

SAFETY MEDICAL PRODUCTS LIMITED

(ACN 007 817 192)

(to be renamed 3D Medical Limited) (the Company)

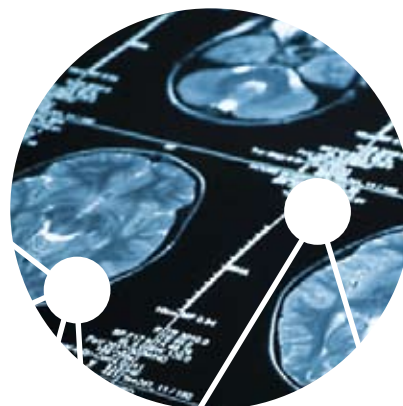
Prospectus

For an Offer of 60,000,000 New Shares at a price of \$0.05 each, to raise a minimum of \$3,000,000, with provision to accept oversubscriptions of up to a total of 100,000,000 New Shares at \$0.05 to raise a maximum of \$5,000,000 (**Public Offer**). The Public Offer also incorporates a priority offer of up to 40,000,000 New Shares to eligible shareholders of Capitol Health Limited registered as at the Priority Offer Record Date (**Priority Offer**)

For an Offer of 8,750,000 New Shares to the Facilitators (**Facilitation Offer**).

For an Offer of 175,000,000 New Shares to the Vendors (**Vendor Offer**) as part of the acquisition of all of the shares in 3D Medical Limited.

For an Offer of 116,432,447 Consideration Options to 3D Medical Vendors as part of the acquisition of all the shares in 3D Medical Limited (**Option Offer**).



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

The Offers are subject to conditions – see Section 1.2 for further information.

IMPORTANT NOTICE

This is an important document and investors should read the document in its entirety and are advised to consult with their professional advisors before deciding whether to apply for securities pursuant to this Prospectus.

Any investment in the Company under this Prospectus should be considered speculative in nature.



TAYLOR COLLISON

Sharebrokers and Investment Advisers
www.taylorcollison.com.au

IMPORTANT INFORMATION

This Prospectus is dated 24 November 2014 and was lodged with ASIC on that date. ASIC, ASX and their respective officers do not take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Historically the Company's main activity has been the development of the SecureTouch Syringe. As announced to the ASX on 6 October 2014, the Company has entered into a Share Sale and Purchase Agreement pursuant to which it has agreed, subject to Shareholder approval and other conditions, to acquire 100% of the issued shares of 3D Medical Ltd (ACN 166 963 864) (**3D Medical**) (**the Proposed Transaction**). 3D Medical currently focuses its activities on twin technology platforms of 3D printing and holographic projection. Following completion of the Proposed Transaction, the Company will focus on growing 3D Medical's business by fully commercialising the 3D Products for which 3D Medical owns the rights in selected territories and fields of use.

Accordingly the acquisition of 3D Medical will result in a significant change in the nature of the Company's activities. This requires the approval of Shareholders under Chapter 11 of the ASX Listing Rules, which is to be obtained at a General Meeting to be held on 17 December 2014 and the ASX approving the Company's compliance with the admissions requirements of Chapters 1 and 2 of the ASX Listing Rules.

There is a risk that the Company may not be able to meet the requirements of the Proposed Transaction as set out in Section 1.4. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offers and will repay all Application Monies received without interest.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to the Prospectus to be admitted for quotation on ASX.

Securities will not be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Persons wishing to apply for Shares pursuant to the Offers must do so using the relevant Application Form attached to or accompanying this Prospectus. Before applying for Shares potential investors should carefully read the Prospectus so that they can make an informed assessment of:

- (a) the rights and liabilities attaching to the Shares;
- (b) the assets and liabilities of the Company; and
- (c) the Company's financial position and performance, profits and losses, and prospects.

Investors should carefully consider these factors in light of their own personal financial and taxation circumstances.

Any investment in the Company should be considered speculative. Refer to Section 6 of this Prospectus for details relating to risk factors. Applicants should read this document in its entirety and persons considering applying for Shares pursuant to the Prospectus should obtain professional advice from an accountant, stockbroker, lawyer or other advisor before deciding whether to invest.

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

The Offers of Shares made pursuant to this Prospectus are not made to persons or places to which, or in which, it would not be lawful to make such an offer of securities. No action has been taken to register the Offers under this Prospectus or otherwise permit the Offers to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, 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. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

WEBSITE – ELECTRONIC PROSPECTUS

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website, www.safemed.com.au and 3D Medical's website, www.3dmedical.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 the Prospectus from within Australia. 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 electronic version of this Prospectus. The Company reserves the right not to accept an Application Form if it has reason to believe that when that person was given access to the Application Form it was not provided together with the Prospectus.

Investors can apply for Shares online by visiting the Company's website, www.safemed.com.au, or 3D Medical's website, www.3dmedical.com.au. If you are applying online, you can only pay for Shares using BPAY®. Your online Application Form and Application Monies must be received by 19 December 2014 before 5.00 pm WST on the Closing Date.

RISKS

Before deciding to invest in the Company, potential investors should read the entire Prospectus and in particular, in considering the prospects of the Company potential investors should consider the risk factors that could affect the financial performance and assets of the Company. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues). The Shares offered by this Prospectus should be considered speculative. Refer to Section 6 for details relating to risk factors.

EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure 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 7 days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. Such examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with Section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until the expiry of the Exposure Period. Preference will not be conferred upon Applications received in the Exposure Period.

MISCELLANEOUS

Photographs used in this Prospectus are for illustration only and should not be interpreted to mean that the assets or items shown in them are owned by the Company or that people depicted are employees of the Company.

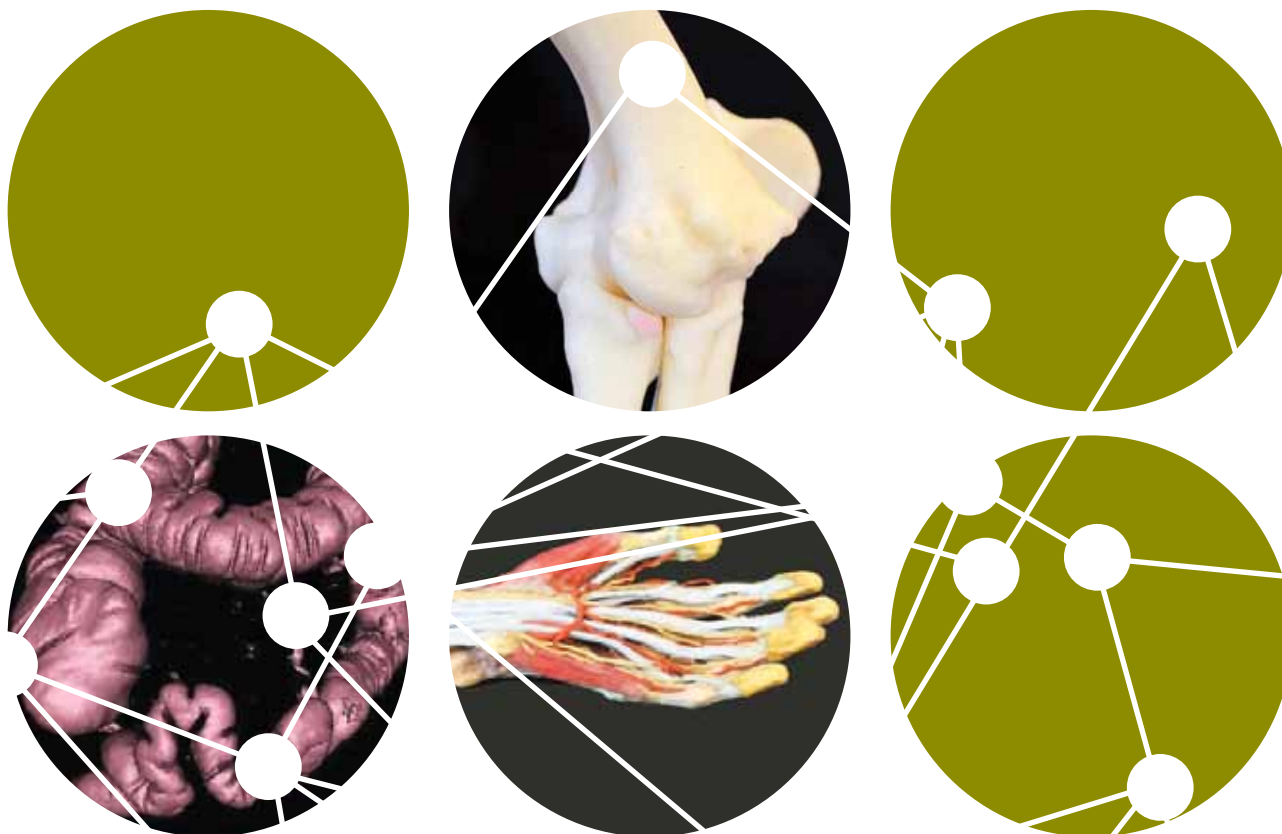
All references to "\$", "AUD", "dollar" and "cents" are references to Australian currency unless otherwise stated. All references to "US\$" and "USD" are references to United States of America currency unless otherwise stated. All references to time relate to the time in Perth, Western Australia.

A number of terms and abbreviations used in this Prospectus have defined meanings which appear in Section 9.

Photographs and Diagrams

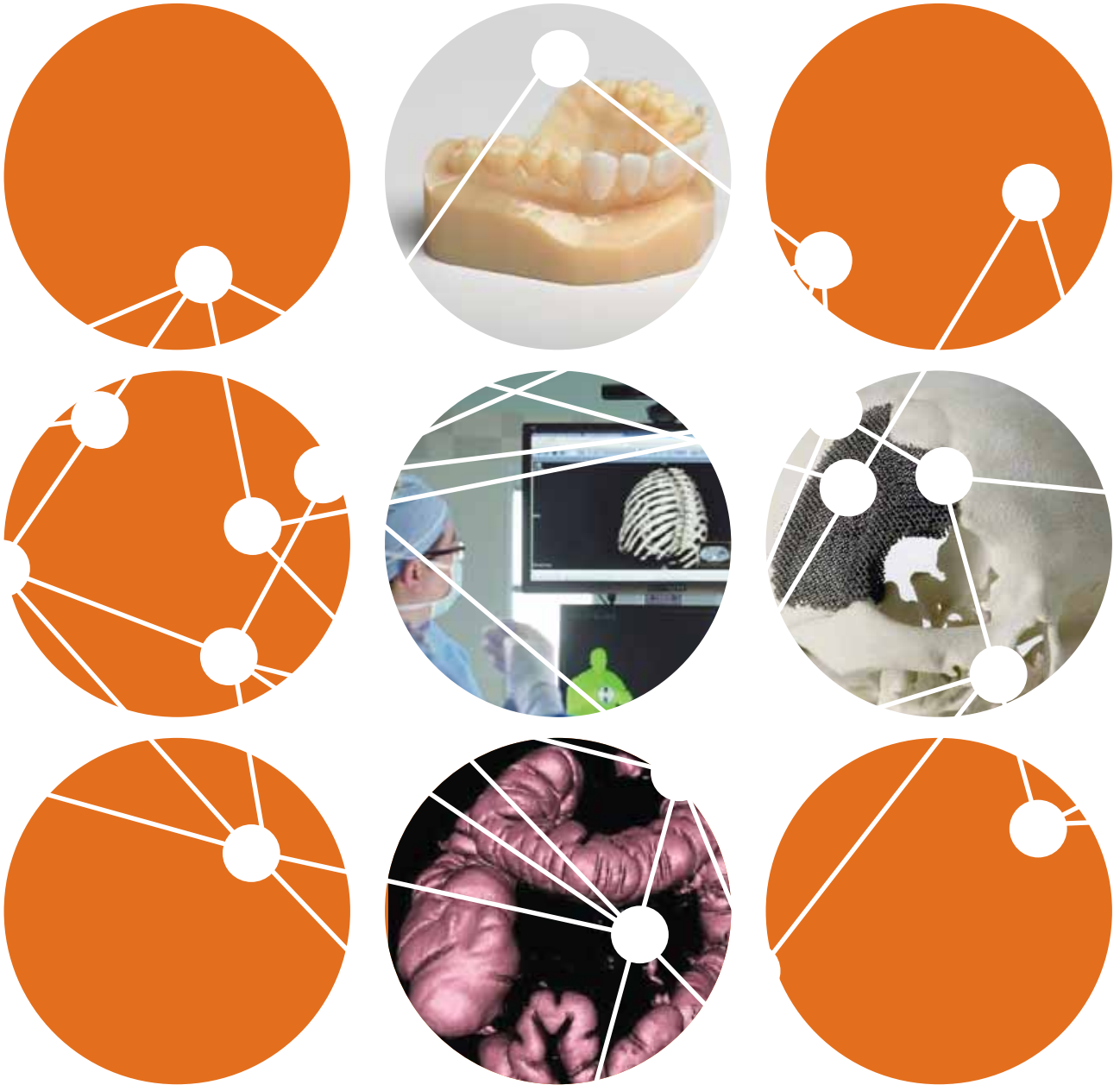
Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person endorses this Prospectus or that assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in graphs, charts and tables is based on information available as at the date of this Prospectus."

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INVESTMENT OVERVIEW



INVESTMENT OVERVIEW

1. INTRODUCTION

On 6 October 2014 the Company announced it had entered into a Share Sale Agreement to acquire all of the share capital of 3D Medical in consideration for the issue of shares in the Company to 3D Medical shareholders, as vendors. Further details of the Proposed Transaction and the key terms of the material contracts are set out in Section 7.2.

Question	Response	Further Information
Who is the issuer of the Prospectus?	Safety Medical Products Limited (ACN007 817 192) is an incorporated company listed on the ASX.	
What is the Proposed Transaction?	<p>The Company intends to acquire 100% of the fully paid ordinary shares in 3D Medical Limited (ACN 166 963 864) (3D Medical).</p> <p>The acquisition of 3D Medical will result in a significant change in the nature of the Company's activities. This requires the approval of Shareholders under Chapter 11 of the ASX Listing Rules, which is being sought at a General Meeting to be held on 17 December 2014 and the ASX approving the Company's compliance with the admissions requirements of Chapters 1 and 2 of the ASX Listing Rules.</p>	Section 1.13, 7.2(g)
What is the Company's strategy?	<p>3D Medical currently focuses its activities on twin technology platforms of 3D printing and holographic projection. Following completion of the Proposed Transaction, the Company will focus on growing 3D Medical's business by commercialising the 3D Products and by prioritising funds towards sales and marketing in accordance with the table set out in section 1.11.</p> <p>The Company's strategy is to seek to commercialise the 3D Products in order to increase sales with a view to generating profits. In addition, the Company will consider opportunities for growth by entering into licensing and distribution agreements or acquisitions that complement 3D Medical's business.</p>	Section 3
What is the business model	<p>The Company's business model has historically been the development of the SecureTouch Syringe.</p> <p>Following completion of the acquisition of 3D Medical, the Company's primary focus will be on the 3D Medical Business and business model, which is generally to sell:</p> <ul style="list-style-type: none"> • 3D anatomical models; • hardware and software that delivers holographic images; • other emerging technologies in the field; and <p>to radiology providers, hospitals, health insurance companies and surgeons.</p>	<p>Refer to historic ASX announcement made by the Company</p> <p>See Chairman's Letter and Section 3</p>
What important contracts have the Company and 3D Medical entered into?	<p>The Company is party to the following types of material contracts:</p> <ul style="list-style-type: none"> • Share Sale and Purchase Agreement; • the Loan Agreement; • Deeds of access, indemnity and insurance; • Trident Mandate; and • Taylor Collison Mandate. <p>3D Medical is party to the following types of material contracts:</p> <ul style="list-style-type: none"> • EchoPixel Memorandum of Understanding; • GestSure Memorandum of Understanding; • Capitol Health Limited Services Agreement; • 3D Group Heads of Agreement; • Mach7 Inc Heads of Agreement; and • the Loan Agreement. <p>For further information on Directors' interests in the material contracts, please refer to Section</p>	Section 7.2

Question	Response	Further Information
Who are the Company's Directors?	<p>Peter Christie (Non-Executive Chairman)</p> <p>Stephen Hewitt-Dutton (Non-Executive Director)</p> <p>Simon Jenkins (Non-Executive Director)</p> <p>The Company intends to appoint the following Incoming Directors as directors of the Company following completion of the Offers:</p> <p>Matthew Morgan (Non-Executive Director)</p> <p>Frank Pertile (Non-Executive Director)</p> <p>It is intended that Mr Christie and Mr Jenkins will resign from the board following the appointment of the Incoming Directors.</p> <p>Information about the background and experience of each Director and of key management is set out in Section 2</p>	Section 4
What is the financial position of the Company?	<p>The Company is currently listed on ASX and its annual report is available from its website (www.safemed.com.au).</p> <p>3D Medical was incorporated on 26 November 2013 and as at 30 June 2014, the Company has:</p> <ul style="list-style-type: none"> • Cash balance of \$208,160; • Total assets of \$455,982; • Net assets of \$312,689; and • Shareholders' equity of \$312,689. <p>The above financial information for the seven month period ended 30 June 2014 is based on the audited financial statements of 3D Medical.</p> <p>Further financial information regarding the Company is considered in the Investigating Accountant's Report in Section 5 of this Prospectus.</p>	Section 5
What benefits are being paid to Directors?	<p>The Directors will be paid directors' fees for operating the Company following the successful listing of the Company on the ASX:</p> <ul style="list-style-type: none"> • As Non-Executive Chairman, Matthew Morgan will be paid \$60,000 per annum inclusive of statutory superannuation (if any). • As Non-Executive Director, Stephen Hewitt-Dutton will be paid \$36,000 per annum inclusive of statutory superannuation (if any). • As Non-Executive Director, Frank Pertile will be paid \$36,000 per annum inclusive of statutory superannuation (if any). <p>For further information on the Directors' interests, please refer to Section 7.1</p>	Section 7.1
What benefits are being paid to other persons?	<p>The Company will pay various service providers who have assisted with the preparation of the documentation required to enable the Company to prepare this Prospectus. These persons include accountants, solicitors and corporate advisors. Full details of the amounts paid, or to be paid are included at Section 7.5</p>	Section 7.5
To what extent will the Company follow the corporate governance recommendations set by the ASX Corporate Governance Council?	<p>A statement disclosing the extent to which the Company intends to follow the corporate governance recommendations set by the ASX Corporate Governance Council is included at Section 2.5.</p>	
How will the Company comply with the Corporations Act and other corporate governance policies?	<p>The Company's Directors collectively have experience in the management and administration of listed companies and have a general working knowledge of the laws and regulations affecting public companies in Australia.</p> <p>Further information on the Company's corporate governance policies and practices as at the date of this Prospectus are included of Section 2.4.</p>	Section 4.4

Question	Response	Further Information
What is the effect of the Proposed Transaction and the Offers on the Company?	<p>The Proposed Transaction will provide the Company with cash and reserves with which to grow a sales and marketing business that specialises in the sale of 3D printed patient specific anatomical models and new and emerging software and hardware to improve diagnosis and care in the medical sector.</p> <p>The capital structure of the Company will be impacted by the number of Shares issued pursuant to the Offers. Existing Shareholders will hold 30.6% of the total Shares on issue if \$3,000,000 is raised under this Prospectus and 27.5% if \$5,000,000 is raised under this Prospectus (assuming that they do not participate in the Public Offer). Accordingly, the issue of Shares under this Prospectus will have a significant dilutionary effect on the Company's Existing Shareholders, including subscribers under the Prospectus.</p> <p>The future of the Company will be dependent on many things, some of which are outside of the control of the Company. Specifically in relation to the funds raised under the Prospectus, the future growth of the Company will be dependent on the Company's ability to sell 3D printed anatomical models and software and hardware to the Australian medical sector.</p>	Sections 1 and 3
Will the Company pay dividends?	The Company does not expect to pay dividends in the near future.	Section 1.22
Where will the Shares be quoted?	An application will be made to the ASX for re-admission of the Company to the Official List of ASX and for official quotation of the Shares being offered pursuant to this Prospectus.	Section 1.5
Will any Shares be escrowed?	Subject to the Company being re-admitted to the Official List, certain Shares on issue following completion of the Proposed Transaction will be classified by ASX as Restricted Securities and will be required to be held in escrow.	Section 1.16
When will I know if my Application was successful?	A holding statement confirming your allocation under the Offers will be sent to you if your Application is successful. Holding statements are expected to be issued on or about 2 January 2015	Section 1.16
How can I obtain further advice?	<p>By speaking to your accountant, stockbroker or other professional adviser.</p> <p>If you require assistance or additional copies of this Prospectus, please contact the Company's broker, Taylor Collison + 61 2 9377 1500.</p>	
Contact details	For further details, see the Corporate Directory at the beginning of this Prospectus	Corporate Directory

2. THE OFFERS

Question	Response	Further Information
What are the Offers?	<p>By this Prospectus, the Company is undertaking five conditional offers of securities as follows:</p> <ul style="list-style-type: none"> • Public Offer – an offer to the general public of 60,000,000 New Shares at an issue price of \$0.05 per Share to raise a minimum of \$3,000,000 before expenses of the Offers, with provision to accept oversubscriptions of up to 100,000,000 New Shares at an issue price of \$0.05 per New Share to raise up to a total of \$5,000,000 may be accepted at the Directors' discretions. The maximum amount that may be raised under the Public Offer (assuming Maximum Subscription) is \$5,000,000; • Priority Offer - Shareholders of Capitol Health Limited will be offered a Priority Offer of 40,000,000 New Shares under the Public Offer. The number of New Shares remaining following completion of the Priority Offer will be offered to the general public. The Priority Offer Shares form part of the Public Offer and the total number of Shares issued under the Public Offer and Priority Offer together will not exceed the Maximum Subscription of 100,000,000 New Shares; • Facilitation Offer – a total of 8,750,000 New Shares to the Facilitators, made up as follows: <ul style="list-style-type: none"> - 875,000 New Shares to Trident Capital (and/or its nominee) at a deemed issue price of \$0.02 each; - 3,500,000 New Shares to Taylor Collison (and/or its nominee) at a deemed issue price of \$0.02 each; and - 4,375,000 New Shares to Ken Poutakidis at a deemed issue price of \$0.02 each. • Vendor Offer – an offer of 175,000,000 New Shares to the Vendors at a deemed issue price of \$0.02 each, as part consideration for the Company acquiring 100% of the issued capital of 3D Medical. • Option Offer – a total of 11,643,144 Consideration Options to 3D Medical Vendors for no monetary consideration, made up as follows: <ul style="list-style-type: none"> - 72,945,060 Consideration Options to 3D Medical Vendors, each Consideration Option having an exercise price of \$0.05 per Share and expiring 18 months after Completion; and - 43,486,387 Consideration Options to 3D Medical Vendors, each Consideration Option having an exercise price of \$0.05 per Share and expiring 24 months after Completion. <p>The Offers are conditional upon the satisfaction of the conditions referred to in Section 1.4.</p>	Section 1
How will funds raised under the Offers be used?	<p>The gross funds raised by the Public Offer (including the Priority Offer) will be \$3,000,000 (if the Minimum Subscription is achieved, or up to \$5,000,000 assuming the Maximum Subscription is achieved, before costs associated with the Offer), which the Company intends to use to:</p> <ul style="list-style-type: none"> • payment of expenses of the Offers; • payment for sales and marketing; and • general working capital. <p>There are no funds being raised by the Facilitation Offer, the Vendor Offer or the Option Offer.</p> <p>The New Shares issued pursuant to the Facilitation Offer are to be issued:</p> <ul style="list-style-type: none"> • to Trident Capital pursuant the Trident Mandate; • to Taylor Collison pursuant to the Taylor Collison Mandate; and • to Ken Poutakidis pursuant to the Share Sale Agreement. <p>For further information, see Sections 7.2(g), 7.2(i) and 7.2(j).</p> <p>The New Shares issued pursuant to the Vendor Offer are to be issued pursuant to the Share Sale Agreement. For further information, see Section 7.2(g).</p>	Sections 1.11 and 7.8

Question	Response	Further Information
What are the key dates of the Offers?	<p>Lodgement of this Prospectus with ASIC: 24 November 2014</p> <p>Priority Offer Record Date: 1 December 2014</p> <p>Opening Date for Offers: 2 December 2014</p> <p>Closing Date for Offers: 19 December 2014</p> <p>Dispatch of Statements of Shareholding: 2 January 2015</p> <p>Expected date for Shares to commence trading on ASX: 12 January 2015</p> <p>The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer early without notice.</p>	Key Offer Details
What is the Offer price?	<p>The Public Offer price is \$0.05 per Share.</p> <p>On 30 September 2014, ASX released an updated version of Guidance Note 12 to the ASX Listing Rules which, amongst other things, adopted a new policy on the application of the “20 cent rule” to re-compliance listings.</p> <p>On 12 November 2014, ASX granted the Company waiver from:</p> <ul style="list-style-type: none"> • ASX Listing Rule 1.1 condition 11, to the extent necessary to permit the exercise price of the Consideration Options to be not less than \$0.05 per Share; and • ASX Listing Rule 2.1 condition 2, to the extent necessary to permit the issue price for the Shares under the Public Offer to be not less than \$0.05 per Share, <p>subject to Shareholder approval at a General Meeting.</p> <p>No price is payable to subscribe for Shares under the Vendor Offer, the Facilitation Offer, or the Option Offer.</p>	Section 1
What rights and liabilities are attached to the Shares being offered?	<p>All Shares issued under the Offers will rank equally with Existing Shares on issue on the terms set out in Section 7.f.</p> <p>A summary of the rights and liabilities attaching to the Shares is set out at Section 7.6</p>	Section 1
Is the Public Offer underwritten?	No, the Public Offer is not underwritten. However, the Company has reserved the right to pay a fee of up to 6% of the value of the Shares under the Public Offer to the holders of an AFS (Australian Financial Services) licence in respect of Shares placed to their clients under the Offer.	Section 1.14
How do I apply for Shares under the Public Offer?	<p>All Application Forms for both the Public Offer and the Priority Offer must be completed in accordance with the instructions accompanying the Application Form.</p> <p>Applicants wishing to pay via BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus which is available at www.3dmedical.com.au or www.safemed.com.au.</p> <p>Application Forms can also be manually completed. They must be accompanied by a cheque in Australian dollars for the full amount of the application being \$0.05 per Share. Cheques must be made payable to “Safety Medical Products Limited” and should be crossed “Not Negotiable”.</p>	Sections 1.6, 1.7, 1.8, and 10
How do I apply for Shares under the Vendor Offer, the Facilitation Offer or the Option Offer?	All Application Forms must be completed in accordance with the instructions accompanying the Application Form.	Sections 1.6, 1.7, 1.8, 12, 13 and 14..
Where do I send the Application Form?	<p>Applications Forms should be sent to:</p> <p>Link Market Services Limited Locked Bag A14 SYDNEY SOUTH NSW 1235</p> <p>Completed Application Forms and cheques must be received by 19 December 2014 before 5.00 pm WST on the Closing Date.</p>	Sections 1.7, 10, 12, 13 and 14.
Can I speak to a representative about the Offer?	Questions relating to the Offers can be directed to the Company's broker, Taylor Collison, on +61 2 9377 1500.	Section 1.26

3. KEY RISK FACTORS

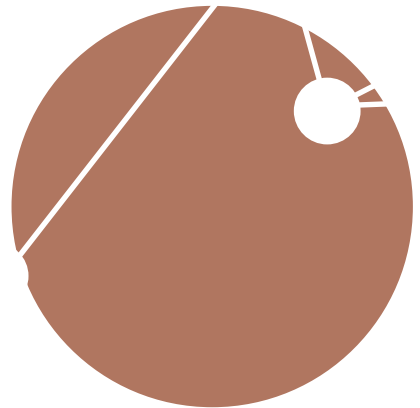
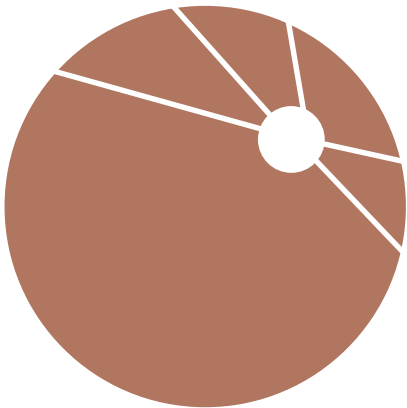
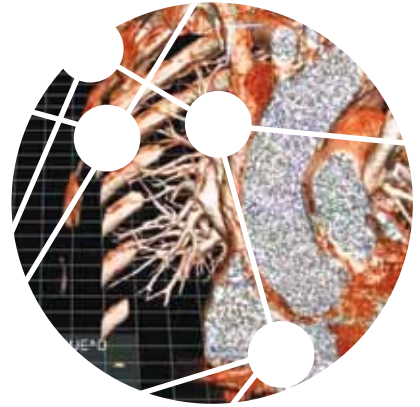
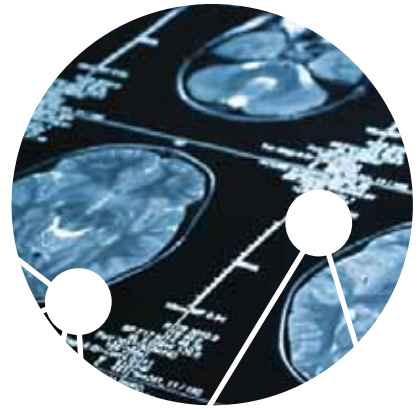
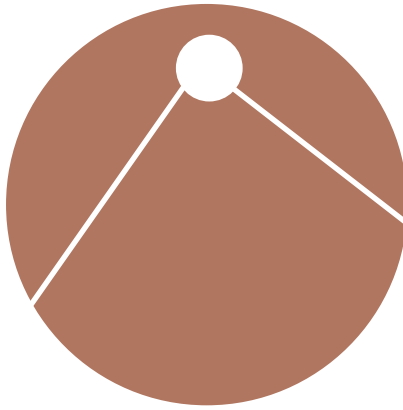
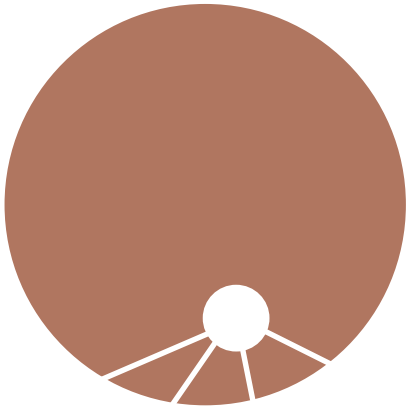
Question	Response	Further Information
What are the key risks of investing in Shares in the Company?	The list below is a summary of some of the key risks associated with investing in the Company. A more comprehensive list of risks is set out in Section 6.	Section 6
	Commercialisation risk 3D Medical is now in the process of commercialising the 3D Products, and will look to do this by commencing the sale of 3D printed anatomical models on a commercial scale and selling exclusively licensed holographic projection technology into the Australian medical sector. There is a risk that 3D Medical will not be able to successfully sell the 3D Products, or be unable to attract sufficient customers to be sufficiently profitable to fund future operations.	Section 6.1(a)
	Reliance on key suppliers and material contract risk 3D Medical has three main suppliers of 3D printing and holographic technology through agreements with EchoPixel, GestSure and Mach7 Technologies. 3D Medical also has material contracts with Capitol Health Limited and 3D Group Pty Ltd. If one or more of these agreements is terminated, there is a risk that 3D Medical will be unable to make sufficient sales to customers in order to be sufficiently profitable to fund future operations.	Section 6.1(d)
	No trading history The business of 3D Medical is yet to be fully commercialised and the bulk of its revenues to-date have been as a result of trial purchases and related party purchases of 3D anatomical models. In addition, 3D Medical's efforts in the past have been significantly focused towards securing supply and exclusive geographic rights to selected products and technologies. There is therefore greater uncertainty in relation to the business of 3D Medical.	Section 6.1(e)
	Reliance on key personnel The recent development of the business of 3D Medical has been in large part due to the talent, effort, experience and leadership of its founders and senior management team, in particular the leadership of 3D Medical Directors Frank Pertile and Matthew Morgan. There is no assurance these individuals will not be terminated or will be renewed on the expiry of their term.	Section 6.1(f)
	Liquidity and dilution risk The issue of the New Shares under both the Vendor Offer and the Facilitation Offer will have a dilutionary effect on Shareholders, including subscribers to the Public Offer	Section 6.1(i)
	Low barriers to entry There are relatively low barriers to entry in the fields of 3D printing and holographic projection and the market is experiencing the emergence of providers of these services. Potential risks relate to other providers of these services operating on a lower cost basis placing pressure on 3D Medical's prices.	Section 6.1(m)
	Change in nature and scale of activities and conditionality of the Offers There is a risk that the Company may not be able to meet the requirements of ASX of re-complying with Chapters 1 and 2 of the Listing Rules for re-quotations on the ASX. If the conditions of the Offer are not satisfied or the Company does not receive conditional approval for re-quotations on the ASX then the Company will not proceed with the Offer.	Section 6.1(o)

Question	Response	Further Information
	<p>No recent profit</p> <p>It is not possible to evaluate the Company's prospects based on past performance and since the Company intends to continue investing in the development of the 3D Products, the Directors anticipate making further losses in the foreseeable future.</p>	Section 6.1(p)
	<p>Additional requirements for capital</p> <p>Pending the development or commercialisation of the 3D Products, the Company may require additional funding via the issues of debt, equity or a combination of both to finance some of its estimated expenditure in order to commercialise the 3D Products. If the Company is unable to obtain additional financing it may be required to reduce the scope of its operations and/or expenditure, or enter into joint venture arrangements.</p>	Section 6.1(q)
	<p>Unforeseen expenditure risk</p> <p>Unforeseen expenditure may need to be incurred in the development or commercialisation of the 3D Products. If such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.</p>	Section 6.1(r)
	<p>Contractors and contractual disputes</p> <p>The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. Of particular importance are the marketing and distribution agreements 3D Medical has with EchoPixel and GestSure, and services agreement it has with Capitol Health. Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance.</p>	Section 6.1(s)

4. OFFER STATISTICS

Offer Price	\$0.05 per Share (for the Public Offer)		
	Minimum Subscription	Maximum Subscription	Section
Number of Existing Shares currently on issue	1,075,868,074	1,075,868,074	Key Offer Details, and Section 1
Number of New Shares on issue before the Offers (post-Consolidation)	107,586,807	107,586,807	Key Offer Details, and Section 1
Number of New Shares available pursuant to the Public Offer	60,000,000	100,000,000	Key Offer Details, and Section 1
Number of New Shares available pursuant to the Facilitation Offer	8,750,000	8,750,000	Key Offer Details, and Section 1
Number of New Shares available pursuant to the Vendor Offer	175,000,000	175,000,000	Key Offer Details, and Section 1
Total number of New Shares on issue following the Offers (excluding Options)	351,336,807	391,336,807	Key Offer Details, and Section 1
Number of Consideration Options available pursuant to the Option Offer	116,432,447	116,432,447	Key Offer Details, and Section 1
Total proceeds from the Offers (before costs excluding Options))	\$3,000,000	\$5,000,000	Key Offer Details, and Section 1

CHAIRMAN'S LETTER



CHAIRMAN'S LETTER

Dear Investor

On behalf of the Directors of Safety Medical Products Limited ("**Company**"), I am pleased to present this Prospectus to you. Funds raised under this Prospectus will enable the Company to complete its acquisition of 3D Medical Limited ("**3D Medical**").

On 6 October 2014, the Company announced it had entered into a Share Sale and Purchase Agreement to acquire all of the share capital of 3D Medical in consideration for the issue of shares in the Company to 3D Medical shareholders, as vendors. In accordance with the conditions of the agreement and to satisfy ASX Listing Rules this Prospectus seeks to raise \$3,000,000 (with the ability to accept oversubscriptions raising up to \$5,000,000).

On completion of the Proposed Transaction the Company will pursue the sale of 3D Products and related data to the Australian medical and healthcare sector. 3D Medical currently focuses its activities on the twin technology platforms of 3D printing and holographic projection. 3D printing creates physical three-dimensional models of a patient's anatomy utilising the images and data already being captured with conventional diagnostic imaging equipment by radiology service providers. The application of 3D printing and its incorporation into best practice medical protocols offers clinicians, healthcare professionals, patients and researchers greater accuracy, effectiveness and efficiency in achieving improved patient outcomes.

3D Medical has established an exclusive supply arrangement with 3D Group Pty Ltd ("**3D Group**"), an emerging 3D printing business, whereby 3D Medical will be the exclusive reseller of 3D Group's services to the medical market. Furthermore, 3D Medical has entered into a service agreement with Capitol Health Ltd (ASX:CAJ) whereby 3D Medical will exclusively supply 3D anatomical models to Capitol Health's fifty two radiology clinics.

Holographic projection is the second launch technology platform for 3D Medical. 3D Medical has secured Australian and New Zealand rights to this emerging technology and believes that this technology can significantly alter the practice of medicine by enhancing efficacy and workflow at the practitioner level, accelerate the pathway to excellence in medical education and training and offer patients greater insight into their condition and ailment.

3D Medical expects its initial revenue streams to come from the sale of 3D anatomical models and from the distribution of holographic projection viewers to radiology providers and medical specialists in such areas as cardiology, neurology, gastroenterology and orthopaedics, which are all areas of healthcare that currently receive medical data in 2D, even though it is captured in 3D. The company has also entered into agreements to market and sell additional products and services and further information regarding 3D Medical is contained in Section 3 of the Prospectus.

At the Company's General Meeting to be held on 17 December 2014, Shareholders will be asked to approve the acquisition of 3D Medical (including approval for the issue of Shares to the 3D Medical Vendors) and several other resolutions to give effect to the change in direction of the Company.

This Prospectus seeks to raise \$3,000,000 (with the ability to accept oversubscriptions raising up to \$5,000,000). The Company is very pleased to be able to offer Capitol Health Ltd shareholders the opportunity to invest and has made available up to \$2,000,000 for them through the Priority Offer. Funds raised will be used for the deployment of 3D Medical's software, marketing and business development, working capital and to pay the costs of the Offers and the 3D Medical acquisition. The Offers are subject to various conditions, summarised in Section 1 of this Prospectus. Details of the risks of an investment of this type are contained in Section 6. Investors should obtain professional investment advice before deciding to invest under the Offer.

I ask you to consider the terms of the Offers contained in this Prospectus and look forward to welcoming you as a Shareholder of the Company. If you are an existing Shareholder, I thank you for your support to date and invite you to increase your investment to take advantage of the Company's new direction.

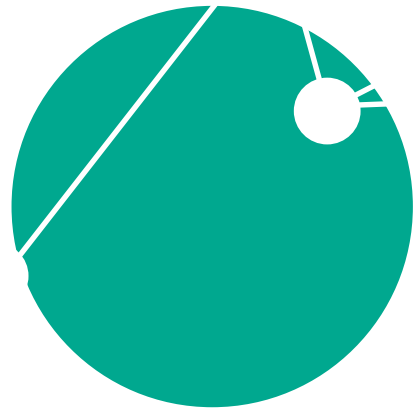
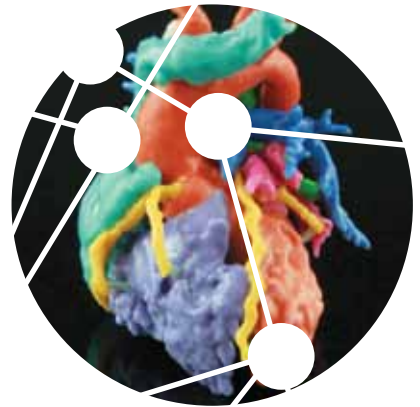
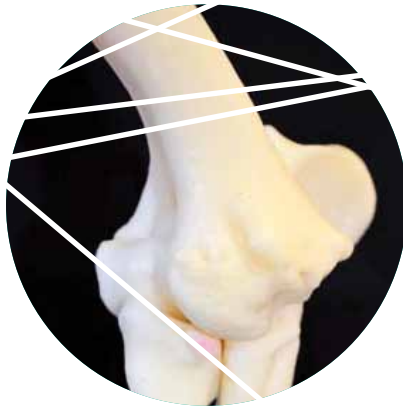
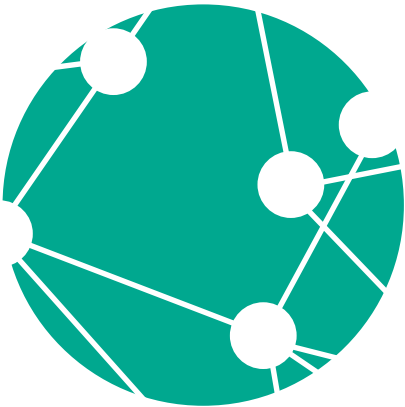
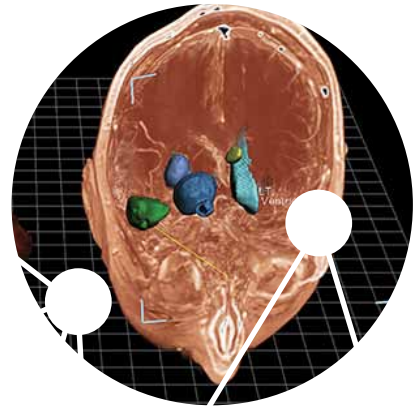
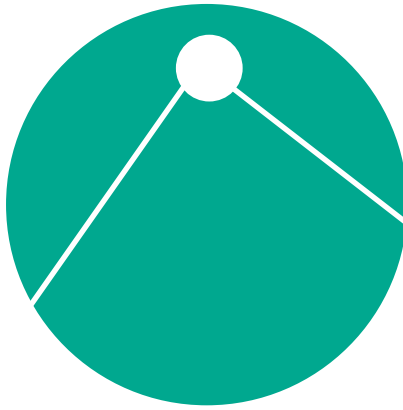
Yours faithfully



Peter Christie
Chairman

24 November 2014

KEY OFFER DETAILS



KEY OFFER DETAILS

KEY FINANCIAL DATA RELATING TO THE OFFER

Meeting Date	17 December 2014
Offer price per New Share	5 cents
New Shares to be offered pursuant to the Public Offer	
• assuming Minimum Subscription	60,000,000
• assuming Maximum subscription	100,000,000
Cash proceeds of the Public Offer	
• assuming Minimum Subscription	\$3,000,000
• assuming Maximum Subscription	\$5,000,000
New Shares to be offered pursuant to the Facilitation Offer	8,750,000
Cash proceeds of the Facilitation Offer	Nil
New Shares to be offered pursuant to the Vendor Offer	175,000,000
Cash proceeds of the Vendor Offer	Nil
Consideration Options to be offered pursuant to the Option Offer	116,432,447
Cash proceeds if the Consideration Options are exercised	\$582,157.20
Total number of Existing Shares on issue before the Offers	1,075,868,074
Total number of New Shares on issue before the Offers (post-Consolidation)	107,586,807
Total number of New Shares on issue following the Offers	
• assuming Minimum Subscription	351,336,807
• assuming Maximum Subscription	391,336,807
Total number of Consideration Options on issue following the Offers	116,432,447

INDICATIVE TIMETABLE

Dates shown in the table below are indicative only and may be varied. The Company reserves the right to vary the Opening Date and the Closing Dates without prior notice, which may have a consequential effect on the other dates. **Applicants are therefore urged to lodge their Application Forms as soon as possible.**

INDICATIVE TIMETABLE

Lodgement of this Prospectus with ASIC	24 November 2014
Priority Offer Record Date	1 December 2014
Opening Date for the Offers	2 December 2014
Closing Date for the Offers ("Closing Date")	19 December 2014
Dispatch of Statements of Shareholding	2 January 2015
Expected date for New Shares to commence trading on ASX	12 January 2015

1. DETAILS OF THE OFFERS

By this Prospectus, the Company offers 60,000,000 New Shares at a price of \$0.05 per Share to raise funds of \$3,000,000. The Minimum Subscription to be raised under the Priority Offer and the Public Offer is \$3,000,000, with provision for oversubscriptions to raise up to \$5,000,000 upon the Maximum Subscription.

The Offers consist of a Public Offer, which incorporates the Priority Offer to shareholders of Capitol Health Ltd, which is open to the general public, a Vendor Offer which is open to the 3D Medical Vendors, a Facilitation Offer which is open to the Facilitators, and an Option Offer which is open to the 3D Medical Vendors.

The Shares to be issued pursuant to this Prospectus are of the same class and will rank equally in all respects with the Existing Shares in the Company. The rights and liabilities attaching to Shares are further described in Section 7.6 of the Prospectus.

Applications for Shares must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to Sections 10, 11, 12, 13 and 14 for further details and instructions.

1.1 SUMMARY OF THE OFFERS

By this Prospectus, the Company is undertaking three conditional offers of securities as follows:

- (a) Public Offer – an offer to the general public of 60,000,000 New Shares at an issue price of \$0.05 per New Share to raise a minimum of \$3,000,000 with provision to accept oversubscriptions of up to 100,000,000 New Shares to raise up to a total of \$5,000,000, as described in Sections 1.2 and 1.3 below.

Shareholders of Capitol Health Limited will be offered a Priority Offer of 40,000,000 New Shares under the Capital Raising. The number of New Shares remaining following completion of the Priority Offer will be offered to the general public.

- (b) Priority Offer – an offer of 40,000,000 New Shares under the Public Offer to shareholders of Capitol Health Limited. The number of New Shares remaining following completion of the Priority Offer will be offered to the general public.

- (c) Facilitation Offer – a total of 8,750,000 New Shares to the Facilitators, made up as follows:

- (i) 875,000 New Shares to Trident Capital (and/or its nominee) at a deemed issue price of \$0.02;
- (ii) 3,500,000 New Shares to Taylor Collison (and/or its nominee) at a deemed issue price of \$0.02; and
- (iii) 4,375,000 New Shares to Ken Poutakidis at a deemed issue price of \$0.02.

For further information on the Taylor Collison Mandate and the Trident Capital Mandate, see Sections 7.2(i) and 7.2(j).

- (d) Vendor Offer – an offer of 175,000,000 New Shares to the 3D Medical Vendors at a deemed issue price of \$0.02 each, as part consideration for the Company acquiring 100% of the issued capital of 3D Medical. For further information on the Share Sale and Purchase Agreement, see Section 7.2(g).

- (e) Option Offer – an offer of 116,432,447, Consideration Options to the 3D Medical Vendors for no monetary consideration, made up as follows:

- (i) 72,945,060 Consideration Options to 3D Medical Vendors, each Consideration Option having an exercise price of \$0.05 per Share and expiring 18 months after Completion; and
- (ii) 43,486,387 Consideration Options to 3D Medical Vendors, each Consideration Option having an exercise price of \$0.05 per Share and expiring 24 months after Completion.

All Shares issued under the Offers will rank equally with Existing Shares on issue on the terms set out in Section 7.6.

The Offers are conditional upon the satisfaction of the conditions referred to in Section 1.4

1.2 MINIMUM SUBSCRIPTION

The Minimum Subscription for the Public Offer is 60,000,000 New Shares at an issue price of \$0.05 per New Share to raise a minimum of \$3,000,000. No New Shares will be allotted or issued until the Public Offer has reached its Minimum Subscription. If the Minimum Subscription of the Public Offer has not been achieved within four (4) months after the date of this Prospectus, all Application Monies will be refunded without interest in accordance with the Corporations Act.

1.3 OVERSUBSCRIPTIONS

Oversubscriptions of up to 100,000,000 New Shares at an issue price of \$0.05 per New Share to raise up to \$5,000,000 may be accepted at the Directors' discretion. The maximum amount that may be raised under the Public Offer (assuming Maximum Subscription) is \$5,000,000.

1.4 CONDITIONAL OFFERS

The Offers under this Prospectus are conditional upon a number of events occurring, including:

- (i) the Minimum Subscription under the Prospectus being achieved;
- (ii) all Resolutions receiving Shareholder approval at the General Meeting;
- (iii) ASX providing the Company with a list of conditions which, when satisfied, will result in ASX reinstating the Shares to quotation on ASX upon satisfaction of Chapters 1 and 2 of the Listing Rules and such conditions being reasonable acceptable to the Company and the 3D Medical Vendors; and
- (iv) completion taking place under the Share Sale and Purchase Agreement. A summary of the Share Sale and Purchase Agreement and a description of the conditions precedent to completion under the Share Sale and Purchase Agreement are set out in Section 7.2(g) of this Prospectus.

If the conditions above are not satisfied, the Offers will not proceed and investors will be refunded their Application Monies without interest.

Under the Public Offer, members of the general public may apply for Shares pursuant to this Prospectus. Applications for Shares under the Public Offer can only be made on the Public Offer Application Form contained at the back of this Prospectus.

The Public Offer Application Form should be completed in accordance with the instructions set out on the back of the form.

Under the Priority Offer, shareholders of Capitol Health Ltd may apply for Shares pursuant to this Prospectus. Applications for Shares under the Priority Offer can only be made on the Priority Offer Application Form contained at the back of this Prospectus.

The Priority Offer Application Form should be completed in accordance with the instructions set out on the back of the form.

Applications under the Public Offer and the Priority Offer must be for a minimum of 40,000 Shares (\$2,000) and then in increments of 2,000 Shares (\$100). No brokerage, stamp duty or other costs are payable by applicants. Refer to Section 1.6 below for payment and lodgement details.

1.5 RE-COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE LISTING RULES

At the General Meeting, the Company will seek Shareholder approval for, amongst other things, a change in nature and scale of its activities. To give effect to these changes, ASX requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules. This Prospectus is issued to assist the Company to re-comply with these requirements.

Trading in the Company's Shares will be suspended from the date of the General Meeting and will not be reinstated until satisfaction of the conditions to the Offers and ASX approving the Company's re-compliance 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-quotation on the ASX. In the event the conditions to the Offers are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offers and will repay all Application Monies received.

The Company will apply to ASX no later than seven (7) days from the date of this Prospectus for ASX to grant official quotation to the Shares issued pursuant to this Prospectus.

If the Shares are not admitted to quotation within three (3) months after the date of this Prospectus, no Shares will be issued. Application Monies will be refunded in full without interest in accordance with the Corporations Act.

Neither ASX nor ASIC take responsibility for the contents of this Prospectus. The fact that ASX may grant official quotation to the Shares issued pursuant to this Prospectus is not to be taken in any way as an indication by ASX as to the merits of the Company or the Shares.

1.6 PAYMENT AND LODGEMENT DETAILS

The details provided in this section 1.6 and sections 1.7, 1.8 and 1.9 below relate to the payment and lodgement details in relation to the Application Form.

Please apply as soon as possible to ensure that your Application Form is received prior to the close of the Offers. Your Application Form is not valid until your Application Monies have been received.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares 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.

1.7 TO APPLY USING A PAPER APPLICATION FORM

All Application Forms must be completed in accordance with the instructions accompanying the Application Form and must be accompanied by a cheque in Australian dollars for the full amount of the application being 5cents per Share. Cheques must be made payable to "Safety Medical Products Limited" and should be crossed "Not Negotiable". All Application Monies will be paid into a trust account.

Completed Application Forms and cheques must be received by the Company before 5.00pm WST on the Closing Date.

Applicants are urged to lodge their Application Forms as soon as possible, as the Offers may close early without notice.

Delivered to:

Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138

Mailed to:

Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

An original, completed and lodged Application Form for Shares together with a cheque for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in each Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe amend or complete the Application Form is final however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

1.8 TO APPLY ONLINE AND PAY BY BPAY®

For payment via BPAY®, visit www.safemed.com.au or www.3dmedical.com.au and complete an online Application Form. Once you have completed your online Application Form, you will be given a BPAY® Biller Code and a BPAY® payment reference number. You should make your Application payment in full on the same day, as any Applications without payment cannot be accepted. You will need to:

- (a) access your participating phone/internet banking service;
- (b) select BPAY® and follow the prompts:
 - (i) enter the Biller Code and your BPAY® payment reference number supplied when you completed your online Application Form;
 - (ii) nominate the amount of your Application Monies in full;
 - (iii) nominate the cheque or savings account you wish your Application Monies to come from (note that credit card payments are not allowed); and
- (c) record your BPAY® receipt number and the date of payment and retain a copy for your records.

Note that Applicants paying via BPAY® should be aware that their own financial institution may implement earlier cut-off times with regard to electronic payment than the time at which the Public Offer closes, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that the funds submitted through BPAY® are received before 5.00 pm WST on the Closing Date.

1.9 REFUNDS

You will receive a refund if:

- (a) you have applied and paid for more Shares than you are allocated; or
- (b) if your Application Monies is rejected for any reason, including late receipt of your Application Form.

You will receive any refund by either chequet, as instructed by you in your Application Form or by your Broker. No interest will be paid to you on any Application Monies that are refunded, and any interest earned on Application Monies pending the allocation or refund will be retained by the Company. Any refunds will be returned as soon as practicable following the close of the Offers.

1.10 PURPOSE OF THE OFFERS

The principal purpose of the Public Offer is to fund:

- (a) sales and marketing activities;
- (b) general working capital; and
- (c) expenses of the Offers.

1.11 PROPOSED APPLICATION OF FUNDS RAISED

Funds raised from the Public Offer are intended to be applied as follows:

Proposed Application of funds raised				
	Minimum Subscription (\$3,000,000)		Maximum Subscription (\$5,000,000)	
	Amount (\$)	%	Amount (\$)	%
Sales and marketing	1,120,000	31%	\$2,040,000	37%
Corporate and administration	\$800,000	33%	\$800,000	20%
Travel and other	\$150,000	5%	\$300,000	6%
Working capital	\$504,837	17%	\$1,304,935	26%
Expenses of the Capital Raising	\$425,163	14%	\$555,065	11%
Total	\$3,000,000	100%	\$5,000,000	100%

The Directors are satisfied that upon completion of the Public Offer, the Company will have sufficient capital to meet its stated objectives as outlined in Section 1.10 and 3.

The use of further equity funding or share placements will be considered by the Directors where it is appropriate to accelerate a specific project.

It is also possible that future acquisitions that may be contemplated may exceed the current or projected financial resources of the Company and it is expected that these acquisitions would be funded by project finance and/or equity issues (subject to shareholder approvals).

In the event that more than the Minimum Subscription and less than the Full Subscription is raised, the Company intends to allocate the funds primarily in accordance with the percentages described in the Minimum Subscription budget, with surplus funds being directed at working capital.

The reference to 'working capital' in the table above includes wages, bonuses and superannuation of employees and directors, rent and outgoings, insurance, other items of a general administrative nature and cash reserves which may be used for the purposes of, if considered appropriate, increasing business development costs, additional product development, or acquisitions, as determined by the Board.

1.12 CAPITAL STRUCTURE

Set out in the table below is a summary of the capital structure of the Company before and after completion of the Offers under this Prospectus, on a post-Consolidation basis.

	Minimum Subscription		Maximum Subscription	
	Number of New Shares	%	Number of New Shares	%
New Shares on issue (being Existing Shares on a post-Consolidation basis)*	107,586,807	30.62	107,586,807	27.49
Shares now offered pursuant to the Public Offer	60,000,000	17.08	100,000,000	25.56
Shares now offered pursuant to the Facilitation Offer	8,750,000	2.49	8,750,000	2.23
Shares now offered pursuant to the Vendor Offer	175,000,000	49.81	175,000,000	44.72
Total Shares on issue at the completion of the Offers	351,336,807	100	391,336,807	100
Consideration Options now offered pursuant to the Options Offer**	116,432,447		116,432,447	

* The Directors expect that a substantial portion of the New Shares on issue following completion of the Offers will be subject to escrow (see Section 1.19).

** The terms and conditions of the Consideration Options are set out in Sections 1.1, 1.13 and 7.6

1.13 SECURITIES ISSUED ON THE PROPOSED ACQUISITION OF SHARES IN 3D MEDICAL

On 17 November 2014, the Company issued a Notice of Meeting for a General Meeting of Shareholders to be held on 17 December 2014. The principal business of this General Meeting is to approve the acquisition of all of the shares in 3D Medical. Pursuant to the resolutions to be put to Shareholders, it is proposed that the Company acquire 100% of the shares in 3D Medical on the issue of the following securities in the Company:

- (a) 175,000,000 New Shares to be issued to the 3D Medical Vendors at a deemed issue price of \$0.02 each;
- (b) 116,432,447 Consideration Options to the 3D Medical Vendors for no monetary consideration, made up as follows:
 - (i) 72,945,060 Consideration Options to 3D Medical Vendors, each Consideration Option having an exercise price of \$0.05 per Share and expiring 18 months after Completion; and
 - (ii) 43,486,387 Consideration Options to 3D Medical Vendors, each Consideration Option having an exercise price of \$0.05 per Share and expiring 24 months after Completion.
- (c) A total of 8,750,000 New Shares to be issued to the Facilitators, made up as follows:
 - (i) 875,000 New Shares to Trident Capital (and/or its nominee) at a deemed issue price of \$0.02;
 - (ii) 3,500,000 New Shares to Taylor Collison (and/or its nominee) at a deemed issue price of \$0.02; and
 - (iii) 4,375,000 New Shares to Ken Poutakidis at a deemed issue price of \$0.02.

These securities will not be issued unless Shareholders approve all of the Resolutions at the General Meeting.

Assuming Shareholders approve all of the Resolutions contained in the Notice of Meeting at the General Meeting, the securities to be issued pursuant to the Resolutions will be issued after the General Meeting. The acquisition of all of the shares in 3D Medical will be completed once all conditions have been met as detailed in Section 7.2(g).

This Prospectus will also act to remove any trading restrictions that may have attached to the New Shares to be issued by the Company to the 3D Medical Vendors.

Relevantly, Section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) either:
 - (i) a prospectus is lodged with ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

1.14 OFFERS NOT UNDERWRITTEN

The Offers are not underwritten.

1.15 NATURE OF THE SHARES

The Shares are fully paid Shares and will, once issued, rank equally with existing Shares.

1.16 ALLOCATION AND ALLOTMENT OF SHARES

The Directors reserve the right to reject any application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest as soon as practicable after the Closing Date.

Subject to ASX granting approval for quotation of the Shares, the allotment of Shares will occur as soon as practicable after the Closing Date. All Shares issued pursuant to the Offers will rank *pari passu* in all respects with the Existing Shares of the Company. Statements of shareholding will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the Shares.

Applicants who sell the Shares before they receive their statement of shareholding will do so at their own risk.

1.17 APPLICATION MONIES TO BE HELD IN TRUST

The Application Monies for Shares to be issued pursuant to the Public Offer will be held on trust in a separate bank account until the Shares are issued. Applicants in the Public Offer whose Applications are not accepted, or who are issued a lesser dollar amount of Shares than the amount applied for, will be sent a refund (without interest) of all or part of their Application Monies as soon as practicable after the Closing Date. All Interest earned on Application Monies (including those which do not result in allotment of Shares) will be retained by the Company.

1.18 RESTRICTED SECURITIES

Pursuant to the Listing Rules, securities issued to certain persons (including promoters, seed capitalists and vendors of classified assets) may have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months and may not be transferred, assigned or otherwise disposed of during that period. At this stage it is expected that a total of 165,229,859 Shares and 106,669,762 Options on issue as at the completion of the Offers under this Prospectus are expected to be subject to the restricted securities provisions as follows:

- (a) 113,156,682 Shares and 72,024,302 Options issued to 3D Medical Vendors will be classified as restricted securities for a period of 12 months from the date of original issue of the 3D Medical shares to which they relate (i.e. from 13 June 2014 and 23 June 2014) under paragraph 2 of Appendix 9B of the Listing Rules;
- (b) 52,073,177 Shares and 34,645,460 Options issued to 3D Medical Vendors who are related parties and promoters of 3D Medical will be classified as restricted securities for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 1 of Appendix 9B of the Listing Rules; and
- (c) 8,750,000 Shares to be issued to the Facilitators will be classified as restricted securities for a period of 24 months from the date of official quotation of the securities of the Company under paragraph 1 of Appendix 9B of the Listing Rules.

ASX may determine further escrow restrictions once the Company lodges its application for quotation of the Shares. The Company will announce to the ASX full details (number and duration) of the Shares required to be held in escrow prior to the Shares re-commencing trading on ASX.

1.19 CHESS AND ISSUER SPONSORSHIP

The Company will apply to CHESS. The Company will operate an electronic CHESS sub-register and an electronic issue sponsored sub-register. These two sub-registers will make up the Company's register of shares. The Company will not issue certificates to shareholders. Rather, holding statements (similar to bank statements) will be dispatched to shareholders as soon as practicable after allotment. Holding statements will be sent either by CHESS (for shareholders who elect to hold shares on the CHESS sub-register) or by the Company's Share Registry (for shareholders who elect to hold their shares on the issuer sponsored sub-register). The statements will set out the number of Shares allotted under the Prospectus and provide details of a shareholder's Holder Identification Number (for shareholders who elect to hold shares on the CHESS sub-register) or Shareholder Reference Number (for shareholders who elect to hold their shares on the issue sponsored sub-register). Updated holding statements will also be sent to each shareholder following the month in which the balance of their shareholding changes, and also as required by the Listing Rules or the Corporations Act.

1.20 RISKS

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 6 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.21 OVERSEAS INVESTORS

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Shares in any jurisdiction outside Australia. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus.

1.22 DIVIDENDS

The Company does not expect to pay dividends in the near future.

1.23 PRIVACY DISCLOSURE

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for Shares, to provide facilities and services to shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific shareholders can be obtained by that shareholder through contacting the Company or the Share Registry.

1.24 EXPOSURE PERIOD

In accordance with Chapter 6D of the Corporations Act, this Prospectus is subject to an Exposure 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 7 days.

The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. Such examination may result in the identification of deficiencies in this Prospectus. If this Prospectus is found to be deficient, Application Forms received during the Exposure Period will be dealt with in accordance with Section 724 of the Corporations Act. During the Exposure Period, the Prospectus may be viewed online at the websites below, or a hard copy of the Prospectus will be made available upon request to the Company. Application Forms received during the Exposure Period will not be processed until the expiry of the Exposure Period. Preference will not be conferred upon Application Forms received in the Exposure Period.

1.25 ELECTRONIC PROSPECTUS

Pursuant to Regulatory Guide 107 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form 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.

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's broker, Taylor Collison, at +61 2 9377 1500 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website, www.safemed.com.au, or 3D Medical's website, www.3dmedical.com.au.

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 electronic 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.

1.26 ENQUIRIES

This document is important and should be read in its entirety. Persons who are in any doubt as to which course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay.

Questions relating to the Offers can be directed to the Company's broker, on + 61 2 9377 1500.

Questions relating to the completion of the Application Forms can be directed to the Share Registry on 1300 554 474.

2. INDUSTRY OVERVIEW

2.1 INTRODUCTION

3D Medical's business and strategy is borne out of the technological convergence of existing diagnostic imaging technology, in particular CT and MRI, with the emergence of new and innovative printing and holographic projection technologies. These new technologies are capable of delivering existing data to clinicians in more advanced functional 3D forms that adds value in patient diagnosis and treatment.

This technological convergence coincides with the emerging macro trend towards more personalised medical and healthcare solutions. It is this convergence that forms the basis of 3D Medical's positioning as a specialist provider of 3D models and imagery to the medical sector.

The market opportunity is built on the significant volume of diagnostic images that are currently captured, and generating greater commercial use of this existing imagery via new and emerging end use technologies such as 3D printing and holographic projection.

2.2 OVERVIEW OF THE MARKET

The Australian healthcare industry is predominantly funded by the Australian Federal Government through its Medicare scheme. Bulk-billing for general practitioner (GP) services has climbed to approximately 82% of non-referred GP attendances which has ensured that Australian citizens and residents have access to fully funded healthcare services including GP, pathology, diagnostic imaging (DI), medical specialists and hospital presentations.

In the 2013 financial year (1 July 2012 to 30 June 2013) there were over 100 million GP presentations in Australia.² On average, every Australian was consulted by a GP on 4 occasions in that 12 month period.² GP consultations are the nucleus of the Australian Healthcare System; 80% of all other primary care consultations originate from GP referrals.²

Although the Australian healthcare system is majority funded by the Federal Government many healthcare services are provided by private enterprise, which are predominantly large corporate entities. These entities provide the majority of their services including GP, radiology and pathology consultations at the schedule Medicare fee (bulk billing). As most specialties are bulk billed, a very competitive environment ensues that does not just use price to gain market share.

3D Medical is of the opinion that consequently, the Australian healthcare industry has been and remains an early adopter of new technology. It is not unreasonable to conclude that the take up and use of new technologies, when coupled with best practice systems, can improve patient experience through improved quality of care. Furthermore the adoption of technology is a strategy for clinicians and service providers to not only maintain market share but to potentially increase it at the expense of competitors. This is consistent with the concept that better patient outcomes should ensure continual patient presentations and this should improve the likelihood of business success.

In turn, the diagnostic imaging sector that provides the scanned patient anatomical data feeds directly into the technology platforms 3D Medical intends to launch and commercialise. This use of existing data is the basis for an emerging trend towards more meaningful diagnostic methodologies, greater personalised and bespoke medical solutions and for technologies that improve patient outcomes, practitioner efficacy and workflows.

3D Medical hold the view that private imaging services are expected to face strong competition for private patients from public hospitals. This competition, along with flat Medicare reimbursement rates, has put pressure on profit margins and promoted efficiency and productivity initiatives in the industry. Consequently 3D Medical believes that private diagnostic imaging providers will be early adopters of 3D technology.

2.3 MARKET OUTLOOK

The end use modalities that 3D Medical makes available to the market will grow over time both organically inside the technological spheres of the initial launch products of 3D printing and holographic projection, but also via new technologies applicable to the medical and healthcare sector that utilises patient 3D scanned data as well as non-clinical data captured via other programs and systems. 3D Medical will seek to bring to market and commercialise selected technologies over time that can make a significant contribution to improve medical and healthcare practitioner efficacy and workflow and patient outcomes.

¹ Australian Institute of Health and Welfare, 'Australia's Health 2014 – in brief'.

² Australian Government Medicare Statistics FY13.

3. COMPANY OVERVIEW

3.1 OVERVIEW OF 3D MEDICAL

3D Medical currently focuses its activities on the twin technology platforms of 3D printing and holographic projection. 3D Medical expects its initial revenue streams to come from the sale of 3D anatomical models and from the distribution of holographic projection viewers to radiology providers and medical specialists such as cardiology, neurology, gastroenterology and orthopaedics. These are areas of healthcare that currently receive medical data in 2D, even though it is captured in 3D.

3D printing creates physical three-dimensional models of a patient's anatomical parts utilising the images and data already captured by conventional diagnostic imaging tools. The models are unique to the individual patient's anatomy and can therefore act as a functional and visual aid in reviewing and understanding the complexities of a patient's condition. This is particularly relevant in complex pre-surgical planning and patient communication. The application of 3D printing and its incorporation into best practice medical protocols offers clinicians, healthcare professionals, patients and researchers greater accuracy, effectiveness and efficiency in achieving improved patient outcomes.

Holographic projection is the second launch technology platform for 3D Medical. It has the potential to significantly alter the practice of medicine and by enhancing the efficiency and workflow at the practitioner level, accelerate the pathway to excellence in medical education and training and offer patients greater insight into their condition and ailment. 3D Medical seeks to quickly become the pre-eminent company in identifying and facilitating the take up and application of technologies that apply the data already being captured by conventional diagnostic imaging in a greater and more meaningful way to achieve greater systemic efficiencies, improve practitioner effectiveness and achieve better patient outcomes.

Additional product rights have been secured by 3D Medical and are part of the company's proposed future product offering. These technologies include GestSure's sensor technology that has been developed to allow surgeons to manipulate diagnostic images during surgery through hand gestures which increase efficiencies and eliminate the need to scrub in and out of surgery and Mach7 Technologies' image management solutions for hospitals and radiology clinics. Mach7 Technologies' Vendor Neutral Archive (VNA) enterprise platform allows healthcare providers to identify, share and manage patient data (e.g. 3D imagery) in an efficient and timely manner.

The Australian medical and healthcare sector is extremely competitive and consequently Australian medical providers are early adopters of new medical technology and techniques to provide a superior customer (clinician, patient) experience that enables them to protect and grow market share and profitability. 3D Medical believes radiology providers in particular will be early adopters of the Company's services so as to offer their referrers alternative methods of diagnosis delivery that provide superior healthcare outcomes for their patients.

3.2 TARGET MARKETS

The launch products are 3D printed anatomical models and 3D holographic software and hardware. These products present a meaningful 3D representation of the anatomy and provide for an interactive scene that increases knowledge and enhances the quality of clinical decision-making. These products will be marketed to selected medical and healthcare practitioners.

Current medical imaging, it can be argued, is incomplete. That is, even though a series of imaging devices (CT scanners, MRI, ultrasound) capture 3D volumetric datasets of a patient's anatomy, the images are still having to be viewed, assessed and reported by a radiologist or clinician by viewing a series of 2D images on a screen and having to mentally reconstruct the images three dimensionally in order to evaluate.

Current medical imaging techniques display no depth perception and can be considered deficient as a medical practitioner is not able to obtain the same spatial anatomical significance they would from looking at an actual body part. 3D printing technology can place in the hands of a clinician an actual physical replica of a patient's body part which can reinforce their understanding of the 3D digital anatomy in a very powerful and profound way.

The paradigm, therefore changes from where clinicians are assessing a patient's clinical problem via reading and interpreting 3D images captured by CT, MRI or ultrasound, to one where they are working with an exact 3D printed physical copy of the patient's relevant part of anatomy. This improves clinician intuition by ensuring they are not constantly deliberating through the images captured to determine, diagnose and assess the medical issue, allowing them to instead focus their energies on resolving the clinical issue. 3D Medical can provide the opportunity for clinicians to not have to deliberate through the captured 3D images in a 2D format allowing their knowledge and diagnostic effectiveness and efficiency to be improved.

Using 3D printed models in pre-operative planning has been found to improve outcomes in complex cases. For example reduced operating room time resulting from improved pre-operative planning may result in reduced blood loss, less wound exposure as well as reducing the need for anaesthesia. A 3D printed model of actual patient anatomy may improve the ability of surgeons to understand complex patient anatomy and gives them an opportunity for hands on pre-operative interaction.

3D holographic technology is an emerging technology that presents yet another medium for clinicians to overcome the issue of spatial cognition when viewing 3D volumetric datasets via a 2D medium. Medical images, whether produced by CT, MRI, X-Ray or ultrasound are 2D slices of 3D objects. The process of interpretation of these images by a clinician requires special calculations that often result in the loss of some clinical information. 3D holography presents as a solution that could improve reading accuracy and efficiency by allowing physicians to see and interact with tissue in space as if it were a real physical object.

3D patient datasets utilising technologies have the potential to create a new world of patient care, one that enables clinicians to deliver better outcomes for their patients, in a more efficient, accurate, customised and productive way.

Improving medical and broader healthcare outcomes is the cornerstone upon which 3D Medical has been established and the directors of 3D Medical are confident that if a new technology indeed does improve outcomes then it will be utilised. As such the opportunity then is for 3D Medical to be an aggressive first mover in the 3D technology space in order to both improve medical outcomes and provide investors with a meaningful return on investment.

The greater application and use in new and emerging 3D based technologies of the already captured 3D patient datasets improves healthcare outcomes by:

1. Improving practitioner effectiveness and productivity;
2. assisting clinicians communicate with patients more effectively their health issues as patients are more likely to identify visually with solid objects;
3. accelerating the path to expertise;
4. increasing clinician's level of confidence by improving surgical planning;
5. reducing surgery time, thus cost, and risk to patients; and
6. providing customisation (patient specific solutions tailored to individual anatomy), considered the key to better patient care.

The broader and greater medical and healthcare application of patient specific 3D data via new and fast developing 3D based technologies is an extremely important and potentially lucrative one. The day of having a 3D scale physical or holographically projected model of a patient's bone, liver, brain, lung, pancreas etc. before a doctor to review, diagnose more accurately, plan surgery or communicate and explain to a patient a given disease or ailment has arrived. The power of this scenario is easily understood.

Beyond the company's initial roll out to practitioners and clinicians, 3D Medical expects there to be a myriad of opportunities and applications for the technologies 3D Medical will bring to market. The technologies are evolving and improving quickly. Their applicability is consequently becoming broader and 3D Medical will position the Company so as to optimally exploit the take up of these technologies whilst the Company continues to raise the profile, build understanding and educate as to the benefits to be gained from the take up of the technologies.

3D Medical's lines of business and target markets will broaden in nature and in scope as it achieves market penetration, increases awareness and builds market share.

3.3 3D MEDICAL'S BUSINESS MODEL, PRODUCTS AND SERVICES

The 3D based technology platforms that 3D Medical is seeking to broadly commercialise does not replace current diagnostic tools; it complements and adds significant meaning to the available data. It also serves to greater exploit the available data and provides the promise and opportunity for personalised and bespoke patient medical and healthcare solutions.

3D Medical has initially identified two separate but complementary services that it will be able to sell to the medical and healthcare industry. The first is "Touch" and reflects the company's 3D anatomical model printing service and the second is "Visualise" which reflects the company's 3D holographic service.

(a) 'Touch' by 3D Medical

'Touch' will be 3D Medical's first branded offering to the market and refers to the 3D printing of an exact replica of a patient's anatomy. As the launch product 3D Medical intends to launch the sale of individualised 3D anatomical models as an ancillary service to the public and private diagnostic imaging sector.

3D Medical will sell a high-end 3D printing service to all medical participants, marketing its service to participants who are not able to or do not have the means to technically produce anatomically correct printed 3D models. 3D Medical has in place an exclusive supply agreement with an emerging 3D printing service provider 3D Group Pty Ltd (see Section 7.2(d) from whom it will procure the 3D printed models. 3D Medical will on-sell these models at a margin.

3D Medical will be focused on producing high quality, patient specific 3D printed models, quickly. The use of 3D models includes:

- (i) Analysis and diagnosis.
- (ii) As a valuable tool for surgeons to prepare and "dry-run" an operation – thereby reducing the overall risk and time.
- (iii) A tangible and patient specific model that can be used to explain the medical issue to patients.
- (iv) Can be used to demonstrate actual patient anatomy for education.
- (v) Identifies defects not found with 2D imaging.
- (vi) Can be used to manufacture individual's medical equipment or devices.

There are over 21 million services provided in the radiology sector annually in Australia, with over 11 million captured in 3D format. The current price of 3D anatomical models varies greatly depending on the end use and materials used to print the model however high end models such as the human skull printed from existing diagnostic imaging currently sell for in excess of \$1,000 per model.

3D Medical has established a service agreement with Capitol Health, to provide Capitol Health with its 3D Medical model printing services. Capitol Health is a radiology business with 52 clinics in Victoria that is an early adopter of new technology. Capitol Health was quick to grasp the opportunity that 3D printing presents as a visual aide to its radiologists as well as an additional service offer to its referring clinicians.

Due to the structure and complexity of the medical and healthcare system the origination of a patient model print request may come from any one of the number of practitioners that may be attending to a patient ailment. Consequently, 3D Medical will build a sales and service team capable of managing relationships across multiple medical organisations.

(b) 'Visualise' by 3D Medical

3D Medical's intention is to be at the forefront of selling and marketing 3D technologies that utilises and broadens the application of the patient specific volumetric datasets currently being captured and facilitating its distribution and application. 3D holographic projection is such a technology.

3D Medical's 3D holographic service is branded 'Visualise'.

3D Medical's aim is to build a new world of patient care by utilising 3D technology and creating a market that mandates the use of 3D technology as 'best practice'.

Holographic technology employs a sophisticated imaging technique that suspends images enabling a user to manipulate, crop, dissect and segment the suspended image. This is a powerful tool enabling one to see what they wouldn't be able to on 2D or even 3D printed models.

3D Medical has established a relationship with EchoPixel and has signed a commercial memorandum of understanding to exclusively market their 3D holographic projection technology products in Australia and New Zealand. (see Section 7.2(a))

EchoPixel is currently progressing through the FDA approval process in the USA and expects registration as an approved medical device to be achieved by the first quarter of 2015. 3D Medical will then make similar applications with the Australian Therapeutic Goods Administration (TGA) and the New Zealand Medical Devices Safety Authority (Medsafe) for registration of the technology for diagnostic purposes.

In the interim, 3D Medical will market the technology in Australia as an educational technology and as an ancillary non-diagnostic imaging viewer to the radiology market.

The EchoPixel technology (hardware and software) will be marketed on both an outright buy and monthly subscription basis. Under both offerings there will also be a monthly continuum and service fee.

Beyond these two initial branded service offerings, 3D Medical has already identified a number of additional services that could be launched progressively over time. These services will broaden 3D Medical's product offering but remain consistent with 3D Medical's core objective of improving patient outcomes via facilitating the greater use of 3D captured patient data and via new and evolving 3D technology platforms.

⁷ Australian Government Medicare Statistics FY13.

3.4 PRICING

As noted in other parts of the Prospectus, 3D printing currently remains quite expensive. Consumables, referred to as feedstock, for 3D printing remain high but the Company and its suppliers are seeing more competitive pricing strategies in this sector already lowering feedstock prices. 3D Medical expects this to continue and become more aggressive as the 3D printing space grows, disrupts and becomes more intrusive into mainstream industry.

3D Medical expects hardware and consumables costs to fall in the medium term and when coupled with the company's strategy of becoming an essential best practice tool in patient diagnosis and treatment 3D Medical recognises that its services model will come under margin pressure. 3D Medical believes this margin reduction is consistent with emerging technologies becoming more mainstream and this is often concurrent with a growth in total market size. Furthermore, 3D Medical will be an exclusive provider to the medical sector which values quality, in some cases speed and is somewhat less price sensitive than industrial applications of technologies.

The start-up priority aim remains to acquire a broad base of customers who will come to consider the Company's service offering as necessary in order to deliver far superior clinical outcomes.

Due to the unique nature of the technology the Directors believe that the pricing structure of the EchoPixel 'Viewer' is less likely to be impacted by margin pressure in the medium term. It will be offered on either an outright purchase basis or subscription model. In addition, there are Echo Pixel programs that have been developed that relate to specific medical specialisations, e.g. Gastrointestinal and Colorectal. These are made available separately from the base platform and require an additional annual subscription.

3.5 MARKETING, BUSINESS DEVELOPMENT AND RELATIONSHIP MANAGEMENT

Sales and marketing is the core activity for 3D Medical and the company has prioritised its target markets within the medical sector and will recruit the necessary selling resources accordingly. 3D Medical will initially market its services to radiology providers, hospitals, health insurance companies and surgeons. 3D Medical will then gradually extend and broaden the service offering to include other medical and healthcare practitioners. Investment in sales personnel and marketing programs will be made to achieve the sales objectives.

A marketing area of particular importance will be to engage with identified centres of influence and/or thought leading doctors. 3D Medical will target thought leaders in the medical community to establish best practice protocols and methodologies that require 3D technology to ensure the company constantly improves patient outcomes. 3D Medical believe that new proven effective clinical protocols utilising 3D technology will drive adoption in the broader healthcare sector.

3D Medical believes that in time hospitals will demand its clinicians to utilise 3D technology because of the substantial reduction in procedure times and risks attached. Recently, conjoined twins were separated by surgeons at The Children's Hospital at Montefiore in New York with the assistance of a 3D printed model of their brain and skull that clearly displayed bone structure and arteries that an x-ray simply could not. It was reported that surgery time in this case was reduced from 97 hours to 22 hours. This could not have been achieved without the use of 3D printed models.

3.6 TECHNICAL

Although 3D Medical outsources the production of anatomical models to a specialist 3D printing firm with which it has a strategic relationship, it is recognised that this area is critical to the success of the business. 3D Medical will augment the technical manufacturing expertise at the manufacturer with skilled medical technicians who possess an excellent understanding of the anatomy and IT programmers who will render and convert raw Digital Imaging and Communications in Medicine (**DICOM**) files into the suitable 3D printing data format using state of the art medical computer-aided diagnosis (**CAD**) software. This will ensure that only the area of interest is printed efficiently and cost effectively.

3D Medical will train and develop technical staff to undertake the requisite training and ongoing aftermarket service of the EchoPixel 'Viewers'.

3.7 KEY STRENGTHS

(a) Addressing a large market

Although 3D Medical cannot quantify its potential market in either volume or dollar metrics, the market the company is addressing is growing. As 3D Medical is effectively launching and introducing a business that currently does not broadly exist, its challenge will be to inform, educate and provide the benefits of standardising the use of its 3D technology services into best practice medical and healthcare protocols. Achieving this outcome, even if only utilised as an aide for severe or particularly complex cases, would equate to a commercial market.

(b) Focussed on specifically marketing 3D technology on a commercial scale to the medical and healthcare industry

By providing a specialised field force with appropriate technical support, 3D Medical hopes to see itself become the benchmark and industry standard in terms of 3D technology to the medical and healthcare sector.

Although the company understands that barriers to entry into the printing of 3D models are not high in a general sense, 3D Medical has identified areas and undertakings that are critical to the successful operation of this service to specialised populations such as the medical sector. Without giving up its competitive advantages in this area, 3D Medical has addressed this and where possible will build exclusive supply and provision agreements and operational protocols that will serve to advantage its business going forward and position the Company as the provider of choice in the medical sector.

3D Medical believes that as the benefits to be gained from the take up of its 3D technology service offerings becomes more ubiquitous, government and medical bodies will likely require the development of industry standards and regulation. As an early mover in the market, 3D Medical would be in a position to participate proactively in such a process and the company believes this would create barriers to entry and greatly benefit 3D Medical's business and profitability.

(c) Strong growth prospects

3D Medical provides an investment opportunity that embraces the technological developments of recent times with a medical and healthcare focus. With the emergence of 'digital healthcare' where personalised digital data is being captured in high quality 3D volumetric data sets through the use of CT, MRI, 3D Ultrasound and intraoral laser scanning, the future opportunities and growth prospects for 3D Medical are most exciting. This personal digital data is part of the future of customised, personalised 3D printed healthcare solutions.

3.8 FUTURE BUSINESS OPPORTUNITIES

The Company's primary focus is to deploy or apply data that is already being captured in the medical and healthcare sector in more functional ways that will:

- Improve patient outcomes;
- Increase efficiencies in diagnosis, treatment and data management; and
- Reduce healthcare costs.

3D technology is rapidly evolving and 3D Medical is seeing new developments in this area with an ever-increasing frequency. On completion of the Proposed Transaction with the Company, 3D Medical will have sufficient capital to launch a commercial sales operation in Q1 2015 to sell 3D anatomical models (Touch) and holographic imaging hardware and software (Vision). 3D Medical does however continue to explore and investigate 3D based technology opportunities to add to the 3D Medical product suite and has also procured the rights to sell GestSure's and Mach7 Technologies' products in Australia and New Zealand.

GestSure's sensor technology has been developed to allow surgeons to manipulate diagnostic images during surgery through hand gestures which increases efficiencies and eliminates the need to scrub in and out of surgery. This provides a fast and sterile way to access patient information in the operating theatre whilst also reducing risk of surgical site infection.

Mach7 Technologies' image management solutions for hospitals and radiology clinics is a Vendor Neutral Archive (VNA) enterprise platform. VNAs break down the image sharing barriers that have developed between departments and across the enterprises. Today's advanced imaging management solutions (VNAs) give physicians a clear view of the full patient care record, including imaging, resulting in availability of improved analytics to support diagnostic evaluation. In summary information flows seamlessly across the enterprise and is available where and when needed helping healthcare organisations.

Furthermore, in building a business that is capable of establishing meaningful market share in the sector 3D Medical continues to recruit a suitably qualified field force and leadership team.

4. BOARD AND CORPORATE GOVERNANCE

The Directors of the Company collectively have significant experience in the corporate sectors. Brief summaries of the Directors and Advisors profiles are set out below.

4.1 COMPOSITION OF BOARD OF DIRECTORS FOLLOWING RE-ADMISSION

Following re-admission of the Company to the Official List, the Board of the Company is to be made up of:

- Matthew Morgan as Non-Executive Chairman;
- Stephen Hewitt-Dutton as Non-Executive Director; and
- Frank Pertile as Non -Executive Director.

4.2 EXISTING DIRECTOR PROFILES

Peter Christie, Chairman

Peter graduated from Curtin University with a Bachelor of Business in 1983 and is a qualified Accountant and Tax Agent. He has 27 years of commercial experience and in that time has developed extensive business, hospitality and property interests.

Stephen Hewitt-Dutton, Non-Executive Director

Stephen has over 20 years of experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University and is an affiliate of the Institute of Chartered Accountants.

Before joining Trident Capital, Stephen was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 15 years.

Mr Hewitt-Dutton is a Non-Executive director of ASX listed Reclaim Industries Limited (ASX:RCM).

Simon Jenkins, Non-Executive Director

Simon has been a director of Price Sierakowski Pty Ltd since 2005. He has a Bachelor of Laws from the University of Western Australia and is a recommended lawyer for mergers and acquisitions in the 2011 edition of Doyle's Guide to the Australian Legal Profession.

Simon has experience in a broad range of corporate transactions including takeovers, mergers and capital raisings both in Australia and overseas. He has extensive experience in a range of industries including the resource, energy and telecommunications sectors. He has also acted for Australian and internationally listed companies as well as for a number of large private enterprises. Simon has held directorships in both ASX listed and client owned private companies. He is a member of AMPLA and the Petroleum Club of WA.

4.3 INCOMING DIRECTOR AND CEO PROFILES

Matthew Morgan, Chairman

MrMatthew Morgan is an experienced advisor and Non-Executive director. He is currently the Principal of Millers Point Company, an advisory firm that works with management and shareholders of emerging companies advising on strategy, commercialisation and corporate transactions.

Prior to founding Millers Point Company Mr Morgan was a venture capitalist at QIC, a large institutional investor. He has spent the balance of his career working as an executive in the portfolio companies of various private equity investors including DB Capital, Todd Capital and Merlin Ventures (UK). Throughout his career he has served on seed and venture capital stage investment committees and advised on a wide range of corporate transactions including licensing, debt and equity raisings and mergers and acquisitions.

Mr Morgan is a Non-Executive director of ASX listed companies Bluechiip Limited (ASX:BCT), Diversa Limited (ASX:DVA) and Leaf Resources Limited (ASX:LER).

Frank Pertile, Non-Executive Director

Mr Frank Pertile is a director and owner of a privately held investment company that holds investments across property, listed and unlisted companies. Mr Pertile had followed the development and evolution of 3D printing and holographic projection for some time and held the view that the medical application of these technologies was and remains the highest order of use for these technologies. 3D Medical is the company manifestation of this view.

Mr Pertile previously held positions with ASX-listed wealth management companies in both client-facing and head office operational roles. Mr Pertile has undertaken studies in Applied Finance, is a Fellow of the Financial Services Institute of Australasia and is currently completing a Master of Commerce at Deakin University.

Max Ghobrial, Chief Executive Officer

Mr Max Ghobrial joined 3D Medical in November 2014 after eight years at Siemens, where he had account responsibility for some of Australia's leading health care institutions. He previously held senior roles at Tyco Healthcare and Singtel Optus.

Mr Ghobrial is a graduate of La Trobe University, where he completed a Bachelor of Science Degree (Genetics and Biochemistry).

4.4 CORPORATE GOVERNANCE

The Board is responsible for establishing the Company's corporate governance framework, the key features of which are set out in this Section 2.4. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement set out in this Section 2.4 discloses the extent to which the Company intends to follow the recommendations as at the date of reinstatement of the Company's securities to quotation on ASX. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Company's website at www.safemed.com.au, under the section marked "Corporate Governance":

- (a) Board Charter;
- (b) Board Performance Evaluation Policy;
- (c) Code of Conduct;
- (d) Audit Committee Charter;
- (e) Remuneration and Nomination Committee Charter;
- (f) Diversity Policy;
- (g) Continuous Disclosure Policy;
- (h) Shareholder Communications Policy; and
- (i) Risk Management Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and has documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

- (a) setting and reviewing strategic direction and planning;
- (b) reviewing financial and operational performance;
- (c) identifying principal risks and reviewing risk management strategies; and
- (d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

Currently the business operations of the Company are conducted by the Board. Following completion, the responsibility for the business operations of the Company will be delegated to the Chief Executive Officer and the management team. The management team, led by the Chief Executive Officer is accountable to the Board.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3

The Company has a written agreement with each of the Existing Directors, the Incoming Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

- (a) ensuring a good flow of information between the Board, its committees, and Directors;
- (b) monitoring policies and procedures of the Board;
- (c) advising the Board through the Chairman of corporate governance policies; and
- (d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5

The Company has a Diversity Policy, the purpose of which is:

- (a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
- (b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity, which will be disclosed in the Company's corporate governance statement for the financial year ended 30 June 2015, and will review the effectiveness and relevance of these measurable objectives on an annual basis.

The respective proportions of men and women on the Board, in senior executive positions and across the whole organisation will be disclosed by the Company in each corporate governance statement.

Recommendation 1.6

The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chair will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Company will report on whether an evaluation of its Chief Executive Officer and senior executives has taken place in the relevant reporting period in each of its corporate governance statements.

Recommendation 1.7

The Chair will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:

- (a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
- (b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
- (c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually.

The Company will report on whether an evaluation of the Board, its committees and individual directors has taken place in the relevant reporting period, and whether the process was in accordance with the process disclosed, in each of its corporate governance statements.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration and nomination committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Company's website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

- (a) a broad range of business experience;
- (b) technical expertise and skills required to discharge duties; and
- (c) an understanding of the Capital Markets and the regulatory requirements for an ASX listed Company.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:

- (a) Peter Christie (Chairman);
- (b) Stephen Hewitt-Dutton (Non-Executive Director); and
- (c) Simon Jenkins (Non-Executive Director).

Messrs Christie and Jenkins will resign following the Company's reinstatement to the Official List and Messrs Pertile and Morgan, both of whom are independent Non-Executive directors, will be appointed to the Board.

Messrs Christie and Hewitt-Dutton have been directors of the Company since 6 October 2010. Mr Jenkins has been a director of the Company since 20 May 2014.

Recommendation 2.4

Currently, the Board considers that membership weighted towards technical expertise is appropriate at this stage of the Company's operations.

Recommendation 2.5

Mr Morgan will be an independent Non-Executive Chairman. Mr Morgan is considered to be the most appropriate person to Chair the Board because of his public company experience and his experience commercialising technology and launching new products in the medical and healthcare sectors.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (Code), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Company's website.

The Code applies to all Directors, employees, contractors and officers of the Company.

The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate Audit Committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The duties of the full Board in its capacity as the audit committee are set out in the Company's Audit Committee Charter which is available on the Company's website.

When the Board meets as an audit committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an Audit Committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee and is disclosed on the Company's website.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chair will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit. The Chair will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1

The Company is committed to:

- (a) ensuring that shareholders and the market are provided with full and timely information about its activities;
- (b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
- (c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Company's website. The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Company Secretary manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders

Recommendation 6.1

The Company provides information about itself and its governance to investors via its website at www.safemed.com.au. The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Company website:

- (a) relevant announcements made to the market via ASX;
- (b) media releases;
- (c) investment updates;
- (d) Company presentations and media briefings;
- (e) copies of press releases and announcements for the preceding three years; and
- (f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2

The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Company's website.

Information is communicated to Shareholders via:

- (a) reports to Shareholders;
- (b) ASX announcements;
- (c) annual general meetings; and
- (d) the Company website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the website) for Shareholders to make their enquiries.

Recommendation 6.3

The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4

Shareholders are given the option to receive communications from, and send communication to, the Company and its share registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk

Recommendation 7.1

Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Company's website.

The Board has adopted a Risk Management Policy, which is disclosed on the Company's website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

- (a) operational risk;
- (b) financial reporting;
- (c) compliance / regulations; and
- (d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2

The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

- (a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
- (b) quarterly rolling forecasts prepared.

Recommendation 7.3

The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4

Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks. These are outlined in detail in Section 6.

The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks in each of its corporate governance statements.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1

Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Company's website.

When the Board meets as a remuneration committee it carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Company's website.

Recommendation 8.2

Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in an equity-based remuneration scheme.

Security Trading Policy

In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

- (a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
- (b) trading in the Company's securities which is not subject to the Company's trading policy; and
- (c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Company's website.

5. INVESTIGATING ACCOUNTANT'S REPORT

21 November 2014

The Directors
Safety Medical Products Limited
Level 24
44 St George's Terrace
WEST PERTH WA 6000

Dear Sirs

Investigating Accountant's Report – Safety Medical Products Limited

Introduction

This report has been prepared at the request of the Directors of Safety Medical Products Limited, for inclusion in a prospectus to be lodged with the Australian Securities and Investment Commission ("ASIC") on or around 21 November 2014 ("Prospectus"), relating to the proposed issue of a minimum of 60,000,000 post-consolidation ordinary shares at an issue price of \$0.05 each to raise a total of at least \$3,000,000 and maximum subscription of 100,000,000 post-consolidation ordinary shares at an issue price of \$0.05 each to raise a total of \$5,000,000.

The offer is not underwritten and the minimum subscription level is \$3,000,000.

Basis of Preparation

The report has been prepared to provide investors with information on historical results and the financial position of Safety Medical Products Limited, and to provide investors with a pro forma Statement of Financial Position of Safety Medical Products Limited as at 30 June 2014 adjusted to include funds raised by the Prospectus and the completion of the issue of shares to acquire 3D Medical Ltd ("the acquisition") and other transactions as referred to in the Appendix 1 to this report.

This report does not address the rights attaching to the Shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an Expert's opinion with respect to a valuation of the Company or a valuation of the share issue price of \$0.05 per share.

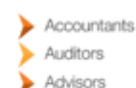
Bentleys has not been requested to consider the prospects for Safety Medical Products Limited nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Bentleys accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 6 of the Prospectus.



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Accountants
Auditors
Advisors



Safety Medical Products Limited Investigating Accountant's Report

Background

Safety Medical Products Limited is a public company listed on the Official List (current ASX code: SFP). The Company was admitted to the Official List of the ASX on 28 November 2005 as a manufacturing and distribution of safety syringe product company. For further details of the offers and the proposed acquisition refer to Section 1 of this Prospectus.

Scope of Report

Bentleys has been requested to:

- (a) report whether anything has come to our attention which would cause us to believe that the historical financial information disclosed in the appendices to this report is not fairly presented in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Safety Medical Products Limited , and
- (b) report whether anything has come to our attention which would cause us to believe that the pro forma financial information disclosed in the appendices to this report is not presented fairly in accordance with the basis of preparation and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Safety Medical Products Limited .

Safety Medical Products Limited has prepared, and is responsible for the historical and pro forma financial information included in the appendices to this report.

Scope of Review

Bentleys has not audited the pro forma consolidated financial position of Safety Medical Products Limited as at 30 June 2014. We have conducted our review of the historical financial information in accordance with Australian Auditing Standard ASAE 3450 "Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information" to 30 June 2014. We made such enquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances, including:

- (i) enquiry of directors, management and others;
- (ii) analytical procedures on the historical information;
- (iii) a review of work papers, accounting records and other documents; and
- (iv) comparison of consistency in application of the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Safety Medical Products Limited .

The review procedures were substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards.



Safety Medical Products Limited Investigating Accountant's Report

Having regard to the nature of the review, which provides less assurance than an audit, and to the nature of the historical and pro forma financial information, this report does not express an audit opinion on the historical and pro forma financial information included in the appendices to this report.

Opinions

(a) Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in Appendix 1 of this report is not presented fairly in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Safety Medical Products Limited.

(b) Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma financial information, as set out in the appendices of this report is not presented fairly in accordance with the basis of preparation in the appendices and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by Safety Medical Products Limited.

Subsequent Events

To the best of Bentleys' knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2014 not otherwise disclosed in this report or its appendices that have come to our attention during the course of our review which would cause the information included in this report to be misleading or deceptive.

Independence

Bentleys does not have any interest in the outcome of the listing of the shares, other than in connection with the preparation of this report for which normal professional fees will be received. Bentleys were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Bentleys consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully

BENTLEYS
Chartered Accountants

MARK DELAURENTIS CA
Director

APPENDIX 1 – HISTORICAL & PRO-FORMA FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

				Pro forma adjustment (which includes all subsequent events- Min Raising)	Pro forma adjustment (which includes all subsequent events- Max Raising)	Pro forma adjustment (which includes all subsequent events- Max Raising)	Pro forma adjustment (which includes all subsequent events- Max Raising)
	Note	Audited SFP 30-Jun-14 \$	Reviewed 3D Medical Ltd 30-Jun-14 \$	30-Jun-14 \$	Figures (Min Raising) 30-Jun-14 \$	Figures (Min Raising) 30-Jun-14 \$	Figures (Max Raising) 30-Jun-14 \$
ASSETS							
Current Assets							
Cash & Bank Balances	3	566,836	208,160	2,349,021	3,124,017	4,219,021	4,993,017
Trade & Other Receivables	4	7,469	80,153	(50,802)	36,820	(50,802)	36,820
Total Current Assets		<u>574,305</u>	<u>288,313</u>	<u>2,298,219</u>	<u>3,160,837</u>	<u>4,168,219</u>	<u>5,030,837</u>
Non-Current Assets							
Deferred Acquisition Costs	5	50,000	-	(50,000)	-	(50,000)	-
Other Receivables	6	-	167,669	109,754	277,423	109,754	277,423
Property, Plant & Equipment	7	-	-	7,828	7,828	7,828	7,828
Total Non-Current Assets		<u>50,000</u>	<u>167,669</u>	<u>67,582</u>	<u>285,251</u>	<u>67,582</u>	<u>285,251</u>
Total Assets		<u>624,305</u>	<u>455,982</u>	<u>2,365,801</u>	<u>3,446,088</u>	<u>4,235,801</u>	<u>5,316,088</u>
LIABILITIES							
Current Liabilities							
Trade & Other Payables	8	85,799	143,293	(137,083)	92,009	(137,083)	92,009
Total Current Liabilities		<u>85,799</u>	<u>143,293</u>	<u>(137,083)</u>	<u>92,009</u>	<u>(137,083)</u>	<u>92,009</u>
TOTAL LIABILITIES		<u>85,799</u>	<u>143,293</u>	<u>(137,083)</u>	<u>92,009</u>	<u>(137,083)</u>	<u>92,009</u>
NET ASSETS		<u>538,506</u>	<u>312,689</u>	<u>2,502,884</u>	<u>3,354,079</u>	<u>4,372,884</u>	<u>5,224,079</u>
EQUITY							
Capital and Reserves							
Issued Capital	9	3,151,893	595,501	1,768,593	5,515,987	3,638,593	7,385,987
Accumulated Losses	10	(2,613,387)	(282,812)	734,291	(2,161,908)	734,291	(2,161,908)
TOTAL EQUITY		<u>538,506</u>	<u>312,689</u>	<u>2,502,884</u>	<u>3,354,079</u>	<u>4,372,884</u>	<u>5,224,079</u>

Notes to and Forming Part of the Consolidated Financial Statements

Note 1. Summary of significant accounting policies

(a) Basis of Accounting

The consolidated financial statements of Safety Medical Products Limited (SFP or the Group) have been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The consolidated financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Consolidated Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Statement of Financial Position are disclosed where appropriate.

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

The Consolidated Statement of Financial Position as at 30 June 2014 is in accordance with the Company's reviewed financial position at that date. The pro forma Consolidated Statement of Financial Position as at 30 June 2014 represents the reviewed financial position and adjusted for the transactions discussed in Note 2 to this report. The Consolidated Statement of Financial Position should be read in conjunction with the notes set out in this report.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(c) Revenue and Other Income

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

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(d) **Income Tax**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) **Acquisition of Subsidiaries and Businesses**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- 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 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

The acquisition of 3D Medical Ltd ("3D Medical"), has been reflected in the pro forma Consolidated Statement of Financial Position as at 30 June 2014. In accounting for the acquisition, the Group has taken guidance from the principles of AASB 3 Business Combinations ("AASB 3") and determined that 3D Medical would be deemed to be the acquirer for accounting purposes. Accordingly, the transaction is accounted for as a reverse asset acquisition. As a result, the pro forma Consolidated Statement of Financial Position as at 30 June 2014 has been prepared as a continuation of the 3D Medical's financial statements, with 3D Medical (as the accounting acquirer) accounting for the acquisitions as from 30 June 2014 (for the purposes of the pro forma Consolidated Statement of Financial Position). As the activities of the legal acquirer (Safety Medical Products Limited) would not constitute a business based on the requirements of AASB 3, any excess of the deemed consideration over the fair value of the acquisitions, as calculated in accordance with the reverse acquisition accounting principles, cannot be taken to goodwill and has been expensed.

(f) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Profit or Loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) **Investments & Financial Instruments**

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as gains and losses from investment securities.

(i) **Financial assets at fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) **Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(h) Payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually paid within 30 days.

(i) Issued Capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense

(k) Other Receivables

Other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effect interest method, less provision for impairment.

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

3D Medical has recorded a prepayment as a Non-Current Asset in its financial statements. The prepayment relates to a Memorandum of understanding between the company and EchoPixel Inc. The prepayment has a finite life of up to six years commencing 1 August 2014.

(l) **Deferred Acquisition Cost**

Deferred acquisition costs relate to costs involved in evaluation the potential assets. The Company capitalized these costs until a decision is made on whether the transaction will proceed. If the Company does not proceed with the acquisition, at that point costs are written off.

(m) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables in the statement of financial position are shown inclusive of GST.

Note 2. Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma financial information has been included for illustrative purposes to reflect the position of Safety Medical Products Limited on the assumption that the following transactions had occurred as at 30 June 2014:

- (a) The consolidation of the existing issued shares of Safety Medical Products Limited as at 30 June 2014 of 855,868,074 and shares issued post year end as part of the share purchase plan of 220,000,000 totalling 1,075,868,074 to 107,586,807 based on a 10:1 ratio;
- (b) The issue of 175,000,000 post-consolidation ordinary shares at \$0.02 and 72,945,060 post-consolidation options having an exercise price of \$0.05 expiring 18 months after completion and 43,486,387 post-consolidation options having an exercise price of \$0.05 expiring 24 months after completion to related and unrelated 3D Medical Vendors as consideration for the Acquisition;
- (c) The issue of 60,000,000 post-consolidation ordinary shares at an offer price of \$0.05 each to raise \$3,000,000 pursuant to the prospectus, based on the minimum subscription;
- (d) The issue of 100,000,000 post-consolidation ordinary shares at an offer price of \$0.05 each to raise \$5,000,000 pursuant to the prospectus, based on the maximum subscription;
- (e) The payment of expenses of the public issue totalling an estimated \$425,000 (min) or \$555,000 (max) excluding GST for a \$3,000,000(min) or \$5,000,000(max) capital raising.
- (f) The issue of 8,750,000 post-consolidation ordinary shares for facilitation fees and advisory fees; and
- (g) Significant transactions represent post year end to 31 October 2014 included:
 - ▶ Safety Medical Products Limited raised \$440,000 through share purchase plan, advanced loans to 3D Medical Limited of \$510,000, as well as making deferred acquisition payments of \$100,000 to 3D Medical Limited and incurring operating expenses of \$204,694.
 - ▶ 3D Medical Limited raised \$18,750 through the issue of shares, received \$610,000 in funds from Safety Medical Products Limited, which was utilized to make additional prepayments to EchoPixel Inc for \$109,754, \$7,828 of additions in plant and equipment, net receipts of debtors and repayment of creditors of \$50,802 and \$87,083 respectively and incurring net expenditures of \$226,172.

Note 3. Cash assets

	Pro forma Figures (Min Raising)	Pro forma Figures (Max Raising)
	30- Jun-14	30- Jun-14
	\$	\$
SFP - Balance at 30 June 2014	566,836	566,836
<i>Adjustments arising from the acquisition of 3D Medical</i>		
3D Medical - Balance at 30 June 2014	208,160	208,160
Funds raised from Prospectus	3,000,000	5,000,000
Expenses of the issue	(425,000)	(555,000)
Significant transactions post year end (Note 3.1)	(225,979)	(225,979)
Closing balance	<u>3,124,017</u>	<u>4,994,017</u>

Note 3.1:

The significant transactions represents the accumulated impact of transactions that took place post year end as disclosed in Note 2 (g) of this report.

Note 4. Trade and Other Receivables

	Pro forma Figures (Min and Max Raising)
	30- Jun-14
	\$
SFP – Balance at 30 June 2014	7,469
<i>Adjustments arising from the acquisition of 3D Medical</i>	
3D Medical - Balance at 30 June 2014	80,153
Significant transactions post year end – 3D Medical (Note 4.1)	<u>(50,802)</u>
	<u>(36,820)</u>

Note 4.1:

Subsequent to year end, 3D Medical received repayment of debtors of \$50,802.

Note 5. Deferred Acquisition Costs

	Pro forma Figures (Min and Max Raising)
	30- Jun-14
	\$
SFP - Balance at 30 June 2014	50,000
Significant transactions post year end – SFP (Note 1)	50,000
<i>Adjustments arising from the acquisition of 3D Medical</i>	
Elimination of SFP on consolidation (Note 5.1)	<u>(100,000)</u>
	<u>-</u>

Note 5.1:

3D Medical made an additional payment of \$50,000 post year end. As part of the acquisition, these deferred acquisition costs were derecognised and formed part of the deemed consideration disclosed in Note 10 of this report.

Note 6. Other Receivables

	Pro forma Figures (Min and Max Raising)
	30- Jun-14
	\$
SFP - Balance at 30 June 2014	-
Significant transactions post year end – SFP (Note 1)	510,000
<i>Adjustments arising from the acquisition of 3D Medical</i>	
Elimination of SFP balance on consolidation (Note 1)	(510,000)
3D Medical– Balance at 30 June 2014	167,669
Significant transactions post year end – 3D Medical (Note 6.1)	109,754
	<u>277,423</u>

Note 6.1:

The significant transactions post year end included:

- SFP advanced loans to 3D Medical of \$510,000, which was eliminated on consolidation.
- 3D Medical made additional prepayments to EchoPixel Inc for \$109,754.

Note 7. Property, Plant and Equipment

	Pro forma Figures (Min and Max Raising)
	30- Jun-14
	\$
SFP - Balance at 30 June 2014	-
<i>Adjustments arising from the acquisition of 3D Medical</i>	
Significant transactions post year end – 3D Medical (Note 7.1)	7,828
	<u>7,828</u>

Note 7.1:

Subsequent to year end, 3D Medical purchased plant & equipment of \$7,828.

Note 8. Trade and Other Payables

	Pro forma Figures (Min and Max Raising)
	30- Jun-14
	\$
SFP - Balance at 30 June 2014	85,799
Significant transactions post year end – SFP (Note 1)	(50,000)
<i>Adjustments arising from the acquisition of 3D Medical</i>	
3D Medical - accumulated losses at 30 June 2014	143,293
Significant transactions post year end – 3D Medical (Note 8.1)	(87,083)
	<u>92,009</u>

Note 8.1:

The significant transactions post year end included:

- SFP subsequently settled an accrual at balance date for deferred acquisition costs of \$50,000 to 3D Medical.
- 3D Medical settled \$87,083 of creditors.

Note 9. Issued Capital**a) Issued and fully paid up Capital**

	Pro forma Figures (Min Raising)	Pro forma Figures (Max Raising)
	30- Jun-14	30- Jun-14
	\$	\$
Issued capital of SFP at 30 June 2014	3,151,893	3,151,893
SFP Share Purchase Plan post year end	440,000	440,000
<i>Adjustments arising from the acquisition of 3D Medical</i>		
Elimination of SFP on consolidation	(3,591,893)	(3,591,893)
3D Medical issued capital as at 30 June 2014	595,501	595,501
3D Medical capital raising post year end	18,750	18,750
Consideration for the acquisition (Note 9.1)	2,151,736	2,151,736
Shares issued pursuant to capital raising	3,000,000	5,000,000
Share issue costs	(425,000)	(555,000)
Shares issued pursuant to facilitation and advisory services	175,000	175,000
	<u>5,515,987</u>	<u>7,385,987</u>

	Pro forma Figures (Min Raising)	Pro forma Figures (Min Raising)
	30- Jun-14	30- Jun-14
	30 June 2014	30 June 2014
	#	#
Issued capital of SFP as at 30 June 2014	855,868,074	855,868,074
SFP Share Purchase Plan post year end	220,000,000	220,000,000
Share consolidation (ratio 10:1)	(968,281,267)	(968,281,267)
Consideration shares issued (Note 9.2)	175,000,000	175,000,000
Shares issued pursuant to capital raising	60,000,000	100,000,000
Advisory and facilitation shares issued	8,750,000	8,750,000
	<u>351,336,807</u>	<u>391,336,807</u>

Notes

Note 9.1 Consideration of the acquisition.

SFP issued 175,000,000 post-consolidation shares to the 100% acquisition of 3D Medical.

In accordance with reverse asset acquisition accounting principles the consideration is deemed to have been incurred by 3D Medical in the form of equity instruments issued to SFP shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued shares of SFP immediately prior to the acquisition and has been determined to be \$2,151,736 based on 1,075,868,074 shares at the closing share price on 19 June 2014 of \$0.002 per share being the date of execution of the heads of agreement which is immediately prior to the announcement of the transaction.

Note 9.2 Options

In addition to the 175,000,000 post-consolidation shares issued to related and unrelated 3D Medical Vendors additional consideration in the form of options have been issued on terms set out below.

Holder	Pro forma number of options on issue post-consolidation	Exercise Price \$	Expiry Date
3D Medical Vendors (tranche 1)	19,570,629	0.05	18 months after date of issue
3D Medical Vendors (tranche 2)	11,667,082	0.05	24 months after date of issue
Unrelated 3D medical Vendors (tranche 1)	53,374,431	0.05	18 months after date of issue
Unrelated 3D medical Vendors (tranche 2)	31,819,305	0.05	24 months after date of issue

Note 10. Accumulated Losses

	Pro forma Figures (Min and Max Raising)
	30- Jun-14
	\$
SFP accumulated losses at 30 June 2014	(2,613,387)
Significant transactions post year end – SFP (Note 1)	(204,694)
<i>Adjustments arising from the acquisition of 3D Medical</i>	
Elimination of SFP accumulated losses on consolidation	2,818,081
Recognition of 3D Medical accumulated losses at 30 June 2014	(282,812)
Significant transactions post year end – 3D Medical (Note 10.1)	(226,172)
Facilitation and advisory fees	(175,000)
Excess deemed consideration on acquisition	<u>(1,477,924)</u>
	<u>(2,161,908)</u>

Note 10.1:

The significant transactions post year end included:

- SFP incurred net operating expenses of \$204,694.
- 3D Medical incurred net operating expenditures of \$226,172.

Note 11. Related Parties

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

Note 12. Commitments and Contingent Liabilities

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

Note 13. Subsequent Events

At the date of this report there have been no material events subsequent to balance date that we are aware of, other than those disclosed in this Prospectus.

6. RISK FACTORS

As with any share investment, there are risks involved. This section identifies some of the major areas of risk associated with an investment in the Company in descending order of the Company's assessment of the combined likelihood of a risk occurring balanced against the severity of impact of the risk occurring. The list should not be taken as an exhaustive list of the risk factors to which the Company and its shareholders are exposed. Potential investors should read the entire Prospectus and consult their professional advisors before deciding whether to apply for Shares.

6.1 SPECIFIC RISKS

(a) Commercialisation and new technology risk

3D Medical is now in the process of commercialising the 3D Products, and will look to do this by commercialising and integrating 3D printing and holographic projection technology into the Australian medical industry. There is a risk that 3D Medical will not be able to successfully sell the 3D Products, or be unable to attract sufficient customers to be sufficiently profitable to fund future operations. In addition commercial success of the technology being new is subject to inherent uncertainty due to unknown variables such as cost of materials and servicing and the impact these variable will have on the potential size of the market.

(b) Competition and new technologies

The industry in which 3D Medical is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While 3D Medical will undertake all reasonable due diligence in its business decisions and operations, 3D Medical will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of 3D Medical's business. For instance, new technologies could overtake the advancements made by the 3D Products. A significant industry-wide fall in hardware and consumables costs could also see 3D Medical's services model come under considerable margin pressure. In both cases, 3D Medical's revenues and profitability could be adversely affected.

(c) Special reputational risks

3D Medical operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about 3D Medical may have a disproportionate affect on 3D Medical's reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on 3D Medical's profitability.

(d) Reliance on key suppliers and material contract risk

3D Medical has three main suppliers of 3D printing and holographic technology through agreements with EchoPixel, GestSure and Mach7 Technologies. 3D Medical also has material contracts with Capitol Health Limited and 3D Group Pty Ltd. If one or more of these agreements is terminated, there is a risk that 3D Medical will be unable to make sufficient sales to customers in order to be sufficiently profitable to fund future operations.

(e) No trading history

The business of 3D Medical is set to be launched in the first quarter of 2015. Further, 3D Medical's efforts to this point have been significantly focused towards the acquisition of exclusive supply rights of the 3D Products and establishing the necessary resources to sell the 3D Products in the Australasian medical market. There is therefore uncertainty in relation to the business of 3D Medical and investors should consider 3D Medical's prospects in light of its limited financial history. In addition, there is no guarantee that 3D Medical will be able to successfully commercialise the 3D Products and if it is unable to do so it will not be able to realise significant revenues in the future.

(f) Reliance on key personnel

The recent development of the business of 3D Medical has been in large part due to the talent, effort, experience and leadership of 3D Medical Directors Frank Pertile, and more recently Matthew Morgan. Frank Pertile will continue as a Non-Executive Director and Matthew Morgan will continue as Non-Executive Chairman. Mr Morgan has entered into a consultancy agreement with the Company to provide additional support to the Chief Executive Officer, Mr Max Ghobrial, as the Company recruits appropriately qualified senior management to oversee the operations of the business and the launch of the 3D Medical product suite in Q1 2015. The terms of the consultancy agreement are described in section 7.2(h) of this Prospectus.

There is no assurance that such personnel will be secured and the contracts on which they will be secured will not be terminated or will be renewed on the expiry of their term. In addition, there is no assurance that Messrs Pertile and Morgan, or intended senior management would remain healthy and able to continue in their current roles. If such contracts were terminated or breached, or if the relevant Director and employees were no longer to continue in their current roles, 3D Medical would need to employ alternative staff, and 3D Medical's operations and business would be adversely affected.

(g) Customer service risk

Customers may need to engage with 3D Medical's customer service personnel in certain circumstances, such as if they have a question about the services or if there is a dispute between a customer and 3D Medical. 3D Medical needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If 3D Medical loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on 3D Medical's revenue.

(h) Risks associated with the regulatory environment

3D Medical's main operating entities are based in Australia and subject to Australian laws and regulations. For example, 3D Medical is required to comply with *Therapeutic Goods Act 1989* (Cth). Users, competitors, members of the general public or regulators could allege breaches of the legislation. This could result in remedial action or litigation, which could potentially lead to 3D Medical being required to pay compensation or a fine. 3D Medical's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon 3D Medical's profitability. In addition, if regulators took the view that 3D Medical had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to 3D Medical and consequent impact upon its revenue.

(i) Liquidity and dilution risk

There are currently 1,075,868,074 Shares on issue with between 17.1% and 25.6% of the total Shares on issue following re quotation of the Company's shares being offered to the public pursuant to the Prospectus. Upon re quotation of the Company's shares, a significant portion of the Shares on issue will be subject to escrow restrictions imposed by the Listing Rules. Some investors may consider that there is an increased liquidity risk as a large portion of the issued capital may not be able to be traded freely for a period of up to 24 months.

(j) Future capital needs

Further funding may be required by 3D Medical to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of 3D Medical and consequently its performance.

(k) Liability claims

3D Medical may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, 3D Medical may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against 3D Medical, 3D Medical may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(l) Foreign exchange risks

Some of 3D Medical's costs and expenses in the United States of America are in US\$. Accordingly, the depreciation and/or the appreciation of the US\$ relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the US\$ relative to the Australian currency may result in lower than anticipated revenue, profit and earning. 3D Medical will be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the US\$, and will have to monitor this risk on an ongoing basis.

(m) Low barriers to entry

There are relatively low barriers to entry in the fields of 3D printing and holographic projection and the market is experiencing the emergence of providers of these services. Potential risks relate to other providers of these services operating on a lower cost basis placing pressure on 3D Medical's prices.

(n) Insurance coverage

3D Medical faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. 3D Medical maintains insurance coverage for its employees (as required by law in Australia) as well as insurance coverage for management liability, corporate liability, employment practices liability, crime protection and statutory liability. However, 3D Medical does not maintain insurance against various other liabilities. If 3D Medical incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its financials may be adversely affected.

(o) Change in nature and scale of activities and conditionality of the Offers

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. This Prospectus is issued to assist the Company to re-comply with these requirements. There is a risk that the Company may not be able to meet the requirements of ASX for re-quotation on the ASX. In the event that the conditions of the Offer are not satisfied or the Company does not receive conditional approval for re-quotation on ASX then the Company will not proceed with the Offer and will repay all Application Monies received.

(p) No recent profit

The Company has incurred losses since its incorporation on 26 November 2013, and 3D Medical has been heavily reliant on trial purchases for its revenue since inception, and is therefore not possible to evaluate the Company's prospects based on past performance. Since the Company intends to continue investing in the development and commercialisation of the 3D Products the Directors anticipate making further losses in the foreseeable future.

(q) Additional requirements for capital

The Directors believe that the Company will have sufficient funds from the Public Offer to meet the objectives outlined in Section 3. These funds will only be sufficient to fund sales and marketing activities, general working capital and expenses of the Offers.

Additional funding may be raised by the Company via the issues of debt, equity or a combination of debt and equity. Any additional equity financing will dilute Shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its programs or enter into joint venture arrangements or reduce expenditure

(r) Unforeseen expenditure risk

Expenditure may need to be incurred in the development or commercialisation of the 3D Products that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(s) Contractors and contractual disputes

The operations of the Company will require the involvement of a number of third parties, including suppliers, contractors and customers. Of particular importance are the marketing and distribution agreements 3D Medical has with EchoPixel and GestSure, and services agreements it has with Capitol Health, 3D Group and Mach7 Technologies. With respect to these third parties, and despite applying best practice in terms of pre-contracting due diligence, the Directors are unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company or its subsidiaries may become a party;
- (ii) insolvency, default on performance or delivery, or any managerial failure by any of the operators and contractors used by the Company or its subsidiaries in its activities; or
- (iii) insolvency, default on performance or delivery, or any managerial failure by any other service providers used by the Company or its subsidiaries or operators for any activity.

Financial failure, insolvency, default on performance or delivery, or any managerial failure by such third parties may have a material impact on the Company's operations and performance. Whilst best practice pre-contracting due diligence is undertaken for all third parties engaged by the Company, it is not possible for the Company to predict or protect itself completely against all such risks.

(t) EchoPixel MOU regulatory compliance and approvals

Under the EchoPixel MOU, EchoPixel is responsible for obtaining and keeping current all regulatory clearances and approvals that are required for marketing and distribution of the EchoPixel Products in the USA and in other territories outside Australia and New Zealand, including all necessary approvals from the U.S. Food and Drug Administration (**FDA**).

Furthermore, 3D Medical is responsible for obtaining and keeping current all necessary regulatory licenses and approvals that are required for marketing and distribution of the EchoPixel Products in Australia and New Zealand. Such regulatory clearances and approvals include, but are not limited to, the necessary approvals from the Australian Therapeutic Goods Administration (**TGA**) and the New Zealand Medical Devices Safety Authority (**Medsafe**).

If either or both of EchoPixel and 3D Medical cannot comply with these necessary regulatory obligations, there is a risk that the EchoPixel MOU will be terminated and 3D Medical's revenues and profitability could be adversely affected.

(u) GestSure MOU regulatory compliance and approvals

Pursuant to the GestSure MOU, GestSure is responsible for obtaining and keeping current all regulatory licenses and approvals that are required for marketing and distribution of the GestSure System in Canada and the USA and in other territories outside of Australia and New Zealand, including, but not limited to, all necessary approvals from the U.S. Food and Drug Administration (**FDA**).

Furthermore, 3D Medical is responsible for obtaining and keeping current all necessary regulatory licenses and approvals that are required for marketing and distribution of the GestSure System in Australia and New Zealand. Such regulatory clearances and approvals include, but are not limited to, the necessary approvals from the Australian Therapeutic Goods Administration (**TGA**) and New Zealand Medical Devices Safety Authority (**Medsafe**).

If either or both of GestSure and 3D Medical cannot comply with these necessary regulatory obligations, there is a risk that the GestSure MOU will be terminated and 3D Medical's revenues and profitability could be adversely affected.

(v) Government policy changes and legal risk

Government action or policy changes in relation to aspects such as the medical and healthcare sector, import and export restrictions, and taxation may adversely affect the Company's operations and financial performance.

The Company's operations will be governed by a series of laws and regulations in those countries in which it conducts business. Breaches or non-compliance with these laws and regulations could result in penalties and other liabilities. These may have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price of the Company.

These laws and regulations may be amended from time to time, which may also have a material adverse impact on the financial position, financial performance, cash flows, growth prospects and share price for the Company. The legal and political conditions of Australia and other countries (as may be or become relevant to the Company) and any changes thereto are outside the control of the Company.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company and the value of its Shares. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

6.2 GENERAL RISKS

(a) Investment risk

The Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the Offer Price paid for the Shares. While the Directors commend the Offer, prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) Share market

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance.

Share market conditions are 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) mineral price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital;
- (vii) terrorism or other hostilities; and
- (viii) other factors beyond the control of the Company.

(c) Currency risk

As the Company's potential earnings will be largely derived from the sale of technology both in Australia and overseas, the Company's future revenues and cash flows will be impacted by changes in the prices of the currencies in which it operates. However, the Company's cost base will be in Australian dollars. Consequently changes in the Australian dollar exchange rate will impact on the earnings of the Company. The exchange rate is affected by numerous factors beyond the control of the Company, including interest rates, inflation and the general economic outlook.

(d) Insurance risks

The Company intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be 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.

Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

(e) Commercialisation risks

Even if the Company does successfully commercialise its technology, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell the technology to customers at a rate which would cover its operating and capital costs, or new technology may overtake the Company's technology.

(f) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Company.

(g) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries including, but not limited to, the following:

- (i) general economic conditions in Australia and its major trading partners;
- (ii) changes in Government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the technology sector;
- (iv) movement in, or outlook on, interest rates and inflation rates; and
- (v) natural disasters, social upheaval or war in Australia or overseas.

(h) Taxation

The acquisition and disposal of Shares 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 Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect of the taxation consequences of subscribing for Shares under this Prospectus.

7. ADDITIONAL INFORMATION

7.1 DISCLOSURE OF INTERESTS AND REMUNERATION

Other than as set out below or elsewhere in this Prospectus no Director has or has had, within two years before lodgement of this Prospectus with ASIC:

- (a) any interest in the formation or promotion of the Company; or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or in the Offer; and
- (b) no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director, either to induce him to become, or to qualify him as a Director, or otherwise, for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Shareholding qualifications

The Directors are not required to hold any Shares under the constitution of the Company.

Existing Directors' security holdings

Set out in the table below are details of the Existing Directors' relevant interests in the Shares of the Company as at the date of this Prospectus, and following completion of the Proposed Transaction assuming Minimum Subscription and Maximum Subscription.

Interests of the Directors and their related parties	Existing Shares		Minimum Subscription		Maximum Subscription	
	Number of Existing Shares	% of Existing Shares ¹	Maximum number of New Shares	Maximum % of New Shares	Maximum number of New Shares	Maximum % of New Shares
Peter Christie ²	14,833,534	1.38%	1,483,353	0.42%	1,483,353	0.38%
Stephen Hewitt-Dutton ³	3,000,000	0.28%	300,000	0.09%	300,000	0.08%
Simon Jenkins ⁴	5,174,420	0.48%	517,442	0.15%	517,442	0.13%
TOTAL	23,007,954	2.14%	2,300,795	0.66%	2,300,795	0.59%

¹. Based on the number of 1,075,868,074 Existing Shares of the Company.

². Peter Christie holds these Existing Shares indirectly through two entities, both of which he is a beneficiary of, being Waterbeach Investments Pty Ltd <Christie Family A/C> and Waterbeach Investments Pty Ltd <Christie Super Fund A/C>.

³. Stephen Hewitt-Dutton holds these Existing Shares indirectly through SHD Nominees Pty Ltd <Hewitt-Dutton S/F A/C> of which he is a beneficiary.

⁴. Simon Jenkins holds 3,174,420 Existing Shares indirectly through two entities, both of which he is a director and shareholder of Doctor's Wallet Pty Ltd and Price Sierakowski Pty Ltd.

Incoming Directors' security holdings

Set out in the table below are details of the Incoming Directors' relevant interests in the Shares of the Company as at the date of this Prospectus.

Interests of the Directors and their related parties	Existing Shares		Minimum Subscription		Maximum Subscription	
	Number of Existing Shares	% of Existing Shares	Maximum number of New Shares	Maximum % of New Shares	Maximum number of New Shares	Maximum % of New Shares
Frank Pertile	10,000,000	0.93%	6,481,708	1.84%	6,481,708	1.66%
Matthew Morgan	-	0%	1,213,414	0.35%	1,213,414	0.31%
TOTAL	-	0%	7,695,122	2.19%	7,695,122	1.97%

Directors Remuneration

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all Non-Executive Directors must not exceed in aggregate the amount fixed by the Company in a general meeting. The aggregate remuneration for all Non-Executive Directors has been set at a maximum amount of \$300,000 per annum under clause 21.1 of the Company's Constitution. The Directors have resolved that Non-Executive Director's fees will be \$60,000 per annum for the Chairman, inclusive of statutory superannuation contributions and \$36,000 per annum for Non-Executive Directors, inclusive of statutory superannuation contributions. Any additional remuneration of the Directors will be fixed by the Board via service agreements, details of which are provided in Section 7.2(h) of this Prospectus for Mr Morgan.

7.2 SUMMARY OF MATERIAL CONTRACTS

Set out below is a summary of the material contracts to which 3D Medical and the Company are party.

The whole of the provisions of the agreements are not repeated in this Prospectus and any intended applicant who wishes to gain a full knowledge of the content of these agreements should inspect the same at the registered office of the Company.

3D Medical agreements

(a) EchoPixel MOU

On 5 May 2014, 3D Medical Pty Ltd and EchoPixel, Inc. (**EchoPixel**) entered into a binding memorandum of understanding (**MOU**). Under the terms of the MOU, 3D Medical has secured the exclusive marketing and distribution rights for the EchoPixel Products in Australia and New Zealand, comprised of the t3D-Viewer and the t3D-Protocol. Included in the MOU is provision for this exclusive territory to be expanded to include Asia.

The t3D-Viewer loads CT and MR DICOM image data and enables doctors to see tissue in open 3D space using holographic projection as if it were a real physical object where they can interact with it using a hand-directed stylus. This combination allows doctors to immediately identify the tissue they seek to evaluate in 3D, determine its location and surrounding anatomy, detect more clinically significant structures, and interactively dissect a tumour or malformation for detailed evaluation.

The t3D-Protocol is a software application module that expands the functionality and intended use of the t3D-Viewer software application to meet the specific needs of a particular clinical problem. A t3D-Protocol enables a health care professional to apply an expert derived methodology, workflow integration and tools that optimize diagnostic, surgical planning or image guided treatment tasks.

3D Medical and EchoPixel have agreed to discuss in good faith and agree on specifications regarding the clinical trial settings and the creation of workflow optimisation studies for the EchoPixel Products in radiology clinics, including data feedback protocols, in Australia and New Zealand.

3D Medical is responsible at its own cost for conducting and managing any clinical trials which 3D Medical may be required to undertake in order to obtain a license or approval in Australia and New Zealand for the EchoPixel Products (**Product Clinical Trials**).

Upon execution of the MOU, 3D Medical and EchoPixel agreed to establish a joint coordinating committee to review all matters relating to product labelling, product claims, regulatory matters or Product Clinical Trials.

The MOU will continue in force until 5 May 2020 (**Initial Term**) and may be extended for renewal terms by written amendment executed by both parties (together with the Initial Term, the **Term**). After the Initial Term, either party may terminate the MOU for convenience upon 180 days prior written notice to the other party.

During the Term, 3D Medical shall have the right in Australia and New Zealand to indicate to the public that it is an authorised distributor of the EchoPixel Products, and to advertise the EchoPixel Products under the following trademarks:

- (i) EchoPixel;
- (ii) t3D-Viewer; and
- (iii) t3D-Protocol.

3D Medical paid EchoPixel USD\$250,000 in instalments as prepayment of future orders. The final instalment was paid on 1 August 2014. Following the termination or expiration of the MOU, 3D Medical is entitled to a refund of all paid but unused prepayment balances remaining with EchoPixel no later than 10 days of such termination or expiration.

The parties had agreed to commence good faith negotiations to enter into a long form distribution agreement (**Superseding Agreement**) on or before 15 July 2014, encompassing the terms set forth in the MOU and such other terms as mutually agreed upon. As the Superseding Agreement was never executed, the MOU constitutes a binding agreement between the parties and all terms of the MOU are fully operative as legally enforceable terms for a period of six years (5 May 2020) when the MOU will immediately terminate unless extended. Standard termination provisions apply on default by a party, in which case the MOU may be terminated on 30 days notice.

(b) GestSure MOU

On 14 August 2014 (**Effective Date**), 3D Medical and GestSure Technologies, Ltd (**GestSure**) entered into a binding memorandum of understanding (**MOU**). Under the terms of the MOU, 3D Medical has secured the exclusive marketing and distribution rights for Australia and New Zealand. Included in the MOU is provision for this exclusive territory to be expanded to include Asia.

The GestSure System has been specifically designed and developed for use in operating rooms as a way of accessing and interacting with digital scan imagery through simple hand gestures. Using a simple set of hand gestural demands, the controller can navigate through patient images to assist and inform during a surgical procedure.

3D Medical and GestSure have agreed to discuss in good faith and agree on specifications regarding the clinical trial settings and the creation of workflow optimization studies for the GestSure System in hospital and surgical environments, including data feedback protocols, in Australia and New Zealand.

3D Medical is responsible at its own cost for conducting and managing any clinical trials which 3D Medical may be required to undertake in order to obtain a license or approval in Australia and New Zealand for the GestSure System (**Product Clinical Trials**).

Upon execution of the MOU, 3D Medical and GestSure agreed to establish a joint coordinating committee to review all matters relating to product labelling, product claims, regulatory matters or Product Clinical Trials.

The MOU will continue in force until 14 August 2019 (**Initial Term**) and may be extended for renewal terms of 2 years by written amendment executed by both parties (together with the Initial Term, the **Term**). After the Initial Term, either party may terminate the MOU for convenience upon 180 days prior written notice to the other party.

During the Term, 3D Medical shall have the right in Australia and New Zealand to indicate to the public that it is an authorised distributor of GestSure and the GestSure System, and to advertise the GestSure System under GestSure's trademarks, marks and trade names.

3D Medical paid GestSure USD\$30,000 as prepayment for future orders. Following the termination or expiration of the MOU, 3D Medical shall be entitled to a refund of all paid but unused prepayment balances remaining with GestSure no later than 10 days of such termination or expiration date.

The parties had agreed to commence good faith negotiations to enter into a long form distribution agreement (**Superseding Agreement**) on or before the two-month anniversary of the Effective Date encompassing the terms set forth in the MOU and such other terms as mutually agreed upon. As the Superseding Agreement was never executed, the MOU constitutes a binding agreement between the parties and all terms of the MOU are fully operative as legally enforceable terms for a period of five years (14 August 2019) when the MOU will immediately terminate unless extended. Standard termination provisions apply on default by a party, in which case the MOU may be terminated on 30 days notice.

(c) Capitol Health Limited Service Agreement

On 22 July 2014 (**Commencement Date**), 3D Medical entered into a Services Agreement (**Agreement**) with Capitol Health to be their exclusive provider of 3D printed anatomical models for their network of radiology clinics (**3D Services**). This agreement provides 3D Medical with access to 52 radiology clinics, 35 radiologists and a network of referring medical and healthcare practitioners. On 21 August 2014, 3D Medical completed its first sale of an EchoPixel holographic viewer to Capitol Health.

The Agreement is for a term of 5 years from the Commencement Date (**Term**), however if 3D Medical continues to provide the 3D Services under the Agreement after the Term, without either party giving notice of termination of the Agreement prior to the end of the Term, then the Agreement shall extend beyond the Term. In such circumstances, the Agreement will be terminable by either party giving the other party at least 3 months' notice of termination of the Agreement.

The parties have agreed that 3D Medical is not obliged to provide Capitol Health with the 3D Services during the first 6 months of the Term. This is in acknowledgement of the fact that 3D Medical is still in a build-up phase and, as such, as at the Commencement Date is still building up the capacity and relationships necessary to allow it to provide Capitol Health with the 3D Services.

The parties have also agreed that every 6 months during the Term, starting on the date that is 6 months after the Commencement Date, the parties will meet to discuss in good faith whether to vary the price payable by Capitol Health for the 3D Services under the Agreement. These discussions will take into account relevant market factors including the costs incurred in 3D printing and the prices offered by competitors of 3D Medical.

If an event of default occurs under the Agreement, and the defaulting party:

- (i) receives, and does not comply with, a default notice;
- (ii) receives a default notice on 3 occasions in any 12 month period; or
- (iii) is the subject of an insolvency event,

then the other party may terminate the Agreement with immediate effect by giving the defaulting party written notice to that effect.

(d) 3D Group Pty Ltd Heads of Agreement

On 30 October 2014, 3D Medical and 3D Group entered into a Heads of Agreement whereby 3D Medical will be 3D Group's exclusive seller of 3D printed anatomical models to the medical and healthcare sector.

3D Group has been established with a clear strategy to become Australia's leading integrated multi-platform 3D printing company. 3D Group designs and builds 3D printers in Victoria, Australia.

Under the terms of the Heads of Agreement, 3D Group must deliver the following documents to 3D Medical:

- (i) commercial terms for the purchase of goods and services including price and other relevant terms;
 - (ii) an agreed exclusive supply jurisdiction whereby 3D Group will be unable to supply products to companies which could compete with 3D Medical subject to 3D Medical achieving agreed minimum ordering quantities;
 - (iii) agreed DIFOT (delivery in full and on time) and QC (quality control) standards in favour of 3D Medical;
 - (iv) title to and risk in the products supplied under the agreement pass from 3D Group to 3D Medical on completion; and
 - (v) any other relevant aspects agreed by the parties,
- (together, the **Transaction Documents**).

3D Group and 3D Medical have agreed to, in good faith and using reasonable endeavours, negotiate and sign the Transaction Documents by 31 January 2015.

(e) Mach7 Technologies Heads of Agreement

On 5 November 2014, 3D Medical and Mach7 Technologies (**Mach7**) entered into a Heads of Agreement (**Agreement**) whereby 3D Medical shall have the right to distribute and resell Mach7's image management solutions in Australia and New Zealand. The product allows healthcare providers to not only manage workflow but identify, share and manage patient data (e.g. 3D imagery) in an efficient and timely manner.

The Agreement is for a term of 3 years and can be renewed on a bi-annual basis subject to:

- (i) a satisfactory review by Mach7 of 3D Medical's performance for the prior term; and
- (ii) mutually agreeable sales targets for the renewal term.

Exclusivity will be granted to 3D Medical to distribute and resell Mach7's image management solutions in Australia and New Zealand after 3D Medical has met the sales target for the first year of the Agreement. In order to maintain exclusivity status, 3D Medical has agreed to meet the sales target annually or cumulatively over the term of the Agreement.

Either party may terminate the Agreement upon giving written notice of termination to the other party in any of the following events:

- (i) a material breach of the Agreement by either party;
- (ii) failure by 3D Medical to make payment within 15 days after receiving written notice that such payment is past due;
- (iii) 3D Medical failing to achieve the agreed upon sales targets; or
- (iv) in the event of a change in control of Mach7.

The Agreement requires 3D Medical to achieve certain confidential minimum order quantities to maintain the exclusive right to the Mach7's product in Australian and New Zealand.

(f) Loan from the Company

3D Medical has entered into a loan agreement with the Company, which the Company considers is on arm's length terms. Accordingly, Shareholder approval for the loan was not sought.

The loan from the Company to 3D Medical has been advanced in two tranches, being:

- an amount of \$220,000 (**Tranche 1**); and
- an amount of up to a maximum of \$290,000, being the amount raised in the SPP (as defined in the Heads of Agreement) less \$150,000 (**Tranche 2**).

The loan is repayable in the event that the Proposed Transaction does not proceed or an event of default occurs. Where the Proposed Transaction does not proceed or an event of default occurs, the Company and 3D Medical have agreed that the Company may register a first-ranking security in respect of all overdue monies. The agreement contains additional provisions considered standard in agreements of this nature.

Company Agreements

(g) 3D Medical Share Sale and Purchase Agreement

The Company and the 3D Medical Vendors entered into the Share Sale and Purchase Agreement (**Agreement**) on 8 October 2014. Subject to various conditions, the Company agreed to purchase 100% of the ordinary shares in 3D Medical, and the 3D Medical Vendors agreed to sell all of their ordinary shares in 3D Medical to the Company, and to use their best endeavours to arrange for the sale of the remaining shares in 3D Medical to the Company.

Conditions of the 3D Medical Share Sale and Purchase Agreement

Completion of the sale and purchase of 100% of the ordinary shares in 3D Medical pursuant to the Share Sale and Purchase Agreement is due to occur 5 business days following the satisfaction or waiver the latest condition to be satisfied or waived. The conditions to be satisfied or waived are:

- (i) The Company being satisfied with its due diligence enquiries in respect of 3D Medical.
- (ii) 3D Medical being satisfied with its due diligence enquiries in respect of the Company.
- (iii) Prior to the Completion Date, the Company not receiving a proposal in respect of the Company which an independent expert determines to be superior to the Proposed Transaction for the Shareholders.
- (iv) The 3D Medical Vendors and 3D Medical obtaining all required regulatory and Shareholder approvals.
- (v) The Company completing the capital raising of at least \$2,000,000.

The Company must use all reasonable endeavours to procure the satisfaction of conditions (iii), and (v) above. 3D Medical and the 3D Medical Vendors must use all reasonable endeavours to procure the satisfaction of condition (iv) above. Conditions (i) and (ii) above have already been satisfied.

Termination

The Agreement may be terminated in the following circumstances:

- (i) By any party by notice in writing to the other party in the event that the Conditions are not satisfied on or before the Sunset Date, and the terminating party complied with its obligations to use all reasonable endeavours to procure the satisfaction of certain conditions (as specified above).
- (ii) By any party prior to Completion of the Agreement in circumstances where the other party fails to comply with any material term of the Agreement (including to complete by the Completion Date) that is capable of remedy and, following written notice from the other party, failing to remedy the non-compliance within 5 Business Days of such notice;
- (iii) By any party prior to Completion of the Agreement, in circumstances where the other party fails to comply with its material obligations under the agreement, or commits a material breach of its warranties prior to completion under the agreement, and the breach is not remedied within 5 business days of the non-defaulting party's notice of the breach being given to the defaulting party.
- (iv) By the warranties of party prior to Completion of the Agreement being untrue, inaccurate or misleading in any material respect.
- (v) By any party prior to Completion suffering an Insolvency Event.

Shareholder approval

A General Meeting of the Company is to be held on 17 December 2014, at which a number of the resolutions in connection with the Offers and the Company's acquisition of 3D Medical will be put to Shareholders. The Offers pursuant to this Prospectus are subject to and conditional upon the Shareholders passing each of the resolutions proposed at the General Meeting.

The resolutions proposed at the General Meeting are:

- (i) approval of the Consolidation;
- (ii) approval to change the nature and scale of activities of the Company;
- (iii) approval of the issue of the Consideration Shares to Related 3D Medical Vendors and Unrelated 3D Medical Vendors pursuant to the Vendor Offer under this Prospectus;
- (iv) approval of the issue of the Consideration Options to the 3D Medical Vendors pursuant to the Option Offer under this Prospectus;
- (v) approval of the issue of New Shares pursuant to the Public Offer under this Prospectus;
- (vi) approval of the right to apply for New Shares for the Existing Directors and the Incoming Directors pursuant to the Public Offer under this Prospectus; and
- (vii) approval of the issue of New Shares to the Facilitators pursuant to the Facilitation Offer under this Prospectus.

There can be no guarantee that Shareholders will vote in favour of all or any of the Resolutions. If all Resolutions are not approved by Shareholders, the Offers and the acquisition of all of the shares in 3D Medical may not proceed.

Completion

At completion of the Share Sale and Purchase Agreement, the Company has agreed to issue Shares and Consideration Options to the 3D Medical Vendors, and Facilitation Shares to Trident Capital, Taylor Collison and Ken Poutakidis. In addition, following the appointment of the Proposed Directors to the Board, it is proposed that Messrs Christie and Jenkins will resign as Directors.

Warranties and indemnities

The Share Sale and Purchase Agreement contains additional provisions, including warranties and indemnities in respect of the status of 3D Medical and the Company, which are considered standard for agreements of this kind.

(h) Consultancy agreement for Mr Matthew Morgan

Mr Morgan has in addition to his role as a Non-Executive Chairman been engaged by the Company via a consultancy agreement (**Consultancy Agreement**).

The total annual remuneration payable to Mr Morgan under his consultancy agreement is up to \$10,000 per month plus reimbursable business expenses.

The Consultancy Agreement commenced on 8 October 2014 (**Commencement Date**). The initial term of the Consultancy Agreement is six months from the Commencement Date, unless otherwise terminated in accordance with the Consultancy Agreement. The Consultancy Agreement may be terminated by either the Company or Mr Morgan on one months' notice.

As a consultant Mr Morgan shall (amongst other things):

- (i) be engaged as a consultant of the Company and during usual business hours and such other hours as the exigencies of business may from time to time require, shall devote up to 2 days per week of his time, attention and skill to the duties of his respective positions and to the business of the Company, and such related corporations of the Company as the Company may from time to time direct;
- (ii) perform his duties in a proper and reasonable manner, with the standard of diligence normally exercised by a person bearing comparable qualifications in the performance of comparable duties, and in accordance with generally accepted practices and standards appropriate to those duties and that industry; and
- (iii) obey all reasonable and lawful directions given to him by or under the authority of the Board, and use their best endeavours to promote the interests of the Company and of such related corporations of the Company as the Company may from time to time direct.

Inventions, discoveries, designs, improvements, developments, copyright work or circuit layout (**Inventions**) relating to or capable of being used in the business of the Company or any of its related corporations which are made by Mr Morgan during his consultancy with the Company will be the property of the Company, and Mr Morgan is obligated to promptly disclose full details of any such Invention.

Mr Morgan is also subject to restrictions in relation to the solicitation of employees and clients, the use of confidential information and being directly or indirectly involved in a competing business, on terms which are otherwise considered standard for agreements of this nature.

The Consultancy Agreement contains additional provisions considered standard for agreements of this nature.

(i) Trident Capital mandate

The Company has entered into an agreement with Trident Capital whereby Trident Capital will receive, amongst other fees, the payment of a facilitation fee in relation to the Proposed Transaction by way of the issue of Shares (which Shareholders will approve at the General Meeting) and cash (**Agreement**).

The Agreement is for the provision of corporate advisory services by Trident Capital to the Company, such as corporate advice and structuring, document preparation, engaging consultants and assisting with capital raising activities. The Company has agreed to pay Trident Capital a facilitation fee of \$50,000 (plus GST) and 875,000 Shares on a post-Consolidation Shares, capital raising fees of 6% of the funds raised directly by Trident Capital for any future capital raisings, and all reasonable out-of-pocket expenses.

(j) Taylor Collison Agreement

The Company has entered into an agreement with Taylor Collison whereby Taylor Collison as Broker to the issue of Shares under the Public Offer, of this Prospectus (**Agreement**). Under the Agreement, Taylor Collison will, amongst other things:

- (i) review the capital requirements of the Company and advise on the optimum amount of funds to be raised under the Public Offer;
- (ii) assist with the marketing, distribution and allocation of Shares under the Public Offer;
- (iii) participate in the due diligence process;
- (iv) co-ordinate institutional, investor and broker presentations; and
- (v) assist in negotiations, where necessary, with Australian regulatory agencies.

As compensation for the services to be provided under the Agreement, the Company will pay Taylor Collison:

- (i) a management fee of 2% of the total funds raised from the Public Offer; and
- (ii) a selling fee of 4% of the total funds raised from the Public Offer less any funds raised under the Priority Offer.

The Company has also agreed to pay Taylor Collison a facilitation fee of \$50,000 (plus GST), 3,500,000 post-Consolidation Shares, and all reasonable costs and expenses incurred, on Completion as defined in the Share Sale and Purchase Agreement dated 6 October 2014.

(k) Director's Deeds of Insurance Indemnity and Access

The Company has entered into deeds of insurance, indemnity and access with each of its Directors (**Indemnity Deeds**).

Pursuant to these Indemnity Deeds, the Company indemnifies each Director to the extent permitted by the Corporations Act against any liability arising as a result of the Director acting as an officer of the Company. The Company will be required under the Indemnity Deeds to maintain insurance policies for the benefit of the relevant Director for the term of the appointment and for a period of seven years after the relevant Director's retirement or resignation.

The Indemnity Deeds also provide for the Director's right of access to company records.

7.3 CONTINUOUS DISCLOSURE AND DOCUMENTS AVAILABLE FOR INSPECTION

The Company is a “disclosing entity” for the purposes of Part 1.2A of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company. The Company’s announcements are available free of charge on the ASX website or on request to the Company.

Further information on how the Company will comply with its continuous disclosure obligations is included at Section 2.4.

7.4 SUBSTANTIAL SHAREHOLDERS

As at the date of this Prospectus the Company has no Shareholders that hold 5% or more of the total number of Shares on issue (on a pre-Consolidation basis).

On Completion of the Proposed Transaction the Company does not expect to have any Shareholders holding 5% or more of the total number of Shares on issue (on a post-Consolidation basis).

7.5 INTERESTS OF EXPERTS AND ADVISERS

(a) No interest except as disclosed

Other than as set out below or elsewhere in the Prospectus, no expert promoter, underwriter (but not sub-underwriter) or any other 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, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with holds, or has held, within two years before lodgement of the Prospectus with ASIC, any interest in:

- (i) the formation or promotion of the Company or in any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offers or in the Offers;
- (ii) the Offers; and
- (iii) no amounts or benefits have been paid or given or agreed to be paid or given to any of these persons for services provided by such persons in connection with the formation or promotion of the Company or the Offers.

(b) Legal Advisors

Price Sierakowski Corporate has acted as Solicitors to the Company in relation to the Offers. The Company estimates that it will pay Price Sierakowski Corporate \$50,000 plus GST for these services. In addition, Price Sierakowski Corporate has performed other legal work in relation to the reconstruction of the Company, including the preparation of the Notice of Meeting. During the 24 months preceding lodgement of this Prospectus with ASIC, Price Sierakowski Corporate has received \$97,750 inclusive of fees paid in connection with this offer. Of this amount \$90,139 was received in cash and \$7,611 in Shares, as approved at the Shareholder meeting held on 29 November 2013.

Additional legal fees in relation to the Prospectus or re-listing of the Company may be incurred by the Company subsequent to the lodgement of this Prospectus and will be charged at Price Sierakowski Corporate’s normal hourly rates.

(c) Corporate Advisors

Trident Capital has acted as corporate advisers to the Company. Fees are paid or payable to Trident Capital in accordance with the mandate summarised at Section 7.2(i). Trident Capital has also performed other work in relation to the reconstruction of the Company, including management of the recapitalisation process and preparation of documentation required as part of the recapitalisation process. During the 24 months preceding lodgement of this Prospectus with ASIC, Trident Capital has received \$287,909 plus GST. Of this amount \$172,000 was received in cash and \$115,909 in Shares, as approved at the Shareholder meeting held on 29 November 2013.

(d) Investigating Accountants

Bentleys Audit & Corporate (WA) Pty Ltd has prepared the Investigating Accountant’s Report which is included at Section 5. Total fees payable to Bentleys Audit & Corporate (WA) Pty Ltd for work done in relation to this Prospectus are approximately between \$5,000 and \$7,000 plus GST. During the 24 months preceding lodgement of this Prospectus with ASIC, Bentleys Audit & Corporate (WA) Pty Ltd has received \$53,900 plus GST.

(e) Broker to the Issue

Taylor Collison has acted as broker to the Company. Fees are paid or payable to Taylor Collison in accordance with the mandate summarised at Section 7.2(j). Taylor Collison has also performed other work in relation to the raising of equity capital. During the 24 months preceding lodgement of this Prospectus with ASIC, Taylor Collison has received \$30,000 plus GST.

(f) Auditor

Bentleys Audit & Corporate (WA) Pty Ltd remains as the Company’s auditor and will be paid for these services on normal commercial rates.

(g) Share Registry

Link Market Services Limited remains the Company’s Share Registry and will be paid for these services on normal commercial rates.

7.6 RIGHTS AND LIABILITIES ATTACHING TO SHARES AND OPTIONS

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Ranking of Shares

At the date of this Prospectus, all shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with Existing Shares.

Voting Rights

Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each share held.

Dividend Rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

Variation of Rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

Transfer of Shares

Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances, such as where the Company has a lien on those Shares.

General Meetings

Each shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Corporations Act and Listing Rules.

Unmarketable Parcels

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable law and provided a notice is given to the minority shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.

Rights on Winding Up

If the Company is wound up, the liquidator may, with the sanction of a special resolution;

- (a) divide among the shareholders the whole or any part of the Company's property; and
- (b) decide how the division is to be carried out between the shareholders.

Rights Attaching to Options

The following is a general description of the more significant rights and liabilities attaching to the Options. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the Company.
- (b) The exercise price of each Option is 5 cents (\$0.05) per share subscribed for on exercise of each Option.
- (c) Each Tranche 1 Consideration Option will expire 18 months from the date of issue. Each Tranche 2 Consideration Option will expire 24 months from the date of issue ("Option Expiry Date"). Each Option may be exercised at any time prior to 5.00pm WST on the Option Expiry Date and any Option not so exercised shall automatically expire on the Option Expiry Date.
- (d) Each ordinary share allotted as a result of the exercise of an Option will, subject to the Constitution of the Company, rank in all aspects *pari passu* with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
- (e) A registered owner of an Option ("Option Holder") will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the Company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
- (f) A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached to these terms and attached or endorsed on the reversed side of each certificate or holding statement will be a notice that is to be completed when exercising the Options the subject of the certificate or holding statement ("Notice of Exercise of Options"). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the Secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.

The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full of the relevant number of shares being subscribed, being an amount of \$0.05 per share.

On exercise of Options, the Option Holder must surrender to the Company the Option Holder's option certificate or holding statement with respect to those Options being exercised.

Within 14 days from the date the Option Holder properly exercised Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.

(g) In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the Company, the number of Options or the exercise price of the Options or both shall be reconstructed in such that there will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with the respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.

(h) There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the exercise period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 Business Days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

(i) Subject to the Corporations Law, the Listing Rules and the Constitution of the Company, the Options are freely transferable and will only be quoted on ASX if a sufficient spread of option holders exists in compliance with the ASX Listing Rules.

(j) If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the exercise price of each Option shall be amended in accordance with the following formula:

$$O' = \frac{O - E [P - (S + D)]}{N + 1}$$

Where:

O' = the new exercise price of the Option.

O = the old exercise price of the Option.

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

P = the average market price per share (weighed by reference to volume) of the underlying shares to which the Option Holder is entitled.

S = the subscription price for a share under the pro rata issue.

D = any dividend due but not yet paid on the existing underlying share (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 new share.

No change will be made pursuant to the application of the above formula to the number of shares to which the Option Holder is entitled.

If the Company is listed upon ASX, the reduction of the exercise price of each Option in accordance with the above formula shall be subject to the provision of the Listing Rules of ASX.

If the Company makes a bonus issue or other securities convertible into ordinary shares pro rata to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

7.7 CONSENTS

The following written consents have been given in accordance with the Corporations Act with respect to the issue of this Prospectus in both paper and electronic form:

(a) Price Sierakowski

Price Sierakowski has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Solicitors to the Issue in the form and context in which it is included, together with all references to that report in this Prospectus. Price Sierakowski has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(b) Bentleys Audit & Corporate (WA) Pty Ltd

Bentleys Audit & Corporate (WA) Pty Ltd has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Investigating Accountant and to the inclusion of the Investigating Accountant's Report in Section 5 in the form and context in which it is included, together with all references to it and to that report in this Prospectus. Bentleys Audit & Corporate (WA) Pty Ltd has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than its report and any references to it or its report.

(c) Trident Capital

Trident Capital has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Corporate Advisor in the form and context in which it is included, together with all references to it in this Prospectus. Trident Capital has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(d) Taylor Collison Limited

Taylor Collison has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as Broker to the Issue or in the form and context in which it is included, together with all references to it in this Prospectus. Taylor Collison has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(e) Link Market Services Limited

Link Market Services Limited has given, and has not before lodgement of this Prospectus withdrawn, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named, together with all references to it in this Prospectus. Link Market Services Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry. Link Market Services Limited has not authorised nor caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than the references to it.

(f) Others

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

7.8 EXPENSES OF THE OFFERS

The expenses of the Offers are expected to comprise the following estimated costs and are exclusive of any GST payable by the Company.

Items of expenditure	Minimum Subscription	Maximum Subscription
Legal fees	50,000	50,000
Investigating Accountant's fees	7,000	7,000
Audit, accounting and tax	10,000	10,000
ASIC & ASX fees	30,163	40,065
Broker fees	180,000	300,000
Other Expenses	148,000	148,000
Total Estimated Expenses	425,163	555,065

7.9 ELECTRONIC PROSPECTUS

Pursuant to Class Order 00/044 the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form 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.

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 at + 61 86211 5099 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.safemed.com.au and 3D Medical's website, www.3dmedical.com.au.

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 electronic 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.

7.10 FORECASTS

There are significant uncertainties associated with forecasting future revenues and expenses of the Company. In light of uncertainty as to timing and outcome of the 3D Medical's plans to develop and commercialise its 3D printing and holographic projection technology into the Australian medical industry and the general nature of the industries in which the Company will operate, as well as uncertain macro market and economic conditions in the Company's markets, the Company's performance in any future period cannot be reliably estimated. On these bases and after considering ASIC Regulatory Guide 170, the Directors do not believe that they have a reasonable basis to reliably forecast future earnings and accordingly forecast financials are not included in this Prospectus.

7.11 LITIGATION

To the Directors knowledge there is no litigation against the Company or initiated by the Company as at the date of this Prospectus.

7.12 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. Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the matters referred to above.

8. DIRECTORS' AND INCOMING DIRECTORS' AUTHORISATION

The Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors and Incoming Directors.

In accordance with section 720 of the Corporations Act, each Director and Incoming Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company.

A handwritten signature in black ink, appearing to read 'P. Christie', with a stylized flourish at the end.

Peter Christie
Chairman

24 November 2014

9. DEFINITIONS

3D Group means 3D Group Pty Ltd Limited (ACN 168 587 531).

3D Medical or 3DM means 3D Medical Limited (ACN 166 963 864).

3D Medical Vendors means the 3D Medical vendors being the holders of all the issued capital of 3D Medical.

3D Products means the EchoPixel Products and the GestSure System.

Application Forms means the Public Offer Application Form, the Priority Offer Application Form, the Facilitation Offer Application Form, the Vendor Offer Application Form and the Option Offer Application Form, each of which are attached to, and form part of this Prospectus – see Sections 10, 11, 12, 13 and 14.

Application Monies means the amount of money in dollars and cents payable for New Shares at \$0.05 cents per New Share pursuant to the Public Offer under this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as the context requires.

Board means the Board of Directors of the Company.

Broker means Taylor Collison Limited (ACN 008 172 450).

Business means the business of 3D Medical, namely the development of 3D printing and holographic projection technology.

Business Day means a day other than a Saturday, Sunday or a public holiday in Perth, Western Australia or Melbourne, Victoria.

Capitol Health means Capitol Health Limited (ACN 117 391 812).

CHESS means ASX Clearing House Electronic Sub-register System.

Closing Date means the closing date for the receipt of Application Forms under this Prospectus, being 5.00pm on 19 December 2014 (unless the Offers are extended or closed early). The Company reserves the right to extend the closing date or close the Offers early without notice.

Company means Safety Medical Products (ACN 007 817 192).

Completion means the simultaneous completion of all (and not only some) of the obligations of both the vendors and the purchaser set out in clauses 6.3 and 6.4 of the Share Sale and Purchase Agreement.

Consideration Options means, collectively, the Tranche 1 Consideration Options and the Tranche 2 Consideration Options.

Consolidation means the 1 for 10 consolidation of Existing Shares to be approved at the General Meeting.

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

Directors means the directors of the Company.

EchoPixel means EchoPixel, Inc., a Delaware corporation based in the USA.

EchoPixel MOU means the memorandum of understanding entered into between the Company and EchoPixel on 5 May 2014.

EchoPixel Products means the t3D-Viewer and the t3D-Protocol.

Existing Directors means Peter Christie, Stephen Hewitt-Dutton and Simon Jenkins, further details of which are provided at Section 2.2.

Existing Shares means the 1,075,868,074 Shares in the Company on issue at the date of this Prospectus.

Exposure Period means the period of 7 days commencing on the date of lodgement of this Prospectus with ASIC, as may be extended by ASIC by up to a further 7 days.

Facilitation Offer Application Form means the Facilitation Offer Application Form at Section 13.

Facilitation Offer means the offer of 8,750,000 New Shares to the Facilitators as set out in this Prospectus.

Facilitation Shares means the shares to be issued to the Facilitators.

Facilitators means Trident Capital, Taylor Collison and Ken Poutakidis.

FDA means Food and Drug Administration.

General Meeting means the meeting of the shareholders of the Company to approve the Resolutions, to be held on 17 December 2014.

GestSure means GestSure Technologies, Inc., a corporation based in Cambridge, MA USA.

GestSure MOU means the memorandum of understanding entered into between the Company and GestSure on 14 August 2014.

GestSure System means the software and hardware commercialised by GestSure Inc.

GST means goods and services tax levied in Australia pursuant to *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Incoming Directors means Frank Pertile and Matthew Morgan, further details of which are provided at Section 2.3.

Insolvency Event means the happening of any of the following events:

(a) in the case of a body corporate:

- (i) an administrator of the body corporate being appointed under the Corporations Act;
- (ii) the body corporate or a subsidiary executing a deed of company arrangement otherwise than for the purpose of an amalgamation or reconstruction;
- (iii) the entry by the body corporate into a scheme of arrangement or a composition with, or assignment for the benefit of, all or any class of creditors, or a moratorium involving any of them, otherwise than for the purpose of an amalgamation or reconstruction;
- (iv) the body corporate being insolvent within the meaning of section 95A(2) of the Corporations Act;
- (v) the body corporate being or stating that it is unable to pay its debts when they fall due;
- (vi) the appointment of a receiver or manager in respect of the body corporate or any part of its property;
- (vii) the making of a winding up order, or the passing or attempted passing of a resolution for winding up, in respect of the body corporate except for the purposes of an amalgamation or reconstruction;
- (viii) an application being made (which is not dismissed within 30 Business Days) for an order, resolution being passed or proposed, a meeting being convened or any other action being taken to cause anything described above other than for the purposes of an amalgamation or reconstruction;
- (ix) any valid enforcement of any security over any of the body corporate's assets; or
- (x) anything analogous to or of a similar effect to anything described above; and

(b) in relation to an individual:

- (i) the individual proposes or enters into a deed of arrangement, composition with or deed of assignment for the benefit of all or any of the individual's creditors or any class of creditors;
- (ii) the individual commits an act of bankruptcy; or
- (iii) anything analogous to or of a similar effect to anything described above.

Investigating Accountant means Bentleys Audit & Corporate (WA) Pty Ltd (ACN 121 222 802).

Issue means the issue of Shares in accordance with the Offers.

Listing Rules means the official rules of ASX.

Mach7 Technologies means Mach7 Technologies, Inc., a corporation based in South Burlington, Virginia USA.

Maximum Subscription means the raising of \$5,000,000 by the issue of 100,000,000 New Shares at \$0.05 each pursuant to the Public Offer under this Prospectus.

Minimum Subscription means the raising of \$3,000,000 by the issue of 60,000,000 New Shares at \$0.05 each pursuant to the Public Offer under this Prospectus.

New Shares means Shares issued under this Prospectus on a post-Consolidation basis.

Notice of Meeting means the notice of meeting and Explanatory Statement convening the General Meeting.

Offers means the Public Offer, the Vendor Offer, the Facilitation Offer and the Option Offer.

Offer Price means \$0.05 per share.

Official List means the official list of ASX.

Official Quotation means the quotation of the Company's Shares on the Official List.

Opening Date means the first date for receipt of completed Application Forms which is 9:00am WST on 2 December 2014 or other such date and time as the Directors determine.

Options means those options in the Company being the Tranche 1 Consideration Options and the Tranche 2 Consideration Options.

Option Offer means the issue of Tranche 1 Consideration Options and Tranche 2 Consideration Options to the 3D Medical Vendors.

Priority Offer means the priority offer incorporated in the Public Offer to Shareholders of Capitol Health of up to 40,000,000 Shares.

Priority Offer Record Date means the date indicated in the timetable set out on page 22 of this Prospectus.

Proposed Transaction means the proposal for the acquisition of shares in 3D Medical pursuant to the Share Sale and Purchase Agreement, as described in Section 7.2(g).

Prospectus means this prospectus dated 24 November 2014.

Public Offer Application Form means the Public Application Form at Section 10.

Public Offer means the issue of 60,000,000 New Shares, with provision for oversubscriptions up to the Maximum Subscription, as set out in this Prospectus.

Resolutions means the resolutions put to the shareholders of the Company at the General Meeting to, amongst other things, approve the acquisition of all of the shares in 3D Medical and the change in nature and scale of the activities of the Company, and the Consolidation.

Restricted Securities means Shares classified by ASX as being subject to the restriction provision of the Listing Rules of ASX.

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

Share Registry means Link Market Services Limited (ACN 083 214 537).

Share Sale and Purchase Agreement means the sale and purchase agreement entered into between the Company, the 3D Medical Vendors and 3D Medical on 6 October 2014.

Shareholder means the Company's existing shareholders at the date of this Prospectus.

SPP means the share purchase plan offered to existing Shareholders at \$0.002 (pre-Consolidation) to raise \$440,000 undertaken on 8 August 2014.

Sunset Date means 31 December 2014 or such other date as the parties agree in writing.

Taylor Collison means Taylor Collison Limited (ACN 008 172 450).

Taylor Collison Mandate means the agreement in respect of corporate advisory services being provided by Taylor Collison to the Company, as described in Section 7.2(j).

TGA means Therapeutic Goods Administration.

Tranche 1 Consideration Options means the (pre-Consolidation) 72,945,060 options to acquire a Share in the Company with an exercise price of \$0.005 per option and an expiry date of 18 months from the Completion Date to be issued to the 3D Medical Vendors, subject to consolidation in the same ratio which applies to the Consolidation.

Tranche 2 Consideration Options means the (pre-Consolidation) 43,486,387 options to acquire a Share in the Company with an exercise price of \$0.005 per option and an expiry date of 24 months from the Completion Date to be issued to the 3D Medical Vendors, subject to consolidation in the same ratio which applies to the Consolidation.

Trident Capital means Trident Capital Pty Ltd (ACN 100 561 733).

Trident Mandate means the agreement in respect of corporate advisory services being provided by Trident Capital to the Company, as described in Section 7.2(i).

USA means the United States of America.

Vendor Offer means the offer of 175,000,000 New Shares to 3D Medical Vendors as set out in this Prospectus.

Vendor Offer Application Form means the Vendor Offer Application Form at Section 12.

WST means Western Standard Time, Perth, Western Australia.



Safety Medical Products Limited

ABN 26 007 817 192

Broker Code

Adviser Code

Public Offer Application Form

This is an Application Form for Shares in Safety Medical Products Limited (Safety Medical) under the Public Offer on the terms set out in the Prospectus dated 24 November 2014. You may apply for a minimum of 40,000 Shares and multiples of 2,000 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (WST) on 19 December 2014**.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for at **A\$0.05** **B** Application Monies **A\$**

(minimum 40,000, thereafter in multiples of 2,000)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names) **+**

Applicant #1

Surname/Company Name

C

Title First Name Middle Name

Joint Applicant #2

Surname

Title First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

D

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

E

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here)

F **X** **+**

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

G

Cheques or bank drafts should be made payable to **"Safety Medical Products Limited"** in Australian currency and crossed "Not Negotiable".

Cheque or Bank Draft Number

BSB

Account Number

H -

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (WST) on 19 December 2014 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

SFP IPO001



Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Safety Medical Shares. Further details about the shares are contained in the Prospectus dated 24 November 2014 issued by Safety Medical. The Prospectus will expire 13 months after the date of this Prospectus. While the Prospectus is current, Safety Medical will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 40,000 Shares and thereafter in multiples of 2,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Safety Medical will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Safety Medical and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Safety Medical's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to "**Safety Medical Products Limited**" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (WST) on 19 December 2014 at:

Mailing Address

Safety Medical Products Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Safety Medical Products Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(do not use this address for mailing purposes)

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.



Safety Medical Products Limited

ABN 26 007 817 192

Broker Code

Adviser Code

Priority Offer Application Form

This is an Application Form for Shares in Safety Medical Products Limited (Safety Medical) under the Priority Offer on the terms set out in the Prospectus dated 24 November 2014. Only those Applicants that have received notification that they are eligible for the Priority Offer should use this Application Form. All other Applicants should use the Public Offer Application Form. You may apply for a minimum of 40,000 Shares and multiples of 2,000 thereafter. This Application Form and your cheque or bank draft must be received by **5:00pm (WST) on 19 December 2014**.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

A Shares applied for at **A\$0.05** **B** Application Monies **A\$**

(minimum 40,000, thereafter in multiples of 2,000) **+**

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

C Applicant #1 – Surname/Company Name

Title First Name Middle Name

Joint Applicant #2 – Surname

Title First Name Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

D TFN/ABN/Exemption Code Joint Applicant #2 Joint Applicant #3

TFN/ABN type – if NOT an individual, please mark the appropriate box ☐ Company ☐ Partnership ☐ Trust ☐ Super Fund

PLEASE COMPLETE ADDRESS DETAILS

E PO Box/RMB/Locked Bag/Care of (c/-)/Property name/Building name (if applicable)

Unit Number/Level Street Number Street Name

Suburb/City or Town State Postcode

Email address (only for purpose of electronic communication of shareholder information)

F CHESS HIN (if you want to add this holding to a specific CHESS holder, write the number here) **X** **+**

Please note: that if you supply a CHESS HIN but the name and address details on your Application Form do not correspond exactly with the registration details held at CHESS, your Application will be deemed to be made without the CHESS HIN and any Shares issued as a result of the Offer will be held on the issuer sponsored sub-register.

G Telephone Number where you can be contacted during Business Hours Contact Name (PRINT)

Cheques or bank drafts should be made payable to “**Safety Medical Products Limited**” in Australian currency and crossed “Not Negotiable”.

H Cheque or Bank Draft Number BSB - Account Number

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received before 5:00pm (WST) on 19 December 2014 to:
Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

SFP IPO002



Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Safety Medical Shares. Further details about the shares are contained in the Prospectus dated 24 November 2014 issued by Safety Medical. The Prospectus will expire 13 months after the date of this Prospectus. While the Prospectus is current, Safety Medical will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investment Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 40,000 Shares and thereafter in multiples of 2,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Safety Medical will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Safety Medical and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHESS participant or sponsored by a CHESS participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHESS for this HIN is different to the details given on this form, your Shares will be issued to Safety Medical's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
Make your cheque or bank draft payable to "**Safety Medical Products Limited**" in Australian currency and cross it "Not Negotiable". Your cheque or bank draft must be drawn on an Australian bank. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.
If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

LODGEMENT INSTRUCTIONS

This Application Form and your cheque or bank draft must be mailed or delivered so that it is received before 5:00pm (WST) on 19 December 2014 at:

Mailing Address

Safety Medical Products Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Hand Delivery

Safety Medical Products Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(do not use this address for mailing purposes)

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CORRECT FORMS OF REGISTRABLE NAMES

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Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

**Vendor Offer Form,
Facilitation Offer Form and
Option Offer Form are in relation to the
Share Sale Agreement**

**Do Not complete these forms if you are a
Public Offer or Priority Offer participant.**

Guide to the Application Form

This Application Form relates to the offer of Shares in Safety Medical Products Limited pursuant to the Prospectus dated 24 November 2014. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of Safety Medical Products Limited and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable), and an Application Form on request and without charge.

Please complete the all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars in the correct forms of registrable titles to use on the Application Form are contained in the table below.

A Insert the number of Shares you wish to apply for. The Application must be for a minimum of 40,000 Shares and thereafter in multiples of 2,000 Shares.

B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by 5 cents.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable please enter the TFN for each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation for your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the Shares Registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G Safety Medical Products Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

H Please complete cheque details as requested.

Make your cheque payable to "Safety Medical Products Limited" in Australian currency and cross it "Not Negotiable" Your cheque must be drawn on an Australian Bank, and the amount should agree with the amount shown in section B.

Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for shares in Safety Medical Products Limited upon and subject to the terms of this Prospectus, and agrees to take any number of Shares equal to or less than the number of Shares indicated in Section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Applications: Return your completed Application Form with cheque(s) attached to:

By post or in Person to:

Link Market Services Limited
Level 4, Central Park
152 St Georges Terrace
PERTH WA 6000

Application Forms must be received no later than the 19 December 2014 which may be changed immediately after the Opening Date at any time at the discretion of the Company

Correct form of Registrable Title

Note that only legal entities are allowed to hold Shares and Options. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Safety Medical Products Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual - Use Names in full, no initials	Mr John Alfred Smith	JA Smith
Minor (a person under the age of 18) Use the name of a responsible adult, do not use the name of a minor.	John Alfred Smith < Peter Smith >	Peter Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith < Sue Smith Family A/C >	Sue Smith Family Trust
Deceased Estates - Use executor(s) person name(s), do not use the name of the deceased	Ms Jane Smith < Est John Smith A/C >	Estate of Late John Smith
Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith < John Smith and Son A/C >	John Smith and Son

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B Insert the relevant account Application Monies. To calculate your Application Monies, add the number of Shares applied for multiplied by 5cents.

C Write the full name you wish to appear on the statement of shareholdings. This must be either your own name or the name of the Company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that presently registered in the CHES system.

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G Safety Medical Products Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of ASX Limited. In CHES, the Company will operate an electronic CHES subregister of securities holdings and an electronic issuer sponsored subregister of securities holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to applicants in respect of securities allotted.

If you are CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this Application in uncertified form on the CHES subregister, complete Section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave Section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For Further information refer to the relevant section of the Prospectus.

H Please complete cheque details as requested.

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Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts - Use trustee(s) personal name(s), do not use the name of the trust	Mrs Sue Smith < Sue Smith Family A/C >	Sue Smith Family Trust
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O Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

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Partnerships - Use partners personal names, do not use the name of the partnership	Mr John Smith & Mr Michael Smith < John Smith and Son A/C >	John Smith and Son

CORPORATE DIRECTORY

DIRECTORS

Peter Christie (Non-Executive Director)
 Stephen Hewitt-Dutton (Non-Executive Director)
 Simon Jenkins (Non-Executive Director)

PROPOSED DIRECTORS

Matthew Morgan (Non-Executive Chairman)
 Frank Pertile (Non-Executive Director)

CHIEF EXECUTIVE OFFICER

Max Ghobrial

COMPANY SECRETARY

Deborah Ho

PROPOSED COMPANY SECRETARY

Andrew Metcalfe

REGISTERED OFFICE

Level 24, St Martins Tower
 44 St Georges Terrace
 PERTH WA 6000
 Telephone: +61 8 6211 5099

SHARE REGISTRY

Link Market Services Limited
 Central Park Level 4,
 152 St Georges Terrace,
 PERTH WA 6000

AUDITOR

Bentleys Audit & Corporate (WA) Pty Ltd
 Level 1, 12 Kings Park Road
 WEST PERTH WA 6872

CORPORATE ADVISOR

Trident Capital
 Level 24, 44 St Georges Terrace
 PERTH WA 6000

SOLICITORS

Price Sierakowski Corporate
 Level 24, St Martins Tower
 44 St Georges Terrace
 PERTH WA 6000

INVESTIGATING ACCOUNTANTS

Bentleys Audit & Corporate (WA) Pty Ltd
 Level 1, 12 Kings Park Road
 WEST PERTH WA 6872

BROKER TO THE ISSUE

Taylor Collison Limited
 Level 10
 167 Macquarie Street
 SYDNEY NSW 2000
 Telephone: +61 2 9377 1500

ASX CODE

SFP

WEBSITE

www.safemed.com.au
www.3dmedical.com.au