017;
- achieved ISO 9001:2015, OHSAS 18001:2007 and ISO 14001:2015 certifications for its quality, safety and environmental systems;
- begun acquiring high horsepower diesel engines, high pressure and large volume centrifugal pumps to be utilized in oil & gas and mine dewatering applications; and
- secured first customer purchase orders for both equipment rental and diesel maintenance.

The current operations are at an early stage of commercial development. Diesel engine service work has begun for several resource sector customers and Babylon has generated gross revenue of approximately \$360,000 for this work in the period since commencing operations in May 2017 and the end of August 2017. Investors should be aware, however, that given Babylon is a recently established entity with a limited trading history, it has incurred losses since its inception while it has been engaged in establishing its business.

Equipment was mobilised in July 2017 for an onshore oil & gas maintenance project which is expected to provide regular ongoing revenues for the remainder of the 2017 calendar year. Ongoing maintenance and testing work commenced in June 2017 for a major international oil & gas service company utilising Babylon's Forrestfield facility, in addition to working on the customer's site.

Babylon has a pipeline of potential business opportunities including outstanding quotes and proposals for rental of power generation equipment in excess of one year, diesel engine rebuild work, and for the supply of pumps for multiple sites including specialty pumps for offshore oil & gas projects. While there is no certainty that any of the quotes or proposals will be successful, the market response gives the directors of Babylon confidence regarding the opportunity to grow the Babylon business.

(c) Operating Assets

Assets valued at approximately \$250,000 have been purchased to support Babylon's business.

(d) Employees

Babylon has initiated a recruitment strategy to secure a core staff of skilled and experienced tradesmen. At 31 August 2017, Babylon has assembled an experienced operations team with 3 full time staff and 4 casual staff. Employees have been taken on in a mix of full time and casual roles to give the company flexibility in early start-up stages.

(e) Quality Assurance

In August 2017, Babylon achieved ISO 9001:2015, and ISO 14001:2015 certifications for its quality and environmental systems. These certifications confirm Babylon's systems meet recognised international standards which may assist in sales and marketing efforts as well as general business efficiency.

(f) Occupational Health and Safety

In August 2017, Babylon achieved OHSAS 18001:2007 certification for its safety systems. This certification confirms Babylon's system meets a recognised international standard which may assist in prequalification with vendors.

3.3 The Acquisition

(a) Acquisition rationale

The Directors of the Company believe that the acquisition of Babylon provides an attractive opportunity for the Company to enter the growing specialised resources maintenance sector. Following the recent resource sector construction boom, BIS Schrapnel's *Maintenance in Australia 2016-2031* report estimates the annual maintenance expenditure in Australia's resources industry will swell to \$10 billion within five years. This expected surge in maintenance has been described as the next phase of the resources boom.

(b) Key terms of the Acquisition

The Company and the Founding Shareholder entered into the Option and Share Purchase Deed on 4 April 2017 under which the Company was granted a 6-month option to acquire all of the issued capital in Babylon. Each of the Babylon Vendors have entered into shareholder deeds with Babylon under which they agreed (among other things) that if the Founding Shareholder Mr Shelby wished to sell his shares in Babylon, they agreed to also sell on the same terms.

A summary of the Option and Share Purchase Deed is set out in Section 8.1(a).

3.4 The Company post Offer and the Acquisition

(a) Business Model and Strategy

On completion of the Acquisition, Babylon plans to expand the rental fleet and increase sales and marketing activity in the specialty equipment rental market focusing on pumping and power. Babylon plans to acquire quality pre-owned equipment on the second hand market and use in house experience to rebuild and improve these rental assets to meet market demands in a cost efficient manner.

Babylon will also invest in plant and equipment to increase capability and throughput of its diesel engine services business. Babylon will continue to use a mixture of full time and casual employees to execute the works to give maximum flexibility to the business.

(b) Key Operating Costs and Capital Expenditure Items

The most significant expenditure is expected to be on the acquisition and improvement of rental assets. Secondary costs will include costs associated with sales and marketing and plant and equipment to improve diesel engine services business capabilities.

(c) Growth Strategy

Babylon management intend to pursue growth opportunities for Babylon and expand its market presence, including by:

- acquiring rental fleet in order to have fleet ready for hire to meet market opportunities;
- leveraging existing customers and historical business networks to expand services as new rental assets are acquired;
- further developing marketing tools and expanding sales and business development beyond first order from existing networks; and
- commencing sales activities outside the Western Australian market for both diesel maintenance and rental opportunities.

(d) Key Dependencies

Babylon's key dependencies are the ability to retain key personnel and attract suitably qualified staff to support business growth, the availability and cost of acquiring new equipment, and the ability to attract and retain customers.

4 Industry overview

4.1 Introduction

Babylon operates in the expanding resources maintenance sector of the Australian resources industry.

The services and equipment provided by Babylon are diversified across a broad range of mining commodities and service sectors including dewatering, power generation, earthmoving, process and pipeline construction and maintenance, drilling and haulage. The industries served are closely linked to mining and oil & gas exploration and production activity.

The resources boom in the early to mid-2000s in Australia led to an increase both in exploration and in the level of investment expenditure to boost resource production output and satisfy international demand. This increased investment over the past decade may lead to a significant increase in the requirement for maintenance of resource sector assets and equipment as these assets mature through their lifecycle.

4.2 Key drivers for demand for the provision of specialised equipment hire and diesel maintenance services to the resources sector

The key driver of demand for mining and oil & gas services is overall level of investment in plant and equipment for production, new exploration and sustaining works all of which are ultimately driven by commodity pricing. The demand for services is also linked to operators' decision to undertake maintenance works in house or to outsource to contractors. The decision to outsource is influenced by many factors such as the financial, technical and operational capability of the operator. Outsourcing services allows realization of benefits of flexibility, economy of scale and access to capital equipment and skilled labour.

4.3 Market for the provision of specialised equipment hire and diesel maintenance services to the resources sector

The Australian Department of Industry Innovation and Science in its Resources and Energy Quarterly June 2017 publication estimates that resources and energy accounted for 6% of GDP in 2015-2016. The Australian oil & gas services sector is expected to grow at an annualised 4.6% to \$8.0 billion in 2018. Contract mining services is expected to grow over the next five years at an annualised 2.9% to \$12.2 billion in 2022. With strong demand for these services in Western Australia, the Directors believe Babylon is well positioned to benefit from industry expenditure.

Annual maintenance expenditure in Australia's resources industry is forecast to grow to \$10 billion within five years, according to research group BIS Shrapnel's report *Maintenance in Australia 2016-2031*. A substantial increase in maintenance activity is expected across Australian industries over the next five years, according to BIS Shrapnel's report *Maintenance in Australia 2016-2031*. It found the resources sector would be the key driver, with a 52 per cent increase in expenditure to fiscal 2021 expected, driven by oil & gas.

4.4 Competition in the market for the provision of specialised equipment hire and diesel maintenance services to the resources sector

The market for provision of equipment hire and maintenance services is broad with international corporations, large local operators and smaller specialised operators competing for business. Competition also exists between service providers and the customer itself who has the alternative of purchasing rather than hiring equipment and maintaining equipment themselves.

Competition for services is driven by pricing, the quality of services and equipment provided, and the track record and reputation of the service provider.

Key barriers to entry in the sector are the capital requirements to build and maintain a suitable equipment fleet, establish operating bases and facilities, and the ability to offer technically capable and skilled technicians to meet customer maintenance needs.

The Babylon business is at an early stage of development, although it has had early success in building its business, there is no certainty that Babylon will be able to compete successfully with existing and new potential competitors.

5 Directors, Senior Management and Corporate Governance

5.1 Directors and Proposed Directors

The current Directors of the Company are Nigel Blaze (Chairman), Richard Wadley (Non-Executive Director) and Paul Burton (Non-Executive Director). All of the current Directors of the Board will resign from the Board, and subject to Shareholder approval at the Annual General Meeting, the Board will be reconstituted with effect from completion of the Acquisition to comprise:

- Michael Shelby – Executive Chairman;
- Patrick Maingard – Executive Director; and
- Michael Kenyon – Non-Executive Director and Company Secretary.

A brief profile of Messrs Shelby, Maingard and Kenyon is set out below:

Mr Michael Shelby

Executive Chairman

Age – 44

Michael has over two decades of experience in oil & gas, mining and specialty rental markets spanning commercial, technical and project management roles. He obtained a Bachelor of Science in Chemical Engineering from Louisiana State University and began work for major oil service companies in his native United States. In 2007 he moved his family to Perth where he has spent another decade in various management positions at international oil service and specialty rental companies. Michael has an extensive network across Australian, Asian and Middle Eastern markets.

Whilst General Manager Oil & Gas at Resource Equipment Ltd (ASX:RQL) he had management responsibility for growing the oil & gas service business of RQL from inception until RQL was acquired by Pump Services, LLC by way of cash on market takeover offer completed in 2015, recruited key personnel and launched an overseas branch to complement Australian business activities. Michael has 10 years' experience in Australia leading multifunction teams across mining and oil & gas during most recent market cycles.

Michael has completed the Senior Executive MBA program at Melbourne Business School, and the AICD Foundations of Directorship Course.

Mr Patrick Maingard

Executive Director

Age – 55

A graduate member of the Australian Institute of Company Directors (GAICD), Patrick has 30 years of management experience with a strong SME background with Director and Managing Director portfolios.

Patrick was a Director/co-owner of plastics manufacturing business Omni Manufacturing Pty Ltd, (acquired April 1999). Key milestones included increasing profitability via organic growth and acquisitions, overhaul of manufacturing plant and equipment, achieving ISO certification and Australian Standards accreditation and assisting in establishing and managing relationships with Bunnings, Reece Plumbing, Masters, Australian Defence Force, Constellation Wines, Matrix and other clients. The business was sold to a European multinational, with Patrick retained on contract as Managing Director until December 2015.

Patrick holds a MSc Management – Oxford University.

Mr Michael Kenyon

Non-Executive
Director and Company
Secretary

Age – 48

Michael has extensive experience in senior finance executive roles in Australian listed companies, holding Chief Financial Officer and Company Secretarial roles in a number of private and public companies over the past 20 years. Mr Kenyon holds a Bachelor of Business degree from the Edith Cowan University, is a Chartered Accountant, graduate member of the Australian Institute of Company Directors, and a certificated member of the Governance Institute.

He has had significant exposure to manufacturing, engineering and contracting sectors through roles in ASX listed corporations. Michael was Chief Financial Officer & Company Secretary of Resource Equipment Ltd (ASX:RQL) for almost 2 years prior to its takeover.

In light of the Company's size, nature and stage of development, the Board considers that the composition of the current Board is appropriate. As the Company's activities develop, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Each Proposed Director has confirmed to the Company that he anticipates being available to perform his duties as a Director without constraint from other commitments.

5.2 Independence of Directors

The Board considers an Independent Director to be a non-executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Board will consider whether there are any factors or considerations which may mean that a Director's interest, position, association or relationship might influence, or reasonably be perceived to influence, the capacity of the Director to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

The Board considers that Mr Kenyon is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of his judgement and that he is able to fulfil the role of Independent Director for the purpose of the ASX Recommendations.

Messrs Shelby and Maingard do not meet the definition of Independent due to their executive appointments.

The Directors believe that they are able to objectively analyse the issues before them in the best interests of all Shareholders and in accordance with their duties as Directors.

5.3 Senior Management

On completion of the Acquisition, Mr Shelby will be the Executive Chairman and Mr Maingard an Executive Director. Other members of Senior Management are set out below:

Mr Mark Lagemann

Operations Manager

Age – 41

Mark has over 20 year's global operational management experience. He has worked his way up from a field technician in NSW to manage projects across Australia, USA, Africa, Pacific Islands as well as Antarctica. Mark has an extensive global network in the mining heavy equipment and oil & gas sectors. In addition to a trade certificate and diploma in project management, Mark holds an Advanced Diploma in Management and has

undergone extensive industry OEM training.

5.4 Corporate Governance

The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals and any acquisitions of the Company. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return and building the growth and success of the Company. In conducting business with these objectives, the Board aims to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees operate in an appropriate environment of corporate governance, which includes maintaining the highest business standards and ethical behaviour.

Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company is seeking a re-listing on the ASX as it is proposing to change the nature and scale of its activities. The ASX Corporate Governance Council has developed and released its third edition of the Corporate Governance Principles and Recommendations (**ASX Recommendations**) for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

Copies of the Company's key policies and the charters for the Board and each of its committees will be available at www.immedical.com.au during the Offer. Following completion of the Acquisition and the appointment of the Proposed Directors to the Board, the Proposed Directors intend to review the Company's existing corporate governance policies and procedures and will adopt such changes and new policies as they consider necessary.

(a) Board of Directors

Board Charter

A Board Charter has been adopted which defines governance roles as well as setting out Board processes and key Board functions. The Board has determined, consistent with its size and activities, that it should comprise of at least 3 Directors and that the majority of those Directors shall be independent. Directors should bring specific skills and experience that add value to the Company. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board and ensures that the Board is accountable to key stakeholders, particularly Shareholders, in discharging its duties.

The Board has a policy that the majority of directors shall be both non-executive and independent, which policy is satisfied by the composition of the Company's Board as at the date of the Prospectus.

Board Committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board currently fulfils the roles of all such committees, being, the Audit, Risk and Compliance Committee, Remuneration Committee and Nomination Committee.

Other ad hoc committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

Audit, Risk and Compliance Committee

The role of an Audit, Risk and Compliance Committee is to assist a board in the effective discharge of its governance and oversight responsibilities in relation to a company's financial reporting, accounting policies, risk management, internal control systems, compliance with laws and regulations and internal and external audit functions.

An Audit, Risk and Compliance Committee may also assist a board with risk management processes including implementation of risk management policies, procedures and systems identification, assessment and management of risks and reports to the board on the effectiveness of the risk management process.

Due to the limited size, lack of complexity and relatively small number of directors, the Board has adopted the role of Audit, Risk and Compliance Committee which is fulfilled by all members of the Board. Following completion of the Acquisition and the appointment of the Proposed Directors to the Board, the Proposed Directors intend to review the current Audit, Risk and Compliance Committee Charter (**ARC Charter**) and will adopt such changes as they consider necessary. At present, the ARC Charter provides that the Audit, Risk and Compliance Committee must comprise at least two directors and is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. In order to perform its role, it is authorised to obtain outside legal or other independent professional advice and to investigate any activity within the ARC Charter.

Remuneration Committee

The purpose of a Remuneration Committee is to assist a board in the effective discharge of its responsibilities for remuneration matters relating to the board, senior executives and company-wide remuneration policies. A Remuneration Committee is also responsible for recommending to a board the structure of employee incentive and equity-based plans including the appropriateness of performance hurdles.

Due to the limited size, lack of complexity and relatively small number of directors, the Board has adopted the role of Remuneration Committee which is fulfilled by all members of the Board.

The Board may review the remuneration packages and policies applicable to senior management on an annual basis and may also obtain independent advice on the appropriateness of remuneration packages. The Company does not currently have any employees.

Nomination Committee

A Nomination Committee is responsible for reviewing and making recommendations in relation to the composition and performance of the board to ensure it has the necessary expertise, skills and relevant industry experience and that adequate succession plans are in place (including for the recruitment and appointment of directors and senior management).

Due to the limited size, lack of complexity and relatively small number of directors, the Board has adopted the role of Nomination Committee which is fulfilled by all members of the Board.

(b) Ethics and Diversity

The Company does not have a Diversity Policy as it currently has no employees. As stated above, following completion of the Acquisition and the appointment of the Proposed Directors to the Board, the Proposed Directors intend to adopt new corporate governance policies and procedures as they consider necessary, which may include the adoption of a Diversity Policy.

(c) Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a Code of Conduct which sets out the way the Company conducts business. The Company is committed to conducting its business and activities ethically and

according to its values, encourage community initiatives, consider the environment and ensure a safe, equal and supportive workplace.

The policy document outlines obligations for compliance with the Code of Conduct and applies to all of the Company's Directors, officers, employees, contractors and other Company representatives.

Responsibilities in the Code of Conduct include those afforded to shareholders, clients, customers and consumers, as well as detailing employment practices within the Company and its ethical and environmental responsibilities.

(d) Securities Dealings

The Company has adopted a Share Trading Policy, which sets out the policies and procedures for dealings in the Company's securities by all directors, officers, employees, contractors and consultants of the Company.

The Share Trading Policy prohibits the persons identified above from dealing in the Company's securities when they are in possession of inside information.

Further to the insider trading restrictions, those employees who have authority and responsibility for directing and controlling the activities of the Company (**Key Management Personnel**), are subject to additional restrictions regarding dealings in the Company's securities. Key Management Personnel must not deal in the Company's securities during "blackout periods", unless approval has been granted in exceptional circumstances.

The "blackout periods" begin four weeks before:

- the announcement of the full year results of the Company;
- the announcement of the half year results of the Company; and
- the annual general meeting of the Company,

or at any other time as the Board determines, and end at the close of business the day after the relevant event to allow the market a reasonable time to absorb the new information.

The Board retains an absolute discretion to place an embargo on employees trading in the Company's securities at any time.

The requirements imposed by the Share Trading Policy are separate from, and additional to, the legal prohibitions in the Corporations Act.

(e) Shareholder Communication

The Board's aim is to ensure that Shareholders are informed of all major developments affecting the Company. Information will be communicated to Shareholders through various methods including the lodgement of information with the ASX as required by the Company's continuous disclosure obligations and publishing of information on the Company's website.

The Company's website will contain information about the Company, including media releases, key policies, Board and Committee Charters and other information relevant to Shareholders. All announcements made to the market and any other relevant information will be posted on the Company's website at www.immedical.com.au as soon as they have been released to the ASX.

(f) Continuous Disclosure Policy

The Company is required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. The Company is required to disclose to the ASX any information concerning the Company which a reasonable person would expect to have a material effect on the

price or value of the Company's securities were that information to be generally available. The Company is committed to observing its disclosure obligations however does not currently have a formal written policy in place and relies on the extensive experience of the Board to ensure ongoing compliance. Following completion of the Acquisition and the appointment of the Proposed Directors to the Board, the Proposed Directors intend to adopt new corporate governance policies and procedures as they consider necessary, including a Continuous Disclosure Policy.

(g) Departures from Recommendations

Under the ASX Listing Rules, the Company will be required to report any departures from the ASX Recommendations in its annual report and/or on its website.

The Company's departures from the ASX Recommendations (assuming the Acquisition completes) are detailed in the table below:

Principles and Recommendations	Explanation for departure
<p><i>1.5 A listed entity should:</i></p> <p><i>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</i></p> <p><i>(b) disclose that policy or a summary of it; and</i></p> <p><i>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them. and either:</i></p> <p><i>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</i></p> <p><i>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</i></p>	<p>The Company does not have a Diversity Policy.</p> <p>Following completion of the Acquisition and the appointment of the Proposed Directors to the Board, the Proposed Directors intend to adopt new corporate governance policies and procedures as they consider necessary, which may include the adoption of a Diversity Policy.</p>
<p><i>2.1 The board of a listed entity should:</i></p> <p><i>(a) have a nomination committee which:</i></p> <p><i>(1) has at least three members, a majority of whom are independent directors; and</i></p> <p><i>(2) is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p><i>(3) the charter of the committee;</i></p>	<p>The Board is of the opinion that the Company will not be of a sufficient size to warrant a Nomination Committee, with the full Board set to fulfil those duties.</p> <p>The composition of the Board will be determined using the following principles once the Company is of sufficient size and scale to warrant this:</p> <p>(a) The Board shall comprise directors with a range of expertise encompassing the current and proposed activities of the Company, and those</p>

<p><i>(4) the members of the committee; and</i></p> <p><i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i></p> <p><i>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</i></p>	<p>which do not, have extensive expertise in significant aspects of auditing and financial reporting, or risk management of large companies.</p> <p>(b) An appropriate number of independent non-executive directors.</p> <p>(c) A non-executive independent director as Chairman.</p> <p>(d) Where a vacancy is considered to exist, the Board selects an appropriate candidate through consultation with external parties, consideration of the needs of the shareholder base and consideration of the needs of the Company.</p>
<p><i>2.4 A majority of the Board of a listed entity should be independent directors</i></p>	<p>On Completion of the Acquisition, the Board will comprise of a non-executive director and two executive directors. The Board's desire in the long-term is for the majority of directors to be independent however considers that its proposed structure is appropriate for the size and complexity of the organisation.</p>
<p><i>2.2 The chairperson of the board should be an independent directors and, in particular, should not be the same person as the Chief Executive Officer of the entity.</i></p>	<p>The Executive Chairman, who is not independent, will fill the role of chairperson and Chief Executive Officer for the foreseeable period. The Board's desire in the long-term is for the chairperson's role to be filled by an independent director however considers the current arrangement to be appropriate for the size and complexity of the organisation.</p>
<p><i>4.1 The board of a listed entity should:</i></p> <p><i>(a) have an audit committee which:</i></p> <p><i>(1) has at least three members, all of whom are non executive directors and a majority of whom are independent directors; and</i></p> <p><i>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</i></p> <p><i>(3) the charter of the committee;</i></p> <p><i>(4) the relevant qualifications and experience of the members of the committee; and</i></p> <p><i>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those Meetings.</i></p>	<p>The Board is of the opinion that the Company will not be of a sufficient size or scale to warrant an Audit Committee, with the full Board set to fulfil those duties.</p> <p>Once appointed, the Proposed Directors intend to review the current Audit, Risk and Compliance Committee Charter (ARC Charter) and will adopt such changes as they consider necessary.</p>
<p><i>7.1 The board of a listed entity should:</i></p> <p><i>(a) have a committee or committees to oversee risk, each of which:</i></p> <p><i>(1) has at least three members, a majority of whom are</i></p>	<p>The Board is of the opinion that the Company won't be of a sufficient size or scale to warrant a committee to oversee risk, with the full Board set to fulfil those duties.</p>

<p><i>independent directors; and</i></p> <p><i>(2) is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p><i>(3) the charter of the committee;</i></p> <p><i>(4) the members of the committee; and</i></p> <p><i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</i></p>	
<p><i>7.3 A listed entity should disclose:</i></p> <p><i>(a) if it has an internal audit function, how the function is structured and what role it performs.</i></p>	<p>The Company won't have an internal audit function, as the Board believes the Company won't be of a sufficient size or scale to warrant such a function.</p>
<p><i>8.1 The board of a listed entity should:</i></p> <p><i>(a) have a remuneration committee which:</i></p> <p><i>(1) has at least three members, a majority of whom are independent directors; and</i></p> <p><i>(2) is chaired by an independent director,</i></p> <p><i>and disclose:</i></p> <p><i>(3) the charter of the committee;</i></p> <p><i>(4) the members of the committee; and</i></p> <p><i>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.</i></p>	<p>Due to the limited size, lack of complexity and relatively small number of directors, the Board has adopted the role of Remuneration Committee which is fulfilled by all members of the Board.</p>

5.5 Deeds of Access, Indemnity and Insurance

The Company has entered into a deed of access, indemnity and insurance with each of its Directors and Proposed Directors as described in Section 9.2(b).

6 Risk Factors

The Securities offered under this Prospectus are considered speculative. Before applying for Shares and Options, any prospective investor should be satisfied that they have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to their own investment objectives, financial circumstances and taxation position.

There can be no guarantee that the Company will deliver on its business strategy, or that any forward looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

The Directors strongly recommend investors examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

In addition, investors should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and the Directors because of the nature of the business of the Company. The key risks which the Directors consider that investors should be aware of are set out in Section 1.3 of this Prospectus. Those risks, along with other specific and general risks involved in investing in the Company, are set out in more detail in this Section.

The risks described below are not to be taken as exhaustive. The specific risks considered below and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, the financial performance of the Company and the value and market price of Company Shares and Options. The Company's primary business on completion of the Offer and the Acquisition will be to operate the business currently carried on by Babylon. The risks and comments relating to Babylon as disclosed below will be risks of the Company group following completion of the Acquisition and the Offer.

6.1 Specific Risks to the Company

(a) Conditional acquisition

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. The Company's Securities are currently suspended from trading, and it is anticipated that the Securities will remain suspended until completion of the Acquisition and the Offer, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its Securities will consequently remain suspended from quotation.

(b) Dependence on key personnel

The success of Babylon, including its ability to effectively execute its business strategy, depends to a significant extent on its key personnel, in particular the senior management team, comprising Michael Shelby, Patrick Maingard and Mark Lagemann. These individuals have extensive experience in, and knowledge of, the resource services sector. Changes that adversely affect Babylon's ability to retain key personnel or an inability to recruit or retain suitable replacement or additional senior personnel could materially affect the Company's business, operational performance and financial results. The loss of key personnel could cause a significant disruption to Babylon's business and could adversely affect its operations.

(c) Limited trading history

Babylon was established in February 2017 and whilst its management have significant experience in the resources services sector, Babylon has a limited trading history. In its first few months of

operations, Babylon has generated revenue from a targeted pool of customers, however, it has incurred losses since its inception while it has been engaged in establishing its business. Given this limited trading history, there is inherent uncertainty in relation to Babylon's business, and investors should consider Babylon's prospects in light of its limited trading history. There is a risk that that Babylon's business strategy may not be successful or it may diverge from the strategy. For example, potential customers may require goods and services which do not currently form part of Babylon's business strategy or potential customers may acquire their own products and/or develop their own expertise such that Babylon's services are not required.

There can be no guarantee that Babylon's business development and marketing activities will be successful, or even if they are successful, to be able to generate commercially viable levels of revenue. Consequently, there can be no forecast or confirmation as to the Company's future performance following completion of the Acquisition.

(d) Availability of equipment

Babylon operates in the resources maintenance sector providing specialist equipment to customers on demand.

Babylon's initial focus has been on diesel engine services and work has commenced on contracts with companies in the oil & gas and mining sectors for pump, engine and component rebuilds. This will continue to be the short term focus while Babylon builds up its rental fleet. Babylon has commenced rental operations using cross-hired equipment. This will continue until Babylon is able to acquire rental assets. There is the risk that such specific equipment may be in short supply, or have higher than anticipated cost, thereby limiting the ability to meet customer needs, generate new revenue and/or attract new customers.

(e) Failure to retain and attract customers

There can be no guarantee that Babylon's business development and marketing activities will be successful in attracting new customers to Babylon's business. There is a risk that Babylon may not be successful in winning all or any of the current pipeline of prospective customer work. Further, Babylon's existing customers may terminate their relationship with Babylon, for example if any existing or new competitor offers more attractive pricing or services. There is also the risk that as Babylon grows its business it may fail to maintain its customer service standards or may not develop service offerings that meet its customers' future requirements. A failure by Babylon to retain and attract customers would have an adverse impact on Babylon's business, operations and financial performance.

(f) Additional funds

The funds raised under the Offer are considered sufficient to meet the initial growth strategy objectives of Babylon as disclosed in Section 3.4(c). Additional funding may be required by Babylon to implement or continue its growth strategy activities, including if new equipment costs exceed Babylon's estimates. To effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions or other business opportunities, and to meet any unanticipated liabilities or expenses which Babylon may incur, additional equity or other finance may be required.

The Company may seek to raise further funds through equity or debt financing or other means. Failure to obtain sufficient financing for Babylon's activities may result in delay and indefinite postponement of new equipment acquisitions and other aspects of Babylon's growth strategy.

There can be no assurance that the Company will be able to obtain further financing on a timely basis, on favourable terms or that such further funding will be sufficient to enable the Company to implement its planned commercial strategy. These factors may adversely affect the financial performance of the Company. Further, if additional funds are raised by issuing securities, this may result in dilution for some or all of the Shareholders.

(g) **Management of growth**

There is a risk that the Company will not be able to manage growth of the Babylon business, for example, due to Babylon's small management team or if the cost of the equipment required for such growth exceeds management's expectations or available working capital. The capacity of the Company to properly implement and manage business growth including cash flow management may affect its operations and prospects.

(h) **Competition**

Babylon operates in a competitive market. The market for provision of equipment hire and maintenance services is broad with international corporations, large local operators and smaller specialised operators competing for business. Competition also exists between service providers and the customer itself who has the alternative of purchasing rather than hiring equipment and maintaining equipment themselves.

The factors that may affect the competitive advantage of Babylon include awareness of its brand, the loyalty of, and its relationship with, its customers, the scope, pricing and features of its service offerings and its level of service innovation, as well as the quality of its services and equipment provided, and its track record and reputation.

The Babylon business is at an early stage of development, although it has had early success in building its business, there is no certainty that Babylon will be able to compete successfully with existing and new potential competitors.

Further, there is a risk that existing or new competitors could gain market share through product innovation, price discounting or aggressive marketing campaigns. Competition may also come from providers of complementary products or services offering services similar to those of Babylon. In addition, Babylon could lose customers and market share if it fails to adapt to technological and regulatory changes or customer expectations at the same rate as its competitors.

(i) **Revenue risks**

Babylon charges service charges and hire fees to its customers for its specialised equipment hire and equipment maintenance services. There is a risk that Babylon may not be able to maintain its anticipated revenue per customer. This may occur, for example, due to price discounting by competitors or if customers do not perceive value in Babylon's services or purchase rather than hire equipment and maintain equipment themselves.

To date Babylon's customers are on short term purchase order contracts. The lack of long term contracted revenues creates uncertainty of future revenues.

Babylon may also need to reduce the level of its fees, for example, as a result of its strategy to grow market share.

(j) **Maintenance and repair of equipment for hire**

The retention and growth by Babylon of its customer base is dependent on continued availability of its equipment for hire, and the ability of Babylon to deliver a high level of maintenance and customer support. Babylon may need to invest more on these matters than anticipated due to unanticipated wear and tear or damage to its equipment for hire.

This increased investment could lead to reduced return on its products as well as delays in delivering equipment for hire to customers. This may impact on Babylon's brand and reputation, business and financial performance.

In addition, if there is a decline in customer service delivery, this may also adversely impact on Babylon's brand and reputation.

(k) **Insurance**

The Company intends to insure its assets and operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be available or of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

(l) **Contractual Disputes**

There is a risk that Babylon's business could be disrupted in situations where there is a disagreement or dispute in relation to a term of a contract. Should such a disagreement or dispute occur, this may have an adverse impact on Babylon's operations, cashflow and performance generally. It is not possible for Babylon to predict or protect itself against all such risks.

(m) **Health Safety and Environment**

As a company with industrial services operations, there are risks of accidents or incidents that may occur with regard to health safety or the environment. The key risks include injury to personnel and discharge of hydrocarbons into the environment, despite Babylon's internal controls to mitigate these risks. The possibility exists that this may lead to damage or injury that may result in losses due to compensation paid by, litigation against, or reputational damage to the Company.

(n) **Third Party Risk**

The operations of Babylon require the involvement of a number of third parties, including suppliers, contractors and customers.

Financial failure, insolvency, default or contractual non-compliance on the part of such third parties may have a material impact on Babylon's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

Third party risks include, but are not limited to;

- (i) the possibility that some of Babylon's customers may pose a future credit risk by defaulting on their payment obligations to Babylon; and
- (ii) the possibility that some of Babylon's customers may become insolvent, potentially placing assets of Babylon hired to such a customer at risk,

in either case, despite the best endeavours of management to mitigate these risks.

(o) **Compliance with regulation**

Babylon is subject to regulation concerning how its business is conducted, including occupational health, safety and environmental regulation.

A failure to comply with all relevant regulation may result in Babylon incurring a penalty (such as a fine), censure which restricts the normal conduct of business, an obligation to pay compensation, the need to give a written undertaking to comply or receiving a direction to comply. In some cases, a regulator may cancel or suspend the relevant licence or registration or undertake proceedings against Babylon.

A significant failure to comply with regulatory requirements, including in relation to data and information privacy, may also give rise to reputational damage, and adversely affect the Company's business and financial performance.

(p) **Commodity prices**

The key driver of demand for mining and oil & gas services is overall level of investment in plant and equipment for production, new exploration and sustaining works all of which are ultimately driven by commodity pricing. Accordingly, Babylon's future ability to generate revenue or attract funding will be related to the price of commodities. Commodity prices fluctuate and are affected by a range of factors outside of Babylon's control, including the relationship between global supply and demand for such commodities, forward selling by producers, the cost of production and general global economic conditions.

6.2 General Risks

(a) **Securities investments**

Shareholders should be aware that there are risks associated with any securities investment.

As the Company's Shares and Options have been suspended for an extended period, there is currently no public market for Shares and Options. There is no guarantee that an active trading market in the Shares and Options will develop or that the price of the Shares and Options will increase following completion of the Acquisition and the Offer. The prices at which the Shares and Options trade may be above or below the Offer price and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

(b) **Potential Acquisitions**

As part of its business strategy, the Company may make future acquisitions of, or significant investments in, complementary companies or assets. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions.

(c) **Economic risk and government risk**

Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include, but are not limited to:

- (i) general economic conditions;
- (ii) changes in government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) failure of information technology systems or penetration of information technology systems by unauthorised users;
- (viii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (ix) natural disasters, social upheaval or war.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(d) **Dilution**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of Shareholders may be reduced and diluted.

(e) **Force majeure events**

Events such as acts of terrorism, an outbreak of international hostilities or natural disasters may occur within or outside Australia that have an impact on Babylon's business. Any such force majeure events may have a negative impact on the value of an investment in Shares and Options in the Company.

(f) **Taxation**

There is the potential for changes to Australia's tax laws. Any current rates of taxes imposed on Babylon is likely to affect returns to securityholders. An interpretation of taxation laws by the relevant tax authority that is contrary to Babylon's view of those laws may increase the amount of tax to be paid. Babylon obtains external expert advice on the application of tax laws to its operations.

In addition, an investment in Securities involves tax considerations which may differ for each securityholder. Investors are encouraged to obtain professional tax advice in connection with any investment in the Company.

(g) **Risk of litigation, claims and disputes**

Babylon may be subject to litigation and other claims and disputes in the course of its business, including contractual disputes with suppliers or customers, employment disputes, indemnity claims, and occupational and other claims.

There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of settling such claims, and affect the Company's reputation.

(h) **No guarantee of dividends**

There is no guarantee that dividends will be paid on Shares in the future as this is a matter that depends on the financial performance of the Company.

(i) **Share market**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Shares and Options may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and

(vii) terrorism or other hostilities.

There is also no guarantee that an active market in the Securities will develop or that the price of the Securities will increase. There may be relatively few buyers or sellers of Securities on the ASX at any particular time.

(j) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

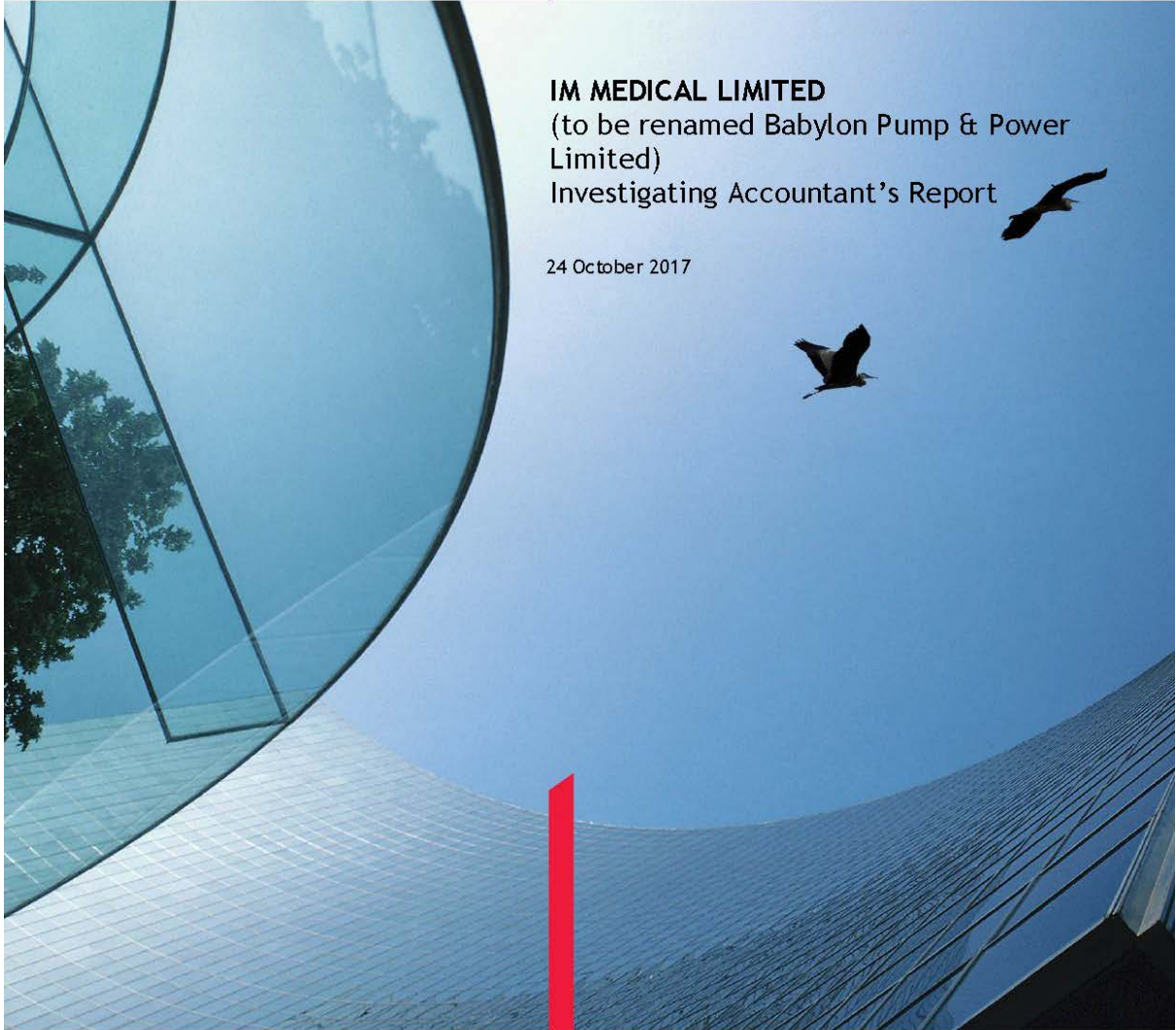
(k) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

(l) **Investment highly 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 Company's securities. Therefore, the Company's Securities carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

7 Investigating Accountant's Report



IM MEDICAL LIMITED
(to be renamed Babylon Pump & Power
Limited)
Investigating Accountant's Report

24 October 2017





Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

24 October 2017

The Directors
IM Medical Limited
Level 40
140 William Street
Melbourne VIC 3000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd ('BDO') has been engaged by IM Medical Limited ('IM Medical' or 'the Company') to prepare this Investigating Accountant's Report ('Report') in relation to the acquisition of Babylon Operations Pty Ltd ('Babylon') and re-compliance with the admission requirements under Chapters 1 and 2 of the Australian Securities Exchange ('ASX').

IM Medical has requested that this Report is prepared in relation to the historical financial information and pro forma historical financial information of IM Medical, for inclusion in a Prospectus ('Prospectus').

On 4 April 2017 the Company announced that it had entered into an agreement which gave it a six-month option to acquire Babylon. On 26 September 2017 the Company announced that it had exercised the option to acquire Babylon subject to certain conditions. Babylon was incorporated on 13 February 2017 and is a provider of specialised rental equipment and equipment maintenance services focussed on the resources sector.

Broadly, the Prospectus will offer up to 300 million Shares (post Consolidation) at an issue price of \$0.02 each, together with up to 150 million free attaching Options (post Consolidation) to raise up to \$6 million before costs ('the Offer'). The free attaching Options will be issued on the basis of one Option for every Share issued and they will have an exercise of \$0.04 and will expire on 31 March 2019. The Offer is subject to a minimum subscription level of 200 million Shares to raise \$4 million before costs.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

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BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of Independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of Independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a review engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Historical Financial Information

You have requested BDO to review the following historical financial information (together the '**Historical Financial Information**') included as appendices to our Report:

- the audited historical consolidated Statements of Financial Position, Performance and Cash Flows for IM Medical for the years ended 30 June 2015, 30 June 2016 and 30 June 2017; and
- the audited historical Statements of Financial Position, Performance and Cash Flows for Babylon from 13 February 2017 (incorporation) to 30 June 2017.

The Historical Financial Information of IM Medical has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies. The Historical Financial Information of IM Medical has been extracted from the financial reports for the years ended 30 June 2017, 30 June 2016 and 30 June 2015.

The financial report for the years ended 30 June 2017 and 30 June 2016 were audited by McLean Delmo Bentleys Audit Pty Ltd in accordance with the Australian Auditing Standards. McLean Delmo Bentleys Audit Pty Ltd issued an unqualified audit opinion on the financial report for year ended 30 June 2017, however it did include an emphasis of matter noting that the Company's ability to continue as a going concern is dependent on the following assumptions:

- the ability to successfully complete an agreement; or
- the ability of the Company to raise further equity, where necessary, to fund working capital, and the identification of potential investment opportunities;
- the Directors will continue to explore investment opportunities for the consolidated entity that may result in future cash flows; and
- The Directors continue to forego payment of their remuneration until the completion of an investment opportunity.

The financial report for the year ended 30 June 2015 was audited by Deloitte Touche Tohmatsu. The auditor issued a disclaimer of opinion in relation to a claim of \$296,000 for legal costs against the Company relating to the period from September 2013 to February 2014 which had not been provided for in the financial report. This amount was subsequently settled and an amount of \$95,000 was recognised in the financial report for the year ended 30 June 2016 for this matter. We have not adjusted the Company's Consolidated Statement of Profit or Loss and Other Comprehensive Income to show what the Company's results would have been had the

\$95,000 been recognised in the financial report for the year ended 30 June 2015 rather than the 30 June 2016 year.

The Historical Financial Information of Babylon has been extracted from the financial report for the period from 13 February 2017 to 30 June 2017, which was audited by BDO Audit (WA) Pty Ltd in accordance with Australian Accounting Standards and Babylon's adopted accounting policies. BDO Audit (WA) Pty Ltd issued an emphasis of matter on the audited accounts as at 30 June 2017 noting that the ability of Babylon to continue as a going concern is dependent on future successful raising under the Prospectus and continued Shareholder support to continue funding its operational and marketing activities.

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the 'Pro Forma Historical Financial Information') included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2017.

The Pro Forma Historical Financial Information has been derived from the historical financial information of IM Medical, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the event or transaction to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those event or transaction had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by IM Medical to illustrate the impact of the event or transaction described in Section 6 and Section 7 of the Report on IM Medical's financial position as at 30 June 2017. As part of this process, information about IM Medical's financial position has been extracted by IM Medical from its financial statements for the year ended 30 June 2017.

3. Directors' responsibility

The Directors of IM Medical are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our review procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable

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assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical consolidated Statements of Financial Position, Performance and Cash Flows for IM Medical for the years ended 30 June 2015, 2016 and 2017; and
- the audited historical Statements of Financial Position, Performance and Cash Flows for Babylon for the period from 13 February 2017 to 30 June 2017,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our review engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of IM Medical as at 30 June 2017,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to 30 June 2017:

- The completion of a Share consolidation on a ratio of one new Share for every 20 Shares held (20:1);
- The accrual of Director fees of \$65,779 for the period from 1 July to 30 November 2017; and
- The Share placements undertaken by Babylon on 20 July 2017 to raise \$20,000 and on 17 September 2017 to raise \$175,000 before costs of \$10,500.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of IM Medical not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-Forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 1. This has been prepared based on the financial statements as at 30 June 2017, the subsequent events set out in

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Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 200 million Shares at an offer price of \$0.02 each to raise \$4 million before costs (Minimum Subscription) and up to 300 million Shares at an offer price of \$0.02 each to raise \$6 million before costs (Maximum Subscription) pursuant to the Prospectus. Subscribers under the Offer will also receive one free attaching Option for every two Shares purchased. These Options will have an exercise price of \$0.04 each and expiry date of 31 March 2019;
- Costs of the Offer are estimated to be \$549,400 based on the Minimum Subscription and \$683,400 based on the Maximum Subscription. \$240,000 of the Minimum Subscription costs and \$360,000 of the Maximum Subscription costs are to be offset against the contributed equity;
- The issue of the following Securities in consideration for a 100% interest in Babylon;
 - 55,750,000 Consideration Shares at a deemed issue price of \$0.02 per share; and
 - 27,875,000 Consideration Options which have an exercise price of \$0.04 and expiry date of 31 March 2019. These have been valued using the Black Scholes model.
- \$238,690 of the funds raised under the Offer will be used to repay IM Medical's director related accruals as at 30 June 2017 and the further amount accrued since that date. As such, we have reduced cash and cash equivalents by \$238,690 and reduced trade payables and Director related accruals by the same amount;
- IM Medical will issue 100 million Options to sub-underwriters to the Offer (Sub-Underwriter Options). These Sub-Underwriter Options have an exercise price of \$0.04 each and an expiry date of 31 March 2019 and have been valued using the Black Scholes option valuation model; and
- 40 million Performance Rights which vest on achievement of the following milestones:
 - Class A Performance Rights: 7 million Performance Rights will vest upon achieving operating revenues of at least \$4.6 million in the first full financial year following issue. These Performance Rights expire three months from the end of the first full financial year following issue;
 - Class B Performance Rights: 7 million Performance Rights will vest upon achieving operating revenues of at least \$9.2 million in the second full financial year following issue. These Performance Rights expire three months from the end of the second full financial year following issue;
 - Class C Performance Rights: 7 million Performance Rights will vest if the Company achieves \$0 (breakeven) EBITDA in the first full financial year following issue. These Performance Rights expire three months from the end of the first full financial year following issue;
 - Class D Performance Rights: 7 million Performance Rights will vest upon achieving at least \$2.6 million EBITDA in the second full financial year following issue. These Performance Rights expire three months from the end of the second full financial year following issue; and
 - Class E Performance Rights: 12 million Performance Rights will vest upon the exercise of 80% of the IMIOA Options on issue immediately following completion of the Acquisition. These Performance Rights expire 24 months from issue.

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Currently there are no reasonable grounds in which to assess the likelihood of the various Performance Rights milestones being met, resulting in the conversion of 40 million Performance Rights. Therefore, no adjustments have been made to the pro-forma statement of financial position based on the issue of any Performance Rights.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed transaction other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit (WA) Pty Ltd is the auditor of Babylon and from time to time, BDO entities also provide Babylon with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Sherif Andrawes

Director

APPENDIX 1
IM MEDICAL LIMITED
PRO FORMA STATEMENT OF FINANCIAL POSITION

		IM Medical Audited as at 30-Jun-17	Babylon Audited as at 30-Jun-17	Subsequent events	Pro forma adjustments		Pro forma after Offer	
	Notes	\$	\$	\$	\$4 million	\$6 million	\$4 million	\$6 million
CURRENT ASSETS								
Cash and cash equivalents	2	126,822	299,346	184,500	3,211,910	5,077,910	3,822,578	5,688,578
Trade and other receivables		-	88,244	-	-	-	88,244	88,244
TOTAL CURRENT ASSETS		126,822	387,590	184,500	3,211,910	5,077,910	3,910,822	5,776,822
NON CURRENT ASSETS								
Goodwill	3	-	-	-	370,979	370,979	370,979	370,979
Plant and equipment		-	335,160	-	-	-	335,160	335,160
TOTAL NON CURRENT ASSETS		-	335,160	-	370,979	370,979	706,139	706,139
TOTAL ASSETS		126,822	722,750	184,500	3,582,889	5,448,889	4,616,961	6,482,961
CURRENT LIABILITIES								
Trade and other payables	4	255,678	51,729	65,779	(238,690)	(238,690)	134,496	134,496
TOTAL CURRENT LIABILITIES		255,678	51,729	65,779	(238,690)	(238,690)	134,496	134,496
TOTAL LIABILITIES		255,678	51,729	65,779	(238,690)	(238,690)	134,496	134,496
NET ASSETS		(128,856)	671,021	118,721	3,821,579	5,687,579	4,482,465	6,348,465
EQUITY								
Issued capital	5	23,041,122	920,000	184,500	3,770,500	5,650,500	27,916,122	29,796,122
Reserves	6	-	-	-	511,500	511,500	511,500	511,500
Accumulated losses	7	(23,169,978)	(248,979)	(65,779)	(460,421)	(474,421)	(23,945,157)	(23,959,157)
TOTAL EQUITY		(128,856)	671,021	118,721	3,821,579	5,687,579	4,482,465	6,348,465

The pro forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4 and the prior year financial information set out in Appendices 2 and 3.

APPENDIX 2

IM MEDICAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated Statement of Profit or Loss and Other Comprehensive Income	Audited for the		
	year ended 30-Jun-17 \$	year ended 30-Jun-16 \$	year ended 30-Jun-15 \$
Revenue			
Revenue from continued operations	-	24	18
Other revenue			
Acquisition costs recovered	220,000	-	-
Total revenue	220,000	24	18
Expenses			
Corporate administration	(133,344)	(228,601)	(349,688)
Acquisition costs incurred	(220,000)	-	-
Consultancy fees	(32,440)	(32,300)	(62,468)
Director expenses	(75,000)	(75,000)	(75,000)
Finance costs	(25,586)	-	(25,890)
Other expenses	(9,201)	(45,258)	(10,734)
Profit / (loss) before income tax	(275,571)	(381,135)	(523,762)
Income tax expense	-	-	-
Profit / (loss) from continuing operations after income tax	(275,571)	(381,135)	(523,762)
Total comprehensive profit / (loss) for the year	(275,571)	(381,135)	(523,762)

BABYLON OPERATIONS PTY LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income	Audited for the	
	period from 13-Feb-17 30-Jun-17 \$	
Revenue		
Revenue	62,996	
Interest received	649	
Expenses		
Cost of sales	(69,794)	
Employee benefits expense	(83,388)	
Depreciation	(11,377)	
Other expense	(148,065)	
Profit / (loss) before income tax	(248,979)	
Income tax expense	-	
Profit / (loss) from continuing operations after income tax	(248,979)	
Total comprehensive profit / (loss) for the year	(248,979)	

These Historical Statements of Profit or Loss and Other Comprehensive Income show the historical financial performance of IM Medical and Babylon and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4. Past performance is not a guide to future performance.

APPENDIX 3
IM MEDICAL LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows	Audited for the year ended 30-Jun-17 \$	Audited for the year ended 30-Jun-16 \$	Audited for the year ended 30-Jun-15 \$
Cash flows from operating activities			
Receipts from customers	-	-	-
Payments to suppliers and employees	(293,187)	(316,817)	(332,070)
Interest received	-	24	18
Interest paid	(12,115)	-	-
Net cash (used)/provided in operating activities	(305,302)	(316,793)	(332,052)
Cash flows from investing activities			
Investments and loans	-	4,041	-
Acquisition costs incurred	(220,000)	-	-
Acquisition costs recovered	220,000	-	-
Net cash provided by/(used in) investing activities	-	4,041	-
Cash flows from financing activities			
Receipt of loans	330,000	-	300,000
Repayment of loans	(330,000)	(300,000)	-
Proceeds from issue of Shares	498,237	632,259	-
Capital raising costs	(65,239)	(66,219)	(2,260)
Net cash (used in)/provided by financing activities	432,998	266,040	297,740
Net increase/(decrease) in cash held	127,696	(46,712)	(34,312)
Cash at beginning of financial year	(874)	45,838	80,150
Cash and cash equivalents at end of financial year	126,822	(874)	45,838

APPENDIX 3 (cont.)
BABYLON OPERATIONS PTY LTD
CONSOLIDATED STATEMENT OF CASH FLOWS

Statement of Cash Flows	Audited for the period ended 30-Jun-17 \$
Cash flows from operating activities	
Payments to suppliers and employees	(274,766)
Interest received	649
Net cash (outflow) from operating activities	<u>(274,117)</u>
Cash flows from investing activities	
Purchase of plant and equipment	(346,537)
Net cash (outflow) from investing activities	<u>(346,537)</u>
Cash flows from financing activities	
Proceeds from the issue of Shares	920,000
Net cash inflow from financing activities	<u>920,000</u>
Net increase/(decrease) in cash held	<u>299,346</u>
Cash at beginning of financial year	-
Cash and cash equivalents at end of financial year	<u>299,346</u>

The Historical Statements of Cash Flows show the historical cash flows of IM Medical and Babylon and are to be read in conjunction with the notes to and forming part of the Historical Financial Information set out in Appendix 4.

APPENDIX 4
IM MEDICAL LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

c) Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

d) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by IM Medical at the end of the reporting period. A controlled entity is any entity over which IM Medical has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Company during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

e) Significant Judgments and Key Assumptions

In the application of the IM Medical's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

There have been no other significant judgments made in applying accounting policies that the Directors consider would have a significant effect on the amounts recognised in the financial statements.

f) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount and shown within borrowings in current liabilities in the Statement of Financial Position. Interest is charged as an expense as it accrues.

g) Impairment of assets

At each reporting date, IM Medical reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

Impairment testing is performed annually for goodwill, and intangible assets with indefinite lives. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss and comprehensive income immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

h) Trade and Other Receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred. Receivables from related parties are recognised and carried at the nominal amount due less any impairment provision.

i) Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within other income / (expense) in the statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs

The cost of replacing a part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset

Power generation assets

Power generation assets comprise the plant, equipment, fixtures and fittings of the Company's wholly owned power stations. In the opinion of the directors, these assets comprise a separate class of assets. The power generation assets have been componentised in the following categories and are being depreciated over their estimated useful lives as follows:

- Gas and diesel engines 20 years
- Other assets 5 to 30 years

Power generation assets of the Company require ongoing maintenance and minor / major overhaul works over time. This is managed as part of an ongoing major cyclical maintenance program. The cost of this maintenance is charged as an expense as incurred, except where the cost relates to the replacement of a component of an asset, in which case costs are capitalised and depreciated in accordance with the component classifications above. Other routine maintenance, repair costs and minor renewals are also charged as expenses as incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimated useful lives of other classes of assets for current and comparative periods are as follows:

- Office and equipment 2-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

j) Trade and Other Payables

Payables represent the principal amounts outstanding at balance date plus, where applicable, any accrued interest. Liabilities for payables and other amounts are carried at cost which approximates fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

k) Income Taxes

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base for those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary difference associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of profit or loss and comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The company and its wholly owned Australian resident entities are part of a tax consolidated group formed on 21 September 2004 under Australian taxation law. IM Medical Limited is the head entity in the tax consolidated group. Tax expense/income, deferred tax assets and deferred tax liabilities arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach. Current tax liabilities and asset and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement and a tax sharing agreement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the

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company. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Tax losses

Based on the probability test required under Australian Accounting Standards the directors have determined that the deferred tax asset relating to revenue tax losses will not be recognised on the statement of financial position.

l) Transaction Costs on the Issue of Equity Instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

m) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

n) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the statement of financial position.

o) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- Rendering of services - Revenue from the rendering of services is recognised in the statement of profit or loss and comprehensive income when the service is performed and there are no unfulfilled service obligation that will restrict the entitlement to receive the sales consideration.
- Interest - Control of the right to receive the interest payment.
- Dividends - Control of the right to receive the dividend payment

p) New and revised Australian Accounting Standards and Interpretation

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory. There was

no material impact on the financial statements as a result of the adoption of the revised Australian Accounting Standards and interpretations applicable to its operations. At the date of authorisation of the financial report there were a number of Standards on issue but not relevant to the Company.

q) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of profit or loss and comprehensive income. The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

r) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

NOTE 2. CASH AND CASH EQUIVALENTS	Audited as at	Pro forma after Offer	
	30- Jun-17	\$4 million	\$6 million
	\$	\$	\$
Cash and cash equivalents	126,822	3,822,578	5,688,578
Audited balance of IM.Medical as at 30 June 2017		126,822	126,822
Audited balance of Babylon as at 30 June 2017		299,346	299,346
Subsequent events:			
Babylon placements since 30 June 2017		184,500	184,500
		184,500	184,500
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under the Offer		4,000,000	6,000,000
Costs of the Offer		(549,400)	(683,400)
Payment of Director related accruals		(238,690)	(238,690)
		3,211,910	5,077,910
Pro-forma Balance		3,822,578	5,688,578

NOTE 3. GOODWILL	Audited as at	Pro forma after Offer	
	30- Jun-17	\$4 million	\$6 million
	\$	\$	\$
Goodwill	-	370,979	370,979
Audited balance of IM.Medical as at 30 June 2017		-	-
Audited balance of Babylon as at 30 June 2017		-	-
<i>Pro-forma adjustments:</i>			
Acquisition of Babylon (refer to note 8)		370,979	370,979
		370,979	370,979
Pro-forma Balance		370,979	370,979

NOTE 4. TRADE AND OTHER PAYABLES	Audited as at	Pro forma after Offer	
	30- Jun-17	\$4 million	\$6 million
	\$	\$	\$
Trade payables	134,496	134,496	134,496
Director related accruals	172,911	-	-
	307,407	134,496	134,496
Audited balance of IM.Medical as at 30 June 2017		255,678	255,678
Audited balance of Babylon as at 30 June 2017		51,729	51,729
Subsequent events:			
Accrued Directors' fees		65,779	65,779
		65,779	65,779
<i>Pro-forma adjustments:</i>			
Payment of director related accruals from the proceeds of the Offer		(238,690)	(238,690)
		(238,690)	(238,690)
Pro-forma Balance		134,496	134,496

NOTE 5. ISSUED CAPITAL	Audited as at		Pro forma after Offer	
	30-Jun-17		\$4 million	\$6 million
			\$	\$
Issued capital		23,041,122	27,916,122	29,796,122
	Number of shares (min)	Number of shares (max)	\$	\$
Fully paid ordinary share capital of IM Medical at 30 June 2017	1,826,870,453	1,826,870,453	23,041,122	23,041,122
Fully paid ordinary share capital of Babylon at 30 June 2017	46,000,000	46,000,000	920,000	920,000
<i>Subsequent events:</i>				
IM Medical Share consolidation (20:1)	91,343,523	91,343,523	-	-
Babylon Share placements since 30 June 2017			184,500	184,500
	91,343,523	91,343,523	184,500	184,500
<i>Pro-forma adjustments:</i>				
Proceeds from shares issued under this Prospectus	200,000,000	300,000,000	4,000,000	6,000,000
Costs of the Offer	-	-	(240,000)	(360,000)
Issue of Consideration Shares under the Acquisition	55,750,000	55,750,000	1,115,000	1,115,000
Elimination of Babylon's issued capital upon Acquisition	-	-	(1,104,500)	(1,104,500)
	255,750,000	355,750,000	3,770,500	5,650,500
Pro-forma Balance	347,093,523	447,093,523	27,916,122	29,796,122

NOTE 6. RESERVES	Audited as at		Pro forma after Offer	
	30-Jun-17		\$4 million	\$6 million
			\$	\$
Reserves		-	511,500	511,500
Audited balance of IM Medical as at 30 June 2017			-	-
Audited balance of Babylon as at 30 June 2017			-	-
<i>Pro-forma adjustments:</i>				
Issue of Consideration Options under the Acquisition			111,500	111,500
Issue of Sub-Underwriter Options			400,000	400,000
			511,500	511,500
Pro-forma Balance			511,500	511,500

Using the Black-Scholes option valuation methodology the fair value of the Consideration and Sub-Underwriter Options to be issued has been calculated. The following inputs were used:

Options to be issued	Consideration Options		Sub-Underwriter Options	
Underlying share price	\$	0.02	\$	0.02
Exercise price	\$	0.04	\$	0.04
Expected volatility		80%		80%
Expiry date (years)		1.68		1.68
Expected dividends		Nil		Nil
Risk free rate		1.78%		1.78%
Value per Option		0.004		0.004
Number of Options		27,875,000		100,000,000
Value per tranche	\$	111,500	\$	400,000

NOTE 7. ACCUMULATED LOSSES	Audited as at	Pro forma after Offer	
	30- Jun-17	\$4 million	\$6 million
	\$	\$	\$
Accumulated losses	(23,169,978)	(23,945,157)	(23,959,157)
Audited balance of IM.Medical as at 30 June 2017		(23,169,978)	(23,169,978)
Audited balance of Babylon as at 30 June 2017		(248,979)	(248,979)
<i>Subsequent events:</i>			
Accrued Directors' fees		(65,779)	(65,779)
		(65,779)	(65,779)
<i>Pro-forma adjustments:</i>			
Costs of the Offer to be expensed		(309,400)	(323,400)
Elimination of Babylon's accumulated losses upon Acquisition		248,979	248,979
Issue of Sub-Underwriter Options		(400,000)	(400,000)
		(460,421)	(474,421)
Pro-forma Balance		(23,945,157)	(23,959,157)

NOTE 8: PROVISIONAL ACCOUNTING FOR THE ACQUISITION OF BABYLON

A summary of the acquisition details with respect to the acquisition of Babylon as included in our Report is set out below. The acquisition accounting has been determined under AASB 3: Business Combinations. The fair value of the consideration paid, assets acquired and liabilities assumed by IM Medical have been determined for the purposes of the pro-forma adjustments based on preliminary fair value estimates as at 30 June 2017 however, will require re-determination as at the successful acquisition date which may result in changes to the values as disclosed below.

Details of the net assets acquired, purchase consideration and notional fair value attributable to goodwill is show below:

PROVISIONAL ACCOUNTING FOR THE ACQUISITION	\$
Net assets acquired:	
Cash and cash equivalents	299,346
Trade and other receivables	88,244
Plant and equipment	335,160
Trade and other payables	(51,729)
Net assets of Babylon as at 30 June 2017	671,021
Share placements since 30 June 2017	184,500
Net assets of Babylon at acquisition	855,521
Fair value of IM Medical Consideration Shares at \$0.02 per share	1,115,000
Fair value of IM Medical Consideration Options using the Black-Scholes methodology	111,500
Less total Babylon net assets acquired	(855,521)
Amount recognised as goodwill upon Acquisition	370,979

NOTE 9: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 10: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

8 Material Contracts

The material contracts of the Company are set out in Section 8.1, and the material contracts of Babylon are set out in Section 8.2.

8.1 Company Material Contracts

(a) Option and Share Purchase Deed

The Company and the Founding Shareholder entered into the Option and Share Purchase Deed under which the Founding Shareholder granted the Company a 6 month option to acquire all the issued shares in Babylon. The key terms of the Option and Share Purchase Deed are set out below:

Parties	The Company and the Founding Shareholder (Michael Shelby).
Description	The Founding Shareholder agrees to grant the Company a 6 month option from the date of the deed to acquire all the issued shares in Babylon. The Founding Shareholder must exercise its drag along rights under shareholder deeds entered into by each Babylon Vendor (other than the Founding Shareholder) by issuing a drag notice requiring each Babylon Vendor to sell their shares in Babylon to the Company for their respective proportion of the consideration set out in the Option and Share Purchase Deed.
Consideration	<p>The consideration payable by the Company to the Babylon Vendors to acquire 100% of the issued capital in Babylon is Shares of a value equal to the value of equity capital raised by Babylon up to the date of completion, issued on a post-Consolidation basis at a deemed issue price equal to the Offer Price (\$0.02 per Share), together with one attaching Option for every two Shares issued with an exercise price of \$0.04 on a post-Consolidation basis and expiry date of 31 March 2019.</p> <p>As Babylon has raised \$1,115,000, the consideration payable is 55,750,000 Shares (Consideration Shares) and 27,875,000 Options (Consideration Options).</p>
Conditions Precedent	<p>Completion of the Acquisition is conditional on the satisfaction or waiver of the following conditions:</p> <p>(i) the Company obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules, the Corporations Act and any other applicable law or regulation in relation to the purchase of the all of the issued shares in Babylon, including approval of;</p> <ul style="list-style-type: none"> • a change in the nature and scale of the Company's activities as a result of the Acquisition; • the issue of 55,750,000 Shares and 27,875,000 Options as consideration under the Acquisition; • the Consolidation; • the issue of 40,000,000 Performance Rights to incoming Senior Management (including Proposed Directors, Michael Shelby and Patrick Maingard); and • the election of Michael Shelby, Patrick Maingard and one other nominee of the Founding Shareholder as

	<p style="text-align: center;">Directors with effect from Completion;</p> <ul style="list-style-type: none"> (ii) the Company achieving firm commitments to raise the Minimum Subscription; (iii) the Company receiving confirmation from the ASX that its Shares will be-requoted on the Official List on terms and conditions acceptable to the parties; (iv) the Company obtaining any third party consents, approvals, waivers or similar required to give effect to the transactions contemplated by the Option and Share Purchase Deed; (v) the parties obtaining all necessary regulatory approvals on terms acceptable to the parties as are required to give effect to the transactions contemplated by the Option and Share Purchase Deed, including re-compliance with chapters 1 and 2 of the Listing Rules and re-quotations of the Shares on the Official List, and the receipt of waivers from the Listing Rules to enable the Company to conduct the Offer at a price of \$0.02 per Share (on a post-Consolidation basis); (vi) the Babylon Vendors and Senior Management (as applicable) entering into restriction agreements in respect of the Consideration Shares, Consideration Options and Performance Rights, proposed to be issued to them to the extent required by ASX under the Listing Rules; (vii) the Babylon Vendors applying under this Prospectus for the Consideration Shares and Consideration Options (unless agreed otherwise by parties); (viii) the Babylon Vendors waiving any pre-emptive rights in respect of the issue or sale of any securities of Babylon to any other Babylon Vendor; and (ix) each of the Babylon Vendors, other than the Founding Shareholder, having entered into a shareholders deed in the form agreed upon under the Option and Share Purchase Deed.
Board changes	<p>The Founding Shareholder, Patrick Maingard, and one other nominee of the Founding Shareholder must be appointed to the Board (if the election of those individuals has been approved by Shareholders) and Michael Kenyon must be appointed Company Secretary of the Company at completion of the Acquisition.</p>
Performance Rights	<p>In connection with the Acquisition, subject to Shareholder approval, the Company will grant a total of 40,000,000 Performance Rights (on a post-Consolidation basis) to the Founding Shareholder and senior employees of Babylon as determined by the Founding Shareholder in consultation with the Company.</p>
Warranties	<p>The Company has given standard warranties relating to the Company and the Founding Shareholder has given standard warranties in relation to the Babylon shares and Babylon.</p>

(b) Patersons Mandate

Parties	The Company and Patersons Securities Limited (Patersons).
Brief Description	The Company appoints Patersons to act as the sole and exclusive Corporate Advisor, Underwriter and Lead Manager for the Offer pursuant to a mandate letter dated 31 March 2017 as varied on 22 September 2017.
Fees payable to the Lead Manager and Options to Sub-Underwriters	<p>As consideration for those services, the Company will pay Patersons:</p> <ul style="list-style-type: none">• an advisory fee of \$60,000;• an underwriting/placement fee of 6.5% of all amounts raised by the Offer (all sub-underwriting fees will be paid by Patersons from this fee); and• 100 million Options on a post-consolidation basis to be issued to Sub-Underwriters on the basis of one Option for every two Shares sub-underwritten. <p>All fees are payable on completion of the Offer.</p> <p>The Company agrees to reimburse Patersons for all reasonable out of pocket expenses incurred in performing their role.</p>
Right of first refusal and Moratorium	<p>The Company agrees to offer Patersons the lead role in any further equity capital raisings undertaken in connection with the Company within 12 months of the completion of the Offer including underwriting the exercise of options at expiry, subject to normal terms and conditions in respect of fees and timing relative to market practice at that time.</p> <p>Any additional engagements will be governed separate agreements.</p> <p>The Company undertakes not to offer, sell or market, contract to sell, otherwise dispose of or announce the sale, directly or indirectly, of any Shares or other securities which are convertible into or exchangeable or contain the right to acquire Shares, without the prior written consent of Patersons, which will not be unreasonably withheld or delayed, for a period of 6 months commencing on the closing date of the Offer. This limitation also applies to any transaction having the economic effect of a sale.</p>
Other key terms	The mandate also contains other standard clauses customary to an agreement of this nature, including an indemnity from the Company to Patersons, its associates and related parties, and their directors, agents and staff against any losses arising in connection with the Acquisition, the Prospectus, the Offer, the mandate, or the services provided under it, except to the extent any loss arises from the wilful default, fraud or gross negligence on the part of an indemnified party.

(c) Underwriting Agreement

Parties	The Company and the Underwriter
Brief Description	Pursuant to an Underwriting Agreement dated 23 October 2017, the Underwriter has agreed to partially underwrite the Offer to \$4,000,000 (comprising of up to 200,000,000 Shares and 100,000,000 Options)

	<p>(Underwritten Amount).</p> <p>The Underwriter has agreed to ensure that neither it nor any other person obtaining a relevant interest will obtain a relevant interest, with its associates, in 20% or more of the Shares as a result of the Offer, Shortfall or any underwriting or sub-underwriting arrangements.</p>
<p>Conditions precedent</p>	<p>The obligation for the Underwriter to partially underwrite the Offer is subject to a number of condition precedents under the Underwriting Agreement, including;</p> <ul style="list-style-type: none"> (a) the Underwriter being satisfied with the form of the Prospectus and having given its consent to be named in the Prospectus; (b) a legal sign off letter being provided to the Due Diligence Committee by the Company's solicitors, to the satisfaction of the Underwriter; and (c) the Prospectus being lodged with ASIC. <p>As at the date this Prospectus was lodged with ASIC all conditions precedent have been satisfied.</p>
<p>Moratorium</p>	<p>For a period of 1 month from the date of the Underwriting Agreement (Moratorium Period), except with the consent of the Underwriter (such consent not to be unreasonably withheld) the Company must ensure that other than disclosed in the Prospectus or any supplementary prospectus, no Relevant Company does any of the following:</p> <ul style="list-style-type: none"> (a) reduce its capital or otherwise alter its capital structure other than as disclosed in this Prospectus or any supplementary prospectus; (b) amend its constitution or any other constituent document, other than as required by the ASX to comply with the Listing Rules, or as required by the Corporations Act or in accordance with the approval of Shareholders at the Annual General Meeting; (c) pass or take any steps to pass a resolution under section 260A of the Corporations Act; (d) dispose or agree to dispose of the whole or a substantial part of its business or property; or (e) charge or agree to charge the whole or a substantial part of its business or property other than as contemplated by this Prospectus or any supplementary prospectus. <p>The Company must also ensure that during the Moratorium Period no Relevant Company proposes or activates any share buyback scheme or issues or agrees to issue or authorises the issue of any securities, except as disclosed in the Prospectus or any supplementary prospectus, pursuant to the exercise of options or performance rights existing at the date of the Prospectus or any supplementary prospectus or with the prior written consent of the Underwriter (not to be unreasonably withheld).</p> <p>Further, the Company agrees to use best endeavours to ensure that during the Moratorium Period no current or proposed director of any Relevant Company will dispose of any securities held by them as at the</p>

	<p>date of this Prospectus or any supplementary prospectus without the prior written consent of the Underwriter (not to be unreasonably withheld).</p>
<p>Fees payable to the Underwriter</p>	<p>The Company will pay the Underwriter:</p> <ul style="list-style-type: none"> (a) an underwriting fee of 6.5% (plus GST) of the gross total amount underwritten under the Offer from all sources; (b) a corporate advisory fee of \$60,000 on completion of the allotment of the Shares and the Options under the Offer; and (c) a selling fee of 6.5% of the total gross amount raised under the Offer over and above the Underwritten Amount; <p>All sub-underwriting fees and selling fees to third parties will be met from the underwriting fee by the Underwriter.</p> <p>The Company will also grant 100,000,000 Sub-Underwriter Options to Sub-underwriters of the Offer in accordance with the instruction of the Underwriter.</p> <p>In addition, the Company must pay, indemnify and keep indemnified the Underwriter for all costs incurred by the Underwriter in connection with the Offer including reasonable costs of advertising, printing and distributing the Prospectus or any supplementary prospectus, the professional fees payable to each expert (if any) whose reports appears in the Prospectus or any supplementary prospectus, the reasonable legal fees and disbursements of the Underwriter and the reasonable costs of travel and accommodation, marketing and promotional costs related to the Offer.</p>
<p>Termination events</p>	<p>The Underwriter may terminate its obligations under the Underwriting Agreement at any time prior to the allotment of the Shares and Options under the Offer without cost or liability to the Underwriter upon the occurrence of any one or more of the following termination events:</p> <ul style="list-style-type: none"> (a) (Indices fall): any of the All Ordinaries Index or the Standard and Poors / ASX Small 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 for at least two consecutive days; (b) (Prospectus): the Company does not lodge the Prospectus on the Lodgement Date or the Offer is withdrawn by the Company; (c) (Copies of Prospectus or supplementary prospectus) the Company fails to comply with its obligations in relation to the provision of the Prospectus and copies of the Prospectus or any supplementary prospectus to the Underwriter and such failure is not remedied within 2 days; (d) (No Conditional Reinstatement Approval): the Conditional Reinstatement Approval has not been granted by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; (e) (Supplementary prospectus):

	<p>(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 event "Significant Change" (as outlined below in (q)(vi)), 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</p> <p>(ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;</p> <p>(f) (Non-compliance with disclosure requirements): it transpires that this Prospectus and any supplementary prospectus does not contain all the material information required by the Corporations Act;</p> <p>(g) (Misleading Prospectus or supplementary prospectus): it transpires that there is a material statement in this Prospectus or any supplementary prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is a material omission from this Prospectus or supplementary prospectus (having regard to section 710, 711 or 716 of the Corporations Act) or if any material statement in this Prospectus or supplementary prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus or supplementary prospectus is or becomes misleading or deceptive or likely to mislead or deceive;</p> <p>(h) (Restriction on allotment): the Company is prevented from allotting the Shares and Options the subject of the Offer within the time required by the Underwriting Agreement, the Corporations Act, the 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;</p> <p>(i) (Withdrawal of consent to Prospectus and any supplementary prospectus): any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in this Prospectus or any supplementary prospectus or to be named in this Prospectus or any supplementary prospectus, withdraws that consent and their consent is required in order for this Prospectus or any supplementary prospectus not to be materially misleading or deceptive;</p> <p>(j) (ASIC Application): an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn;</p> <p>(k) (ASIC Hearing) ASIC gives notice of its intention to hold a hearing under any provision of the Corporations Act in relation to the Prospectus or any supplementary prospectus to determine if it should make a stop order in relation to the Prospectus or any</p>
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supplementary prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under any provision of the Corporations Act;

- (l) **(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;
- (m) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Japan, Russia, the United Kingdom, the United States of America, the Democratic People's Republic of Korea, the Republic of Korea or the Peoples Republic of China, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world, providing that any such event, in the reasonable opinion of the Underwriter reached in good faith, has or is likely to have (by itself or together with another termination event) a Material Adverse Effect (as defined below) or could give rise to a material liability of the Underwriter under the Corporations Act or otherwise;
- (n) **(Authorisation)**: other than as disclosed in the due diligence investigations or the Prospectus or any supplementary prospectus, any authorisation which is material to anything referred to in the Prospectus or any supplementary prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (o) **(Indictable offence)**: a director or senior manager of a Relevant Company or its subsidiary is charged with an indictable offence;
- (p) **(Shareholder Approval)**: Shareholder approval is not obtained at the Annual General Meeting for the Acquisition Resolutions as set out in the notice of meeting for the Annual General Meeting;
- (q) **(Termination Events)**: any of the following event(s) occur(s), providing that any such event(s), in the reasonable opinion of the Underwriter reached in good faith, has or is likely to have a Material Adverse Effect (as defined below) or could give rise to a material liability of the Underwriter under the Corporations Act or otherwise:
 - (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 in the Prospectus 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 or any part of the verification material 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 Offer, the issue of Shares or Options under the Prospectus or the Prospectus or any supplementary prospectus;
- (viii) **(Misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue 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;
- (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 \$100,000 is obtained against a Relevant Company and is not set aside or satisfied within 7

	<p>days;</p> <p>(xv) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against a Relevant Company, other than any claims foreshadowed in the Prospectus or any supplementary prospectus;</p> <p>(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 allotment of Shares and Options under the Offer without the prior written consent of the Underwriter;</p> <p>(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;</p> <p>(xviii) (Timetable): there is a delay in any specified date in the timetable which is greater than 3 business days;</p> <p>(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;</p> <p>(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;</p> <p>(xxi) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by this Prospectus or any supplementary prospectus;</p> <p>(xxii) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of any Relevant Company; or</p> <p>(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.</p>
<p>Definitions</p>	<p>The following terms used in this section 8.1 in respect to the Underwriting Agreement are defined in the Underwriting Agreement substantially as follows:</p> <p>“Conditional Reinstatement Approval” means the approval by ASX for the Company’s reinstatement to Official Quotation, subject to the satisfaction of conditions which are satisfactory to the Company and Michael Shelby and standard or reasonable for a backdoor listing (including conditions imposed by ASX that are substantially in the form or have the same practical effect of an agreed list of standard conditions,</p>

and any conditions imposed by ASX which, in the opinion of the Underwriter (acting reasonably), are capable of satisfaction).

"Controller" means any person described in section 9 of the Corporations Act.

"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.

"Material Adverse Effect" means:

- (a) a material adverse effect on the outcome of the Offer or on the subsequent market for the Shares the subject of the Offer (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in the Shares the subject of the Offer);
- (b) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement;
- (c) 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

- (d) a material adverse effect on the tax position of either the Company and its Subsidiaries either individually or taken as a whole or an Australian resident shareholder in the Company.

"Moratorium Period" means the period of one (1) month from the date of the Underwriting Agreement.

"Prescribed Occurrence" means:

- (e) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (f) a Relevant Company resolving to reduce its share capital in any way;
- (g) 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;
- (h) 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 the issue of the Sub-Underwriter Options, an issue or agreement to issue in accordance with the Offer or the terms of the Underwriting Agreement or pursuant to the Option and Share Purchase Deed;
- (i) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (j) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (k) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (l) a Relevant Company resolving that it be wound up;
- (m) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (n) the making of an order by a court for the winding up of a Relevant Company;
- (o) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (p) a Relevant Company executing a deed of company arrangement; or
- (q) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a

	<p>Relevant Company.</p> <p>“Relevant Company” means the Company and each Subsidiary.</p> <p>“Shortfall Notice Deadline Date” means the date by which the Company must give the Underwriter written notice of the Shortfall Securities accompanied by a certificate.</p> <p>“Subsidiary” means;</p> <p>(a) each company which at the date of execution of the Underwriting Agreement or at the time of completion of the allotment of the Shares and Options under the Offer is a subsidiary of the Company within the meaning of the Corporations Act; and</p> <p>(b) each company stated in the Prospectus whose issued capital is to be acquired by the Company, and any subsidiary of such company within the meaning of the Corporations Act.</p>
Other key terms	The Company has given warranties and covenants to the Underwriter which are usual in an agreement of this nature.

(d) Executive Services Agreement – Mr Michael Shelby

Parties	The Company and Michael Shelby
Brief Description	The Company appoints Mr Shelby as Executive Chairman of the Company.
Commencement Date	The date of completion of the Acquisition.
Remuneration	\$240,000 per annum (plus minimum statutory superannuation). Subject to Shareholder approval, Mr Shelby will also be granted a total of 20,000,000 Performance Rights, as detailed in Section 9.8.
Termination by the Company	The Company may terminate the agreement (without cause) by giving 12 months' notice in writing to Mr Shelby (or make payment in lieu of notice), unless the Company is terminating as a result of serious misconduct by Mr Shelby, in which case no period of notice is required.
Termination by Mr Shelby	Mr Shelby may terminate the agreement by giving 3 months' notice in writing to the Company.
Post-employment restraints	Non-compete restrictions during employment and for a maximum period of 12 months following termination of employment.

(e) Executive Services Agreement – Mr Patrick Maingard

Parties	The Company and Patrick Maingard
Brief Description	The Company appoints Mr Maingard as an Executive Director of the Company.
Commencement Date	The date of completion of the Acquisition.
Remuneration	\$150,000 per annum (plus minimum statutory superannuation). Subject to Shareholder approval, Mr Maingard will also be granted a total of 8,000,000 Performance Rights, as detailed in Section 9.8.

Termination by the Company	The Company may terminate the agreement (without cause) by giving 1 months' notice in writing to Mr Maingard (or make payment in lieu of notice), unless the Company is terminating as a result of serious misconduct by Mr Maingard, in which case no period of notice is required.
Termination by Mr Maingard	Mr Maingard may terminate the agreement by giving 1 months' notice in writing to the Company.
Post-employment restraints	Non-compete restrictions during employment and for a maximum period of 3 months following termination of employment.

(f) Letter of Appointment - Mr Michael Kenyon

Parties	The Company and Michael Kenyon
Brief Description	The Company appoints Mr Kenyon as a Non-Executive Director of the Company and Company Secretary.
Commencement Date	The date of Completion of the Acquisition.
Remuneration	\$40,000 per annum (plus minimum statutory superannuation).
Termination by the Company	The Company may terminate the appointment of the Company Secretary (without cause) by giving 4 weeks' notice in writing to Mr Kenyon, unless the Company is terminating as a result of serious misconduct by Mr Kenyon, in which case no period of notice is required.
Termination by Mr Kenyon	Mr Kenyon may terminate his appointment by giving 4 weeks' notice in writing to the Company.

8.2 Babylon Material Contracts

(a) Forrestfield Lease

Parties	Tony Craig Ferencakovic (Lessor), Babylon (Lessee) and Michael Shelby (as Guarantor)
Premises	74 Harrison Road, Forrestfield, Western Australia.
Permitted use	Lessee must use the premises for the purpose of equipment manufacture, testing and service under the name Babylon Operations and must not, without the consent of the Lessor, use the premises for any other purpose or change such name or names.
Term	An initial term of 2 years commencing 27 April 2017 and expiring 26 April 2019. with an option, exercisable by the Lessee, for a further term of 3 years commencing 27 April 2019 and expiring 26 April 2022.
Annual rent	\$78,000 per annum plus GST payable by equal monthly instalments of \$6,500 plus GST, payable in advance. Rent is subject to consumer price index review on 1 April 2020 and 1 April 2021 and market review on 1 April 2019.
Other payments	The Lessee must pay its portion of all outgoings, rates and taxes (calculated based on the area of the premises leased/area of the building).
Security	The Lessee is obliged to provide an unconditional and irrevocable bank guarantee in favour of the Lessor for the term of the lease in an amount equal to \$17,500.

Insurance	<p>The Lessee must effect and maintain:</p> <ul style="list-style-type: none"> • public liability insurance of not less than \$20,000,000; • insurance to cover all roller shutters, grills, doors or glass fixed to the premises to the full cost of replacement; • insurance to cover all additions to the premises carried out by the Babylon and all of the its chattels; • employer's indemnity insurance; and • insurance to cover loss from burglary of its chattels and damage to the premises arising from actual or attempted unauthorised entry.
Environmental covenants	The Lessee is responsible for any environmental contamination caused as a result of its use and occupation of the premises.
Restrictive Covenant	The premises must not be used for conducting the business of vehicle wrecking, fuel depot, animal kennels, salvage yard, sawmill, wood yard, firewood depot, noxious industry, or hazardous industry.
Assignment	<p>The Lessee must not without the consent of the Lessor assign, sub-let or part with possession or occupation of the premises or any part thereof.</p> <p>The Lessor must not unreasonably withhold consent to an assignment if the proposed assignee is a respectable and financially sound person and has at least equal trading potential as Lessee, the proposed use of the premises does not change (unless Lessor consents) and there are no subsisting breaches of the Lessee's obligations.</p>
Termination	The Lessor may terminate the lease if rent is unpaid for 7 days after becoming due, other monies payable by the Lessee remain unpaid for 14 days after a demand for payment, the Lessee fails to comply with its obligations and that failure continues after the expiration of 14 days written notice to remedy the default, the Lessee fails to carry out repairs within a reasonable time after receiving notice from the Lessor, an insolvency event occurs in relation to the Lessee or the Guarantor or the Lessee vacates or otherwise surrenders the premises.
Guarantee and Indemnity	<p>The Guarantor guarantees to the Lessor the due and punctual payment to the Lessor of all lease payments and secured money and the due compliance by the Lessee of all of its obligations.</p> <p>The Guarantor indemnifies the Lessor against all liability or loss and any costs or damages incurred by the Lessor in respect of any breach or non-performance by the Lessee of any of its obligations.</p> <p>The Lessee indemnifies the Lessor against any loss, liability, cost or expense incurred by the Lessor arising from or incurred in connection with loss or damage to the building, injury or death to any person in or near the building and any breach of the lease by the Lessee.</p>

(b) Employment Contract - Mr Mark Lagemann

Parties	Babylon and Mark Lagemann
Brief Description	Babylon appoints Mr Lagemann as Operations Manager of Babylon.
Commencement Date	1 August 2017.

Remuneration	\$180,000 per annum (plus minimum statutory superannuation). Mr Lagemann is eligible for bonus payments in accordance with performance criteria as may be set by agreement between Mr Lagemann and the board of directors of Babylon.
Termination by Babylon	<p>Babylon may terminate Mr Lagemann's employment (without cause) by giving 3 months' notice in writing to Mr Lagemann. Babylon may terminate Mr Lagemann's employment immediately by giving notice upon Mr Lagemann:</p> <ul style="list-style-type: none"> • becoming incapacitated by illness or injury which prevents him from performing his duties for a period of 6 consecutive months or any periods aggregating 6 months in any period of 12 months of his employment; • being convicted of any criminal offence which in the reasonable opinion of the board of directors of Babylon brings Mr Lagemann or Babylon into disrepute; or • becoming neglectful of or demonstrating incompetence with regard to the performance of his duties.
Termination by Mr Lagemann	Mr Lagemann may terminate the agreement by giving 3 months' notice in writing to Babylon.
Redundancy	<p>If the position is made redundant, 3 months' salary plus a pro-rata redundancy component equal to 1 months' pay pro-rata for each year of service is payable by Babylon.</p> <p>If there is a substantial change in Mr Lagemann's duties or Babylon terminates other than in accordance with the termination provisions noted above, Mr Lagemann will be entitled to the payment of 3 months' salary from Babylon in addition to any accrued entitlements.</p>

9 Additional Information

9.1 Disclosure of interests

The Company's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting (currently \$250,000). The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee. Directors are not required to hold any Shares.

Details of the Directors' and Proposed Directors' remuneration and relevant interests in the Securities of the Company at the date of this Prospectus are set out in the table below.

Director / Proposed Director	Remuneration for year ended 30 June 2016	Remuneration for year ended 30 June 2017	Remuneration for FY18 to date	Shares	Options ²
Director					
Nigel Blaze ¹	\$25,000	\$25,000	\$10,314	56,719	15,469
Richard Wadley	\$44,840	\$47,400	\$37,857	Nil	Nil
Paul Burton	\$37,600	\$34,900	\$14,313	Nil	Nil
Proposed Director					
Michael Shelby	N/A	N/A	N/A	Nil	Nil
Patrick Maingard	N/A	N/A	N/A	Nil	Nil
Michael Kenyon	N/A	N/A	N/A	Nil	Nil

1. As a trustee of the St Andrews Superannuation Fund.

2. The full terms and conditions relating to the Options can be found in Section 13 Annexure B.

Following completion of the Acquisition and the Offer and assuming allocations of Shares and Options are made to the Directors and Proposed Directors (or their nominees) in accordance with their intended participation as stated in Section 1.6 above, and the issue of Performance Rights as detailed in Section 9.8, the Directors' and Proposed Directors' proposed remuneration and relevant interests in the Securities of the Company is as follows:

Director / Proposed Director	Proposed remuneration for year ending 30 June 2018	Shares	Options ⁵	Performance Rights ⁶
Nigel Blaze ¹	N/A	556,719	515,469	Nil
Richard Wadley ²	N/A	500,000	250,000	Nil
Paul Burton	N/A	Nil	Nil	Nil
Michael Shelby	\$240,000 per annum	2,500,000	1,250,000	20,000,000
Patrick Maingard ³	\$150,000 per annum	1,000,000	500,000	8,000,000
Michael Kenyon ⁴	\$40,000 per annum	1,000,000	500,000	Nil

1. These Securities are held by Nigel Blaze as a trustee of the St Andrews Superannuation Fund.

2. These Securities are held by Elgorodo Pty Ltd, a controlled entity of Richard Wadley.

3. These securities are held by Patrick Maingard as trustee for the Valleta Trust.

4. These Securities are held by Michael Patrick Kenyon and Kylie Jane Kenyon as a trustee of the Kenyon Family Fund (superannuation fund).

5. The full terms and conditions relating to the Options can be found in Section 13 Annexure B.

6. The full terms and conditions relating to the Performance Shares can be found in Section 14 Annexure C.

9.2 Related Party Transactions

(a) Service Agreements with Proposed Directors

The Company has entered into Executive Services Agreements with Michael Shelby and Patrick Maingard. These agreements are summarised in Section 8. The Company has also entered into a letter of appointment with Michael Kenyon with respect to his appointment as a non-executive Director and Company Secretary.

(b) Deed of Access, Indemnity and Insurance

Parties	The Company has entered into deeds of access, indemnity and insurance (Indemnity Deed) with each of the Directors and Proposed Directors.
Indemnity	<p>Under the Indemnity Deeds, the Company agrees to indemnify each Director and Proposed Director to the extent permitted by law against any liability (other than liability for legal costs) incurred by the Director or Proposed Director as an officer or former officer of the Company. Subject to the prohibitions and limitations imposed by law, the Company indemnifies each Director and Proposed Director against any reasonable legal costs and expenses incurred in defending an action for a liability incurred by the Director or Proposed Director as an officer or former officer of the Company.</p> <p>The Company is not obliged to indemnify, advance monies to or meet any legal costs incurred by a Director or Proposed Director in defending or resisting proceedings brought against the Director or Proposed Director as approved by the Board.</p>
Insurance	The Company will, where it is able to do so and subject to the prohibitions and limitations imposed by law, maintain directors and officers insurance which insures each Director and Proposed Director against liabilities incurred by the Director or Proposed Director as an officer or former officer of the Company (including reasonable legal expenses). The policy must be maintained for at least 7 years after each Director and Proposed Director ceases to be a director of the Company.
Access to Company records	During the period that each Director and Proposed Director is an officer of the Company and for the period of 10 years after the Director or Proposed Director ceases to be an officer of the Company, each Director and Proposed Director may inspect the Books of the Company for the purposes of a legal proceeding to which the Director or Proposed Director is a party, that the Director or Proposed Director proposes in good faith to bring, or that the Director or Proposed Director has reason to believe will be brought against the Director or Proposed Director.

Related party transactions may be proposed from time to time. Any such transactions occur in the normal course of business, and the terms and conditions of the transactions are no more favourable than those available, or which might reasonably be expected to be available, for similar transactions with unrelated entities on an arms' length basis.

9.3 Interests of Directors and Proposed Director

Other than as set out elsewhere in this Prospectus, no Director or Proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

(a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons:

- (a) as an inducement to become, or to qualify as, a Director or Proposed Director; or
- (b) for services rendered in connection with the formation or promotion of the Company or the Offer.

9.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds, or in the past two years has held, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

During the 24 months preceding lodgement of this Prospectus with ASIC the Company or its wholly owned subsidiaries have paid the following fees to experts and advisors named in this Prospectus:

	Approximate Fees (including disbursements) paid in the 24 months prior to lodgement of this Prospectus for other services provided (excluding GST) \$	Estimated fees of the Offer (excluding GST) \$
Patersons Securities Limited	98,385	320,000 – 450,000
BDO Corporate Finance (WA) Pty Ltd ¹	15,954	14,000
McClean Delmo Bentleys Audit Pty Ltd	51,858	Nil
Gilbert + Tobin ²	Nil	100,000

1. BDO Audit (WA) Pty Ltd has been paid \$5,100 (excluding GST) by Babylon for audit services in the 24 months prior to lodgement of the Prospectus.

2. Gilbert + Tobin has also been paid \$33,000 (excluding GST) by Babylon for legal services in the 24 months prior to lodgement of the Prospectus.

9.5 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;
- (c) has given and has not, before the date of lodgement of this Prospectus with ASIC, withdrawn its written consent:
- (i) to be named in this Prospectus in the form and context which it is named; and
- (ii) to the inclusion in this Prospectus of the statement(s) and / or report(s) (if any) by that person in the form and context in which they appears in this Prospectus.

Name	Role	Statement / Report
Patersons Securities Limited	Underwriter and Lead Manager	Not applicable.
BDO Corporate Finance (WA) Pty Ltd	Investigating Accountant	Investigating Accountant's Report in Section 7 and any other references to its contents in this Prospectus.
BDO Audit (WA) Pty Ltd	Auditor of Babylon and proposed Auditor of the Company ¹	Extracts from the audited financial report of Babylon for the period from 13 February 2017 to 30 June 2017 which appear in the Investigating Accountant's Report in Section 7 and any other references to that information in this Prospectus.
Gilbert + Tobin	Australian lawyers	Not applicable.
Mclean Delmo Bentleys Audit Pty Ltd	Auditor of the Company ²	Extracts from the audited financial reports of the Company for the periods ended 30 June 2016 and 30 June 2017 which appear in the Investigating Accountant's Report in Section 7, any other references to that information in this Prospectus and inclusion of the statement forming footnote 2 to this table.
Deloitte Touche Tohmatsu	Auditor of the Company's financial reports for the period ended 30 June 2015.	Extracts from audited financial reports of the Company for the period ended 30 June 2015 which appear in the Investigating Accountant's Report in Section 7 and any other references to that information in this Prospectus.

- Subject to Shareholder approval at the Annual General Meeting, BDO Audit (WA) Pty Ltd will become the Company's auditor with effect from the close of the Annual General Meeting.
- Mclean Delmo Bentleys Audit Pty Ltd has informed the Company that subject to receiving ASIC's consent to its resignation as auditor of the Company, it expects to submit a notice of resignation to the Company with such resignation taking effect from the date of the Annual General Meeting.

Further, Babylon has given and has not, before the date of lodgement of this Prospectus with ASIC, withdrawn its written consent to the incorporation by reference of the audited financial report of Babylon for the period from 13 February 2017 to 30 June 2017 into this Prospectus in the form and context in which it appears.

None of the consenting parties has authorised or caused the issue of this Prospectus and does not make any offer of Securities.

9.6 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be as set out below:

Item of expenditure	Minimum Offer \$ estimate	Maximum Offer \$ estimate
ASIC fees	\$2,400	\$2,400
ASX fees	\$73,000	\$77,000
Underwriter fees	\$320,000	\$450,000
Australian legal fees	\$120,000	\$120,000
Investigating Accountant's fees	\$14,000	\$14,000
Printing and distribution/Share Registry	\$20,000	\$20,000
Total	\$549,400	\$683,400

9.7 Litigation

So far as the Directors and Proposed Directors are aware, other than as described below or elsewhere in this Prospectus, there is no current or threatened civil litigation, arbitration, proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company or Babylon is directly or indirectly concerned or which is likely to have a material adverse impact on the business or financial position of the Company or Babylon.

9.8 Ancillary Offers

This Prospectus also contains the following Ancillary Offers (all on a post Consolidation basis):

- (a) the offer of 55,750,000 Shares and 27,875,000 Options (each with an exercise price of \$0.04 expiring 31 March 2019 and in the same class as the Company's existing IMIOA Options) to the Babylon Vendors under the Acquisition;
- (b) the offer of 100,000,000 Options (each with an exercise price of \$0.04 expiring 31 March 2019 and in the same class as the Company's existing IMIOA Options) to Sub-Underwriters of the Offer; and
- (c) the offer of 40,000,000 Performance Rights to incoming Senior Management, including Proposed Directors, Michael Shelby and Patrick Maingard.

(together the **Ancillary Offers**).

The Ancillary Offers are separate offers to each of the persons described above, and may only be accepted by them (or their nominees). Personalised application forms will be issued for the Ancillary Offers.

The Ancillary Offers are being made to ensure the on-sale of the Shares, Options and Performance Rights, as well as the on-sale of Shares issued on exercise of the Options or vesting of Performance Rights, does not require a disclosure document under the Corporations Act.

The issue of the Shares, Options and Performance Rights under each of the Ancillary Offers is subject to Shareholder approval which will be sought at the Annual General Meeting.

The Options offered under the Ancillary Offers are in the same class as the Company's existing IMIOA Options. The full terms of these Options are set out in Annexure B.

The Company intends to grant a total of 40,000,000 Performance Rights (comprising 7,000,000 Class A Performance Rights, 7,000,000 Class B Performance Rights, 7,000,000 Class C Performance Rights, 7,000,000 Class D Performance Rights and 12,000,000 Class E Performance Rights) (on a

post-Consolidation basis) to members of the incoming Senior Management including Proposed Directors, Michael Shelby and Patrick Maingard, of the Company as follows:

	Class A	Class B	Class C	Class D	Class E	Total
Mr Michael Shelby	3,500,000	3,500,000	3,500,000	3,500,000	6,000,000	20,000,000
Mr Patrick Maingard	1,400,000	1,400,000	1,400,000	1,400,000	2,400,000	8,000,000
Mr Mark Lagemann	2,100,000	2,100,000	2,100,000	2,100,000	3,600,000	12,000,000
Total	7,000,000	7,000,000	7,000,000	7,000,000	12,000,000	40,000,000

The Performance Rights are rights to acquire Shares subject to the satisfaction of vesting conditions during the relevant performance period. The vesting conditions and performance period, and other terms and conditions of each class of Performance Rights are set out in Annexure C.

9.9 Dividend Policy

As at the date of this Prospectus, the Proposed Directors do not intend to declare or pay any dividends in the foreseeable future following the Company's Listing. The policy of the Company will be to invest all cash flow into the business in order to maximise its growth for the foreseeable future. Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Proposed Directors and will depend on the availability of the distributable earnings, operational results and financial position of the Company, future capital requirements and general business and other factors considered relevant by the Proposed Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Proposed Directors.

9.10 Documents Available for Inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 9.5.

9.11 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporation Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities, subject to certain exceptions.

Price sensitive information will be publically released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

9.12 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company participates in CHES. All trading on the ASX in existing Shares is, and in new Shares will be, settled through CHES. ASX Settlement Pty Ltd, a wholly-owned subsidiary of the ASX, operates CHES in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

On behalf of the Company, the Share Registry operates an electronic issuer sponsored sub-register and an electronic CHESSE sub-register. The two sub-registers together make up the Company's principal register of securities.

Under CHESSE, the Company will not issue certificates to Shareholders. Instead, Shareholders will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASX will send a CHESSE statement.

The CHESSE statement will set out the number of Securities 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 Securities.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Company's share registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

9.13 Regulatory Relief and Ownership Restrictions

(a) ASX waivers

The Company has received the following ASX waivers in relation to the Offer:

- (i) a waiver from Listing Rule 2.1 Condition 2 to allow the Shares under the Offer to have an issue price of less than \$0.20 on the following conditions:
 - (A) the issue price of the Shares under the Offer is not less than \$0.02 each; and
 - (B) Shareholders approve such issue price as part of the approvals obtained under Listing Rule 11.1.2 for the Acquisition;
- (ii) a waiver from Listing Rule 1.1 Condition 12 to allow the Options to be issued under the Offer and the Consideration Options to be issued to the Babylon Vendors and 100,000,000 Sub-Underwriter Options to be issued to the Sub-Underwriters under the Ancillary Offers to have an exercise price of less than \$0.20 each on the following conditions:
 - (A) the exercise price of the Options is not less than \$0.02; and
 - (B) Shareholders specifically approve the exercise price of the Options as part of the approvals obtained under Listing Rule 11.1.2 for the Acquisition;
- (iii) a waiver from Listing Rule 9.1.3 to permit those Babylon Vendors who paid cash for their Babylon shares to be treated as promoter or related party seed capitalists of the Company, or unrelated seed capitalists of the Company, and for cash formula relief be applied to their Consideration Shares and Consideration Options; and
- (iv) waivers from Listing Rule 10.13.3 to allow the Company to issue up to 2,000,000 Shares and 1,000,000 Options to Directors participating in the Offer and the Performance Rights to be issued to Proposed Directors, Michael Shelby and Patrick Maingard more than one month but no later than 3 months after the date of the Annual General Meeting (and in the case of the Performance Rights, by 20 December 2017) on the condition that these Securities are issued on the same terms and conditions as approved by Shareholders.

9.14 Privacy Act

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that the Company or the Registry holds about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

9.15 Incorporation by reference

The audited financial report of Babylon for the period 13 February 2017 to 30 June 2017 has been lodged with ASIC, and the information of this report has been incorporated by reference into this Prospectus (at section 7 of the Prospectus). A copy of this document can be obtained from www.immedical.com.au.

10 Directors' Consent

This Prospectus is issued by the IM Medical Limited (to be renamed Babylon Pump & Power Limited) and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director and Proposed Director has consented in writing to the lodgement of this Prospectus with ASIC.



Paul Burton
Director

FOR AND ON BEHALF OF IM MEDICAL LIMITED (TO BE RENAMED BABYLON PUMP & POWER LIMITED)

11 Glossary

Term	Meaning
Acquisition	the proposed acquisition of all of the issued shares in Babylon by the Company pursuant to the Option and Share Purchase Deed.
Accounting Standards	accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia.
Acquisition Resolutions	the meaning given in Section 2.2(a).
Ancillary Offer	the meaning given in Section 9.8.
Ancillary Offer Application Forms	Personalised application forms attached to or accompanying this Prospectus for the Ancillary Offers.
Annual General Meeting	means the 2017 annual general meeting of the Company to be held on 1 November 2017.
Applicant	an investor that applies for Shares using an Application Form pursuant to this Prospectus, and Application has a corresponding meaning.
Application Form	the Public Offer Application Form, the Priority Offer Application Form or an Ancillary Offer Application Forms.
Application Monies	the amount accompanying an Application Form submitted by an investor.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.
ASX Listing Rules	the listing rules of ASX.
ASX Recommendations	the Corporate Governance Principles and Recommendations for Australian listed entities developed and released by the ASX Corporate Governance Council in order to promote investor confidence and to assist companies in meeting stakeholder expectations.
ASX Settlement	ASX Settlement Pty Ltd (ABN 49 008 504 532).
ASX Settlement Operating Rules	the operating rules of the settlement facility provided by ASX Settlement as amended from time to time.
A\$, AUD\$, Dollar or \$	Australian dollars unless otherwise stated.
AWST	Australian Western Standard Time.
Babylon	Babylon means Babylon Operations Pty Ltd (ACN 617 350 731).
Babylon Option	a 6 month option to purchase all of the issued shares in Babylon granted to the Company under the Option and Share Purchase Deed.
Babylon Vendors	the holder of one or more Babylon shares.

Term	Meaning
Board	the board of Directors (including, where the context requires, the Proposed Directors).
Business Day	a day on which trading takes place on the stock market of ASX.
CHESS	the ASX Clearing House Electronic Sub-register System.
Chairman or Chair	The Chairman of the Company from time to time.
Closing Date	the closing date for receipt of Application Forms under this Prospectus being 22 November 2017 (unless extended or closed early by the Company in its absolute discretion).
Company	the IM Medical Limited ACN 009 436 908 or it and its subsidiaries as the context requires.
Consideration Options	A total of 27,875,000 Options to be issued to the Babylon Vendors at completion of the Acquisition as consideration for the acquisition of their Babylon shares.
Consideration Shares	A total of 55,750,000 Shares to be issued to the Babylon Vendors at completion of the Acquisition as consideration for the acquisition of their Babylon shares.
Consolidation	the proposed consolidation of the Shares on a 20 to 1 basis (subject to Shareholder approval at the Annual General Meeting).
Constitution	the proposed Company constitution, to be adopted by the Company subject to obtaining Shareholder approval at the Annual General Meeting.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Directors	directors of the Company.
Eligible Shareholders	Shareholders with a registered address in Australia on the Record Date of 23 October 2017.
Expiry Date	the date that is 13 months after the date of the Prospectus.
Exposure Period	the period of 7 days from the date of lodgement of the Prospectus with ASIC. This period may be extended by ASIC for a further period of up to 7 days.
Financial Information	the financial information set out in Section 7.
Founding Shareholder	Michael Shelby, being the founding shareholder of Babylon.
Free Float	has the meaning given to that term in chapter 19 of the ASX Listing Rules.
Full Subscription	\$6,000,000, equating to the issue of 300,000,000 Shares together with 150,000,000 free attaching Options.

Term	Meaning
GDP	gross domestic product.
IMIOA Option	an Option exercisable at \$0.04 per Option (on a post-Consolidation basis) on or before 31 March 2019, and otherwise on the terms and conditions set out in Section 13, Annexure B.
Indemnity Deed	deed of access, indemnity and insurance entered into by the Company and each of its Directors and Proposed Directors as described in Section 9.2(b).
Independent or Independent Director	a non-executive Director that the Board considers to be independent in accordance with Section 5.2 and for the purpose of the ASX Recommendations.
Investigating Accountant's Report or IAR	refer to the Report in Section 7 of this Prospectus.
Listing	the re-instatement of the Company to the Official List.
Listing Rules	the listing rules of ASX.
Minimum Subscription	\$4,000,000, equating to the issue of 200,000,000 Shares together with 100,000,000 free attaching Options.
OEM	Original Equipment Manufacturer.
Offer	the offer under this Prospectus for up to 300,000,000 Shares (post Consolidation) at the Offer Price, together with up to 150,000,000 free attaching Options (post Consolidation) (on the basis of 1 Option for every 2 Shares issued) each with an exercise price of \$0.04 and expiring 31 March 2019, to raise up to \$6,000,000 (before costs and expenses).
Offer Price	\$0.02 per Share.
Official List	the official list of ASX.
Official Quotation	official quotation by ASX.
Opening Date	the opening date for receipt of Application Forms under this Prospectus being 31 October 2017.
Option	an option to acquire a Share with an exercise price of \$0.04 (on a post-Consolidation basis) expiring 31 March 2019.
Option and Share Purchase Deed	the option and share purchase deed between the Company and Michael Shelby dated on or about 4 April 2017.
Patersons	Patersons Securities Limited AFSL 239 052.
Performance Right	the right to acquire a Share subject to the satisfaction of specified performance conditions during a specified performance period, and otherwise on the terms set out in Annexure C.
Priority Offer	the offer of Shares and Options to Eligible Shareholders on the Record Date as part of the Offer.
Priority Offer Application Form	the application form attached to or accompanying this Prospectus relating to the Priority Offer.

Term	Meaning
Privacy Act	<i>Privacy Act 1988</i> (Cth).
Proposed Directors	means Mr Michael Shelby, Mr Patrick Maingard and Mr Michael Kenyon.
Prospectus	this Prospectus.
Public Offer	the offer of Shares and Options under this Prospectus to the general public comprising part of the Offer.
Public Offer Application Form	the application form attached to or accompanying this Prospectus relating to the Public Offer.
Record Date	23 October 2017.
Re-Compliance	the re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and re-quotation of the Shares and Options on the Official List of ASX pursuant to Chapter 11 of the ASX Listing Rules.
Restricted Securities	Securities expected to be the subject of ASX imposed restriction agreements under Appendix 9 of the ASX Listing Rules.
Section	a section of this Prospectus.
Security	a Share, Option or Performance Right.
Senior Management	Michael Shelby, Patrick Maingard and Mark Lagemann.
Share	a fully paid ordinary share in the capital of the Company and where the context permits, means the Shares the subject of the Offer.
Share Registry or Registry	Security Transfer Australia Pty Ltd.
Shareholders	the holders of Shares.
Sub-Underwriters	the sub-underwriters to the Offer.
Sub-Underwriter Options	Options issued to Sub-Underwriters pursuant to this Prospectus.
Underwriter	Patersons.
VWAP	volume weighted average price.
WA	Western Australia.
WST	Western Standard Time.

12 Annexure A – Rights attaching to Shares

The following summary reflects the rights attaching to Shares pursuant to the proposed constitution of the Company to be adopted by the Company subject to obtaining Shareholder approval at the Annual General Meeting.

(a) General

The rights attaching to ownership of the Shares are detailed in the Constitution of the Company and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law. A copy of the Company's constitution may be inspected during normal business hours at the registered office of the Company.

The following is a broad summary of the more significant rights, privileges and restrictions attaching to the Company's Shares upon listing on ASX. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of shareholders in the Company. To obtain such a statement, persons should seek independent legal advice.

All Shares issued pursuant to this Prospectus will, from the time that they are issued, rank equally with the Company's existing issued Shares.

(b) Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held. On a poll, partly paid Shares confer a fraction of a vote pro-rata to the amount paid up on the Share.

A poll may be demanded before a vote for a show of hands is taken, or before or immediately after the declaration of the result of the show of hands by the chair of the meeting, by at least five Shareholders present and entitled to vote on the resolution or by any one or more Shareholders representing at least 5% of the votes that may be cast on the resolution on a poll.

(c) Dividends

Subject to the Corporations Act, the ASX Listing Rules, and the Constitution, the Directors may pay interim, special or final dividends as, in their judgment, the financial position of the Company justifies.

Subject to any special terms and conditions of issue, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them. Interest is not payable by the Company in respect of any dividend.

(d) Issue of shares

Subject to the Constitution, the ASX Listing Rules and the ASX Settlement Operating Rules, the Directors have the right to issue shares or grant options over unissued shares to any person and they may do so at such times as they think fit and on the conditions they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors think fit.

(e) Variation of class rights

The rights attached to any class of shares may, unless their terms of issue state otherwise, be varied:

- (i) with the written consent of the holders of 75% of the shares of the class; or
- (ii) by a special resolution passed at a separate meeting of the holders of shares of the class.

(f) Transfer of shares

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by a proper transfer effected in accordance with the ASX Settlement Operating Rules or an instrument in writing in any usual form or in any other form that the Directors approve.

The Directors may ask ASX Settlement to apply a holding lock, or decline to register a transfer of Shares for reasons including where the transfer is not in registrable form or where the refusal to register the transfer is permitted under the ASX Listing Rules or the ASX Settlement Operating Rules. If the Directors request a holding lock or, decline to register a transfer, the Company must give the holder of the shares (in circumstances of a holding lock request), or the party lodging the transfer (in circumstances of refusal to register), written notice of the refusal and the reason for refusal. The Directors decision to decline to register the transfer or to apply for a holding lock is not invalidated if that notice is not given.

(g) Small holdings

The Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the ASX Listing Rules and is, generally, a holding of shares with a market value of less than \$500.

(h) Restricted Securities

In the event of a breach of the ASX Listing Rules or a breach of a restriction agreement entered into by the Company under the ASX Listing Rules relating to Restricted Securities (as defined in the ASX Listing Rules), the Shareholder holding the Restricted Securities in question shall cease to be entitled to any dividends, distribution or any voting rights in respect of those Restricted Securities during the period of such breach.

(i) General meetings and notices

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act. Shareholders may requisition meetings in accordance with the Corporations Act and the Constitution.

(j) Winding up

Subject to any special or preferential rights attaching to any class or classes of shares, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them, less any amounts which remain unpaid on these shares at the time of distribution. Any amount unpaid on a share is the property of the Company and may be required to be contributed to the Company in the event of a winding up.

(k) Proportional takeover provisions

The Constitution contains proportional takeover bid provisions. The provisions will, subject to Shareholder approval at the Annual General Meeting, apply for an initial period of 3 years from the

date the Company adopts the Constitution and for further periods of 3 years if Shareholders approve the renewal of those provisions for each such three year period.

(l) Directors – appointment and removal

The minimum number of Directors is three and the maximum is 12 or such lower number as the Directors are authorised to determine. Directors are elected at annual general meetings of the Company. Retirement will occur on a rotational basis so that one third of the Directors and any Director who has held office for three or more years or three or more annual general meetings (excluding the managing director or, if there is more than one managing director, the first of them to be appointed) retires at each annual general meeting of the Company. The Directors may also appoint a Director to fill a casual vacancy on the Board in addition to the existing Directors who will then hold office until the next annual general meeting of the Company.

(m) Directors – voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the Chair has a second or casting vote. Where only two directors are present or qualified to vote at a meeting of directors and there is a tied vote, the Chair does not have a second or casting vote.

(n) Directors’ remuneration

Each Director is entitled to remuneration out of the funds of the Company as the Directors determine, but the remuneration of non-executive Directors may not exceed in any year the amount fixed in general meeting. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions.

(o) Reduction of share capital

Subject to the ASX Listing Rules, the Constitution and the Corporations Act, the Company may reduce its share capital including by way of an in specie distribution of the assets of the Company.

(p) Preference shares

The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution.

(q) Variation of the Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members present and entitled to vote at a general meeting of the Company. The Company must give at least 28 days’ written notice of its intention to propose the special resolution.

(r) Share buy-backs

The Company may buy back shares in accordance with the provisions of the Corporations Act.

(s) Dividend plan

The Constitution contains a provision allowing Directors to implement a dividend reinvestment plan and a dividend selection plan.

(t) **ASX Listing Rules**

The Constitution provides that notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the ASX Listing Rules require to be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the ASX Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

13 Annexure B – Terms of Options

(a) Entitlement

Each IMIOA Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option. The Options are not subject to any vesting conditions.

(b) Exercise Price and Expiry Date

The Options have an exercise price of \$0.002 (being \$0.04 on a post-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 issue 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:

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

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) Adjustment 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 the Options

The Options will be listed Options. Application will be made to ASX within seven days after the date of the Prospectus for Official Quotation of the 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.

14 Annexure C – Terms of Performance Rights

The Performance Rights will be granted in five milestone based classes as follows:

Number*	Class	Performance Condition	Period
7,000,000	Class A Performance Rights	The Company achieving operating revenue of at least \$4.6 million in the first full financial year following issue.	3 months from the end of the first full financial year following issue.
7,000,000	Class B Performance Rights	The Company achieving operating revenue of at least \$9.2 million in the second full financial year following issue.	3 months from the end of the second full financial year following issue.
7,000,000	Class C Performance Rights	The Company achieving earnings before interest, tax, depreciation and amortisation of at least \$0 (ie, breakeven) in the first full financial year following issue.	3 months from the end of the first full financial year following issue.
7,000,000	Class D Performance Rights	The Company achieving earnings before interest, tax, depreciation and amortisation of at least \$2.6 million in the second full financial year following issue.	3 months from the end of the second full financial year following issue.
12,000,000	Class E Performance Rights	The exercise of 80% of IMIOA Options on issue immediately following completion of the Acquisition (delivering ~ \$8.5m of new capital).	24 months from issue

* All on a post-Consolidation basis.

On achievement of the applicable Performance Condition, each Performance Right will convert into a Share.

If a Performance Condition of a Performance Right is not achieved by the end date of the specified Period, then the Performance Right will lapse.

The achievement of a Performance Condition is to be determined by the Board from time to time (by reference to the Company's audited accounts for the relevant period if applicable). Performance Rights will convert as soon as the achievement of a relevant Performance Condition has been determined. For the avoidance of doubt, this may occur before the end date of the specified Period.

Other terms

(No Voting rights) A Performance Right does not entitle a holder to vote on any resolutions proposed at a general meeting of the Company's Shareholders.

(No dividend rights) A Performance Right does not entitle a holder to any dividends.

(Rights on winding up) A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

(Not transferable) A Performance Right is not transferable.

(Reorganisation of capital) If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.

(Quotation of shares on conversion) An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules.

(Participation in entitlements and bonus issues) A Performance Right does not entitle a holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.

(Vesting on Change of Control) A Performance Right that has not yet vested will automatically vest upon a Change of Control that occurs at an average price greater than \$0.025 per Share. For these purposes, "Change of Control" means one or more of the following events occurring (subject to the applicable Performance Condition being satisfied up until the date of the relevant event):

- (i) the bidder under a takeover bid in respect of all Shares has achieved acceptances in respect of more than 50.01% of Shares and that takeover bid has become unconditional;
- (ii) the announcement by the Company that its Shareholders have, at a court convened meeting of Shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all securities of the Company are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party,and the court, by order, approves the proposed scheme of arrangement; or
- (iii) any person, individually or together with their associates, acquires a relevant interest in 50.01% or more of the total number of Shares on issue by any other means.

(No other rights) A Performance Right does not give a holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

Corporate Directory

DIRECTORS

Nigel Blaze – Chairman
Richard Wadley – Non-Executive Director
Paul Burton – Non-Executive Director

PROPOSED DIRECTORS

Michael Shelby – Executive Chairman;
Patrick Maingard – Executive Director; and
Michael Kenyon – Non-Executive Director and Company Secretary.

PROPOSED COMPANY SECRETARY

Michael Kenyon

REGISTERED AND PRINCIPAL OFFICE

IM Medical Limited
Level 40, 140 William Street
Melbourne VIC 3000
Telephone: +61 3 9607 8280
Facsimile: +61 8 9707 8285
Email: im.medical@icloud.com

PROPOSED ASX CODE

BPP

SHARE REGISTRY*

Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000

T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

AUDITOR

Mclean Delmo Bentleys Audit Pty Ltd
3/302 Burwood Road
Hawthorn VIC 3122

PROPOSED AUDITOR**

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6872

AUSTRALIAN LEGAL ADVISORS

Gilbert + Tobin
Level 16, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA 6000

INVESTIGATING ACCOUNTANT

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6872

LEAD MANAGER AND UNDERWRITER

Patersons Securities Limited
Level 23, Exchange Tower
2 The Esplanade
Perth WA 6000

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

**Subject to the approval of Shareholders at the Annual General Meeting.