



# Prospectus

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Exalt Resources Limited (to be renamed MedAdvisor Limited) ACN 145 327 617

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Lead Manager



## Exalt Resources Limited, to be renamed MedAdvisor Limited

ACN 145 327 617

### Prospectus

For the offer of up to 166,666,667 Shares at an issue price of \$0.03 per Share to raise up to \$5,000,000 (**Public Offer**).

This Prospectus also contains an offer of:

- (a) the Consideration Securities to the MedAdvisor Shareholders (**Consideration Offer**);
- (b) the MedAdvisor Noteholder Shares to the MedAdvisor Noteholders (**MedAdvisor Noteholder Offer**);
- (c) the MMG Performance Shares to MMG (**MMG Offer**);
- (d) the Read Rights to Mr Robert Read (or his nominee) (**Read Offer**);
- (e) the Converting Loan Shares to the Company Lenders (**Company Loan Offer**);
- (f) the Bennetto Options to Mr Peter Bennetto (or his nominee) (**Bennetto Offer**); and
- (g) the Brockhurst Shares to Mr Stephen Brockhurst (or his nominee) (**Brockhurst Offer**),

(together, the **Secondary Offers**).

The Offers are scheduled to close at 5.00pm (WST) on 9 October 2015 unless extended or withdrawn. Applications must be received before that time to be valid.

Completion of the Offers is conditional upon satisfaction of the Conditions, which are detailed further in Section 2.5 of the Prospectus. No Securities will be issued pursuant to this Prospectus until such time as the Conditions are satisfied.

### Important Information

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus are subject to certain risks as set out in Section 7.**

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# 1. Corporate Directory

## Existing Directors

Mr Peter Bennetto  
(Non-executive Chairman)

Mr Stephen Brockhurst<sup>1</sup>  
(Non-executive Director)

Mr Peter Dykes<sup>1</sup>  
(Non-executive Director)

## Incoming Directors

Mr Robert Read  
(Executive Director and CEO)

Mr Josh Swinnerton  
(Executive Director and CTO)

Mr Jim Xenos  
(Non-executive Director)

## Company Secretary

Mr Stephen Brockhurst

## Proposed Joint Company Secretaries

Mr Carlo Campiciano

Mr Stephen Brockhurst

## Lead Manager

Peloton Capital Pty Ltd  
Level 5, 56 Pitt St  
SYDNEY NSW 2000

## ASX Code:

ERD

## Proposed ASX Code:

MDR

## Share Registry<sup>2</sup>

Computershare Investor Services Pty Limited  
Yarra Falls,  
452 Johnston Street  
ABBOTSFORD VIC 3067

## Registered Office

The Company  
Level 11, 216 St Georges Terrace  
PERTH WA 6000

Telephone: +61 (8) 9481 0389  
Facsimile: +61 (8) 9463 6103  
Email: [info@exaltresources.com.au](mailto:info@exaltresources.com.au)  
Website: [www.exaltresources.com.au](http://www.exaltresources.com.au)

MedAdvisor  
Unit 4  
22 Council Street  
HAWTHORN EAST VIC 3123

Telephone: +61 (3) 9095 3036  
Facsimile: +61 (3) 9882 3317  
Email: [corporate@medadvisor.com.au](mailto:corporate@medadvisor.com.au)  
Website: [www.medadvisor.com.au](http://www.medadvisor.com.au)

## Investigating Accountant

RSM Bird Cameron Corporate Pty Ltd  
21/55 Collins Street  
MELBOURNE VIC 3000

## The Company's Legal Advisers

Steinepreis Paganin  
The Read Buildings  
Level 4, 16 Milligan Street  
PERTH WA 6000

## MedAdvisor's Legal Advisers:

HWL Ebsworth  
Level 26  
530 Collins Street  
MELBOURNE VIC 3000

## Auditor<sup>2</sup>

Hall Chadwick  
Level 29, 31 Market Street  
SYDNEY NSW 2000

<sup>1</sup> To resign on Settlement of the Acquisition. <sup>2</sup> These entities have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

## 2. Important Notice



### 2.1 General

This Prospectus is dated 8 September 2015 and was lodged with the ASIC on that date. The ASX, ASIC and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No person is authorised to give information or to make any representation in connection with the Offers, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by Exalt Resources Limited (the **Company**) in connection with this Prospectus. You should rely only on information in this Prospectus. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus are subject to certain risks as set out in Section 7.

### 2.2 Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to applying for Securities. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. Applications for Securities under the Secondary Offers set out in this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

### 2.3 Re-compliance Prospectus

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

### 2.4 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for Securities under this Prospectus.



## 2.5 Conditional Offers

The Offers are conditional on:

- (a) the passing of all of the Essential Resolutions that are being put to Shareholders at the General Meeting; and
- (b) ASX conditional approval to re-admit the Shares to Official Quotation.

Accordingly, the Offers under this Prospectus are effectively inter-conditional on the successful completion of each other part of the Acquisition.

In the event that Shareholders do not approve all of the Essential Resolutions at the General Meeting, the Offers will not proceed and no Securities will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their Application monies (without interest).

## 2.6 Expiry Date

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

## 2.7 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'intends' and other similar words that involve risks and uncertainties.

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

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

Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus, can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

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

The forward looking statements contained in this Prospectus are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Sections 5D and 7 of this Prospectus.

## 2.8 Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties collect, hold and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offers, including processing your acceptance of the Offers and complying with applicable law, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Public Authority.

If you do not provide the information required in the Application Form, the Company may not be able to accept or process your acceptance of the Offers.

If the Offers are successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of Shareholders, including bidders for your securities in the context of takeovers, Public Authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the Privacy Act 1988 (Cth) and all other legal requirements. If obliged to do so by law or any Public Authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the date of this Prospectus, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory in Section 1 of this Prospectus. A fee may be charged for access.

## 2.9 Web Site – Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at [www.exaltresources.com.au/](http://www.exaltresources.com.au/) or the website of MedAdvisor at <http://medadvisor.com.au/Investors/Prospectus>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

There is no facility for the Offer to be accepted electronically or by applying online. Securities will not be issued under the electronic version of the Prospectus. 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 a complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company.

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

## 2.10 Defined terms

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 15 of this Prospectus.

## 2.11 Time

All references to time in this Prospectus are references to Australian Western Standard Time.

## 2.12 Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section 5D of the Investment Overview and Section 7 of this Prospectus for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

## 2.13 Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offers, please call the Company Secretary, Stephen Brockhurst on +61 (8) 9481 0389.



### 3. Indicative Timetable\*

Despatch of Notice of General Meeting	26 August 2015
Lodgement of Prospectus with the ASIC	8 September 2015
Opening Date of the Public Offer	8 September 2015
Opening Date of the Secondary Offers	15 September 2015
General Meeting held to approve the Acquisition	25 September 2015
Closing Date	9 October 2015
Issue of Securities under the Offers and Settlement of the Acquisition^	16 October 2015
Despatch of holding statements	21 October 2015
Re-compliance with Chapters 1 and 2 of the ASX Listing Rules	28 October 2015
Re-quotation of Shares (including Shares issued under the Offers) on ASX	5 November 2015

*\* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to Applicants.*

*^ The above stated date for Settlement of the Acquisition is only a good faith estimate by the Directors and may have to be extended.*

## 4. Letter From Chairman

Dear investor,

It gives me great pleasure to bring the merger of Exalt Resources Limited and MedAdvisor International Pty Ltd to investors. The Company's board has undertaken analysis of several potential investments over the past 18 months and is delighted to propose and commend the MedAdvisor transaction to you.

MedAdvisor has built a unique healthcare software platform that improves medication adherence. Medication adherence is one of the biggest burdens on the Australian healthcare system, with substantial amounts spent every year on preventable hospitalisations alone, along with other significant costs to patients and the government. Medication adherence is typically poor, meaning patients are missing significant parts of the dosages that their doctors have prescribed.

MedAdvisor is a genuinely exciting Australian technology company. Its software platform allows pharmacists and pharmaceutical manufacturers to connect with their patients, and assists patients to easily and correctly take their medication. The app has been downloaded more than 90,000 times and has over 88,000 active users today. It is the most downloaded medication-related app in Apple and Android stores in Australia.

MedAdvisor offers compelling advantages to pharmacists, who benefit from increased revenue as patients are reminded to fill prescriptions or see their doctor for a new script. Pharmaceutical manufacturers, including GlaxoSmithKline, AstraZeneca, UCB and Actavis/Allergan, are utilising MedAdvisor's platform to ensure their drugs are taken appropriately through training and adherence campaigns aimed only at those using their drugs.

MedAdvisor is seeking to raise capital of up to \$5 million to address a global opportunity. The funding will be used to enhance the Company's marketing efforts to attract a significant number of new customers and allow for the development of exciting new initiatives, including building and launching its general practitioner services offering. Funding will also be allocated to explore new markets both domestically and overseas.

Upon completion of the Public Offer, new Shareholders will hold approximately 25% of the issued capital in the Company based on a capital raising of \$5 million (being the full subscription in respect of the Public Offer).

This Prospectus contains detailed information about MedAdvisor, the Public Offer (and the Secondary Offers), the industry in which MedAdvisor operates and the potential of the business in Australia and abroad.

On behalf of my fellow Directors, I welcome your support to set the Company on a value-building course.



Yours sincerely  
**Mr Peter Bennetto**  
 Chairman  
 Exalt Resources Limited

## 5. Investment Overview

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further Info
<b>A. Company</b>		
Who is the issuer of this Prospectus?	Exalt Resources Limited (ACN 145 327 617) (ASX: ERD), to be renamed (subject to Shareholder approval) MedAdvisor Limited (ASX:MDR)	
Who is the Company?	<p>The Company listed on the ASX on 26 May 2011 for the primary purpose of identifying exploration projects in Australia with the aim of discovering commercially significant mineral deposits.</p> <p>Since listing, the Company has focussed on mineral exploration and its principal activity has been exploration for iron on its Mineral Hill South Mining Project in New South Wales.</p> <p>For the past 12 months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas. On 11 June 2015, the Company announced that it had entered into a heads of agreement with MedAdvisor International Pty Ltd (ACN 161 366 589) (<b>MedAdvisor</b>) and the founding shareholders of MedAdvisor to acquire 100% of the issued capital of MedAdvisor (<b>HOA</b>).</p>	Section 6.1
How will the Acquisition be implemented?	<p>The Company has called the General Meeting, to be held on 25 September 2015, to seek the approval of its Shareholders to the change in focus from its mineral exploration project in Australia to a technology company which will design, develop, market and service software for personal medication management.</p> <p>At the General Meeting, Shareholders will consider resolutions relating to the change in the nature and scale of the Company's activities, as well as resolutions required for Settlement of the Acquisition and undertaking the Offers.</p> <p>It is the current intention of the Board and the Proposed Directors to divest the Company's interests in the Mineral Hill South Mining Project following Settlement of the Acquisition and to focus on developing and commercialising MedAdvisor's software platform for personal medication management. As such, the Mineral Hill South Mining Project is not considered material in the context of the Offers.</p> <p>The Company proposes to change its name to "MedAdvisor Limited" on Settlement of the Acquisition, which in the Incoming Directors' opinion will be better suited to the Company's new strategic direction.</p>	Sections 6.4, 12.2 and 12.3

Item	Summary	Further Info
Who is MedAdvisor?	MedAdvisor is a technology company based in Australia engaged in the business of designing, developing and marketing a software platform that assists individuals in correctly using medication via a “virtual pharmacist” using smartphones, tablets or personal computers ( <b>Platform</b> ). MedAdvisor owns a number of trademarks and intellectual property rights to allow development and expansion of the Platform.	Section 6.3
<b>B. Business Model</b>		
How will the Company generate income?	<p>Following Settlement of the Acquisition MedAdvisor will generate income through the provision of its Platform for personal medication management to consumers, as set out below:</p> <ul style="list-style-type: none"> <li>(a) <b>Pharmacy Subscription</b> - Pharmacies pay a flat monthly fee to offer the MedAdvisor service, regardless of patient numbers they activate – designed to encourage as many patient activations as possible.</li> <li>(b) <b>Training &amp; Adherence</b> – By using the Platform to deliver training and adherence messaging directly to patients. The messaging service “MedAdvisor Training and Adherence Campaigns” (<b>MTAC</b>) allows pharmaceutical manufacturers to deliver a series of messages to patients to train them on all aspects of proper medication use. Major manufacturers are already subscribing to services for one or more products (GSK, UCB, AstraZeneca, Actavis/Allergan) and pay fees to MedAdvisor for these services.</li> <li>(c) <b>Premium Listings</b> - Similar to classifieds, branded pharmaceutical manufacturers will also pay annual fees for premium listing of their products on the Platform to provide a branding boost.</li> <li>(d) <b>GP Revenue Streams</b> - MedAdvisor has commenced design and development for a major new initiative connecting general practitioners (<b>GPs</b>) to the Platform. These revenue streams will be annuity style income streams, which will likely comprise of introduction fees, fees for HMRs and fees for script generation. MMG will be the initial primary source for the MedAdvisor’s access to GPs and has entered into the MMG Agreement for this purpose under which it is incentivised for introducing GPs to the Platform..</li> <li>(e) <b>International</b> - As the Incoming Directors believe the Platform is innovative technology and design, opportunities exist to export the Platform into other markets. Initially market opportunities in English speaking countries will be assessed before opportunities in non-English speaking countries are considered.</li> </ul>	Section 6.3
What are the key business strategies of the Company?	Upon successful Settlement of the Acquisition, the Company will focus on further development of the Platform.	Sections 6.1, 6.3 and 6.4

Item	Summary	Further Info
What are the key dependencies of the Company's business model?	<p>The key factors that the Company will depend on to meet its objectives are:</p> <ul style="list-style-type: none"> <li>the successful completion of the Acquisition;</li> <li>the ability to protect its intellectual property in the Platform;</li> <li>the continuing ability of the Company to attract customers to the Platform; and</li> <li>continued access to prescription data through pharmacy dispense systems.</li> </ul>	Section 6.7
<b>C. Key Investment Highlights</b>		
What are the key investment highlights?	<p>The Existing Directors and Incoming Directors are of the view that the key highlights of an investment in the Company include:</p> <ul style="list-style-type: none"> <li>(a) an investment in innovative technology that has already demonstrated its ability to be a leading healthcare platform for pharmacists and patients despite limited marketing spend;</li> <li>(b) potential future revenue growth from linking GPs with pharmacists and patients in a user friendly platform that streamlines workflows and makes patients' lives easier and improves health outcomes; and</li> <li>(c) an investment in a company with a proven track record of improving patient medication adherence across large patient populations. Non-adherence of medication is one of the biggest addressable health issues which dramatically increases healthcare costs. The Platform has the ability to add value to the healthcare system and pharmaceutical companies;</li> <li>(d) international expansion opportunities exist for the Company leveraging the technology in larger markets; and</li> <li>(a) a strong management team that can lead the Company through the next phase of its growth.</li> </ul>	Section 6.2

Item	Summary	Further Info
<b>D. Key Risks</b>		
What are the key risks of an investment in the Company?	<p>The business, assets and operations of the Company, including after Settlement of the Acquisition, are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the Securities of the Company.</p> <p>The Incoming Directors aim to manage these risks by carefully planning the Company's activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.</p> <p>Based on the information available, the key risk factors affecting the Company include:</p> <p>(a) <b>Limited operating history:</b> MedAdvisor was incorporated in 2012 and has limited operating history. MedAdvisor's limited operating history may not provide a meaningful basis for investors to evaluate the business, financial performance and prospects of the Company post-Acquisition. Accordingly, investors should not rely on financial performance information for any prior periods as an indication of future performance. Investors should consider MedAdvisor's business and prospects in light of the risks, uncertainties, expenses and challenges that the business may face as an early-stage business. Going forward, the Company may not be successful in addressing the risks and uncertainties that may arise and which may materially and adversely affect MedAdvisor's business prospects.</p> <p>(b) <b>Competition and new technologies:</b> The industry in which MedAdvisor is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. Following Settlement, 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, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the MedAdvisor Platform not being differentiated to other similar offerings.</p> <p>Should new or existing competitors introduce new or enhanced technology that quickly gains market share this could have a negative impact on the prospects of MedAdvisor.</p>	Section 7



Item	Summary	Further Info
	<p>(c) <b>Sales and marketing success:</b> Following Settlement, the Company intends to focus on Platform development and marketing. By its nature, there is no guarantee that the Platform's development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the "MedAdvisor" Platform. This would likely have an adverse impact on the Company's potential profitability. Even if the Company does successfully commercialise the MedAdvisor Platform, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.</p> <p>(d) <b>Attracting customers to the Platform:</b> MedAdvisor's revenue will be affected by its ability to attract customers to the Platform. Various factors can affect the level of customers using the MedAdvisor Platform, including:</p> <ul style="list-style-type: none"> <li>(i) Marketing and promotions: If MedAdvisor's marketing and promotion efforts are not effective this may result in fewer customers using the MedAdvisor Platform.</li> <li>(ii) Brand damage: If the Company or MedAdvisor suffer from reputational damage, customer numbers could be affected.</li> <li>(iii) GP and pharmacy recruitment: MedAdvisor is party to various agreements under which third parties will seek to recruit pharmacies and GPs to the MedAdvisor Platform. The parties may have limited success in recruiting GPs and pharmacies to use the MedAdvisor Platform which may result in reduced revenue for the Company.</li> </ul> <p>(e) <b>Continued Access to Prescription Data:</b> the access to a patients prescription data is critical to the ongoing success of MedAdvisor's business. Access to the data is dependent on permissions given by both the pharmacy and the patient. At present there are no legal impediments to accessing the data as long as MedAdvisor has the necessary consents from both the pharmacist and the patient and MedAdvisor continues to comply with requirements of the Privacy Act 1988 (Cth).</p> <p>(f) <b>Contractual Risk:</b> MedAdvisor has a significant number of shareholders and each will be required to enter into a formal sale agreement to give effect to the Acquisition. If any individual shareholder fails to enter into the sale agreement the Acquisition may not be able to proceed. It is intended that the Company acquires 100% of the share capital of MedAdvisor to complete the Acquisition.</p> <p>For additional specific risks associated with the contemplated Acquisition please refer to Sections 7.2 and 7.3 and for other general investment risks, many of which are largely beyond the control of the Company and its Directors please refer to Section 7.4.</p>	

Item	Summary	Further Info
<b>E. Directors and Key Management Personnel</b>		
Who are the Existing Directors and Incoming Directors?	<p>It is proposed that upon Settlement of the Acquisition:</p> <p>(a) Robert Read, Josh Swinnerton and Jim Xenos will be appointed to the Board;</p> <p>(b) Peter Bennetto will remain on the Board in his current role;</p> <p>(c) Stephen Brockhurst and Peter Dykes will resign from the Board; and</p> <p>(d) Carlo Campiciano (CFO of MedAdvisor) will be appointed Company Secretary and continue in the role of CFO.</p> <p>The profiles of each of the Incoming Directors are set out in Section 8.1. Details of the personal interests of each of the above individuals are set out in Section 8.4.</p>	Sections 8.1 to 8.4
<b>F. Financial Information</b>		
How has ERD been performing?	<p>The historical financial information of the Company and MedAdvisor as at 30 June 2013, 30 June 2014 and 30 June 2015 are set out in the Investigating Accountant's Report in Section 9.</p> <p>The reviewed pro forma statement of financial position for ERD as at 30 June 2015 is set out in the Investigating Accountant's Report in Section 9.</p>	Sections 6.10 and 9
What is the key financial information for the Company?	<p>Refer to the Investigating Accountant's Report in Section 9 for a discussion in respect of the key financial information of the Company in connection with the Acquisition.</p> <p>Investors should note that past performance is not a guide to future performance.</p>	Section 9
How will the Company fund its activities?	Following Settlement of the Acquisition, the funding for the Company's short to medium term activities will be generated from a combination of its operating cash flows, the money raised under the Public Offer and existing cash reserves of the Company post-Acquisition.	Section 6.8

Item	Summary	Further Info
<b>G. Offers</b>		
What is the purpose of the Public Offer?	<p>The purpose of the Public Offer is:</p> <ul style="list-style-type: none"> <li>(a) to fund the ongoing immediate working capital needs of the Company;</li> <li>(b) the objectives set out below in Section 6.3; and</li> <li>(c) to meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules.</li> </ul> <p>The purpose of the Public Offer is also to provide sufficient additional working capital to meet the Company's anticipated overhead and administration expenses over the next 24 months. On completion of a minimum raising of \$3,000,000 under the Public Offer, the Board believes the Company will have sufficient working capital to achieve these objectives. The total raising under the Public Offer is for \$5,000,000.</p> <p>The Company intends to apply funds raised from the Public Offer, together with existing cash reserves of the Company post-Acquisition, over the first two years following reinstatement of the Company to quotation on the official list of ASX in the manner set out in the table in Section 6.9.</p>	Sections 13.2 and 6.9
What are the purposes of the Secondary Offers?	The purposes of the Secondary Offers are to remove the need for an additional disclosure document to be issued upon the sale of any Shares, Read Rights, Options or Performance Shares (or any Shares issued upon conversion of the Read Rights, Performance Shares or Options) that are issued under the Secondary Offers.	Section 13
What is being offered and who is entitled to participate?	<p>The Public Offer is for up to 166,666,667 Shares at an issue price of \$0.03 per Share to raise up to \$5,000,000.</p> <p>The Public Offer is open to retail and sophisticated investors in Australia. However, pharmacists and GPs will be given preference in the allocation of Shares under the Public Offer. As such, the Company is not in a position to guarantee a minimum allocation of Shares under the Public Offer.</p> <p>The Secondary Offers are made to the MedAdvisor Shareholders, MMG, Robert Read, the lenders under the Converting Loan Agreements, the MedAdvisor Noteholders, Peter Bennetto and Stephen Brockhurst respectively (or their nominees). You should not complete an Application Form in relation to the Secondary Offers unless specifically directed to do so by the Company.</p>	Section 13

Item	Summary				Further Info
What will the Company's capital structure look like after completion of the Offers and the Acquisition?		Shares	Options	Performance Shares	Section 6.12
	Current	85,250,406	16,008,568	-	
	Consideration Securities	385,064,105	-	195,000,000	
	Public Offer (assuming a raising of \$5,000,000)	166,666,667	-	-	
	MedAdvisor Noteholder Shares (excluding Shares issued in conversion of interest accrued)	41,666,667	-	-	
	MMG Performance Shares	-	-	55,000,000	
	Issue of Shares to Mr Stephen Brockhurst	1,000,000	-	-	
	Issue of Converting Loan Shares (excluding Shares issued in conversion of interest accrued)	9,523,810			
	Bennetto Options		10,000,000		
	Lead Manager Options		25,000,000		
TOTAL	689,171,655	51,008,568	250,000,000		
In addition, Mr Robert Read (proposed CEO and Executive Director following Settlement) will be issued 42,500,000 Read Rights which may convert into Shares on a one for one basis upon satisfaction of specified milestones (the terms of which are summarised in Section 12.8).					
What are the terms of the Securities offered under the Offers?	A summary of the material rights and liabilities attaching to: (a) the Shares offered under the Offers are set out in Section 12.5; (b) the Founder Performance Shares offered under the Consideration Offer are set out in Section 12.6; (c) the MMG Performance Shares offered under the MMG Offer are set out in Section 12.7; (d) the Read Rights issued under the Read Offer is set out in Section 12.8; and (e) the Bennetto Options issued under the Bennetto Offer is set out in Section 12.9.				Sections 12.5 to 12.9

Item	Summary	Further Info
Will any Securities be subject to escrow?	<p>Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, certain Securities (including some of those issued to shareholders of MedAdvisor as consideration for the Acquisition) to be issued may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.</p>	Section 6.14
Will the Securities be quoted?	<p>Application for quotation of all Shares to be issued under the Offers (other than those subject to escrow) will be made to ASX no later than 7 days after the date of this Prospectus.</p> <p>The Founder Performance Shares, MMG Performance Shares, Read Rights and Bennetto Options will not be quoted. However, the Shares issued upon conversion of those Securities will be quoted (subject to any ASX imposed escrow).</p>	Section 13.7
What are the key dates of the Offer?	The key dates of the Offers are set out in the indicative timetable in Section 3.	Section 3
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (66,667 Shares) and thereafter, in multiples of \$200 worth of Shares (6,667 Shares).	Section 13.1(b)
Are there any conditions to the Offers?	<p>The Offers are conditional on:</p> <p>(a) Shareholders approving the Essential Resolutions required to implement the Acquisition; and</p> <p>(b) ASX conditional approval to re-admit the Shares to Official Quotation.</p> <p>If any of these Conditions are not satisfied, the Acquisition and the Offers will not proceed.</p>	Section 2.5

Item	Summary	Further Info
<b>H. Use of proceeds</b>		
How will the proceeds of the Public Offer be used?	<p>Together with existing cash reserves of the Company, the Public Offer proceeds will be used to fund:</p> <ul style="list-style-type: none"> <li>(a) expenses of the Offers and Acquisition;</li> <li>(b) MedAdvisor business development;</li> <li>(c) customer training and support;</li> <li>(d) marketing of the Platform (including international expansion depending on the amounts raised); and</li> <li>(e) working capital needs of the Company.</li> </ul>	Sections 6.9 and 12.13
<b>I. Additional information</b>		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offers.	
What are the tax implications of investing in Securities?	<p>Holders of Securities may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Securities issued under this Prospectus.</p> <p>The tax consequences of any investment in Securities will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Securities offered under this Prospectus.</p>	Section 13.4
Where can I find more information?	<ul style="list-style-type: none"> <li>• By speaking to your sharebroker, solicitor, accountant or other independent professional adviser</li> <li>• By reviewing the Company's public announcements, which are accessible from ASX's website at <a href="http://www.asx.com.au">http://www.asx.com.au</a> under the ASX code "ERD"</li> <li>• By visiting the Exalt Resources Limited's website at <a href="http://www.exaltresources.com.au">http://www.exaltresources.com.au</a></li> <li>• By visiting MedAdvisor's website at <a href="http://www.medadvisor.com.au">www.medadvisor.com.au</a></li> <li>• By contacting the Company Secretary on +61 (8) 9481 0389</li> <li>• By contacting the Share Registry on +61 (3) 9415 4000 (international) or 1300 850 505 (within Australia).</li> </ul>	





## 6. Company Overview

### 6.1 Business Overview

Since listing, the Company has primarily focused on mineral exploration in Australia. Further information can be found on the Company's website, <http://www.exaltresources.com.au>.

For the past 12 months, the Company has been evaluating alternative corporate opportunities, both in Australia and overseas.

As announced on 11 June 2015, the Company has entered into a heads of agreement (HOA) with MedAdvisor and the founding shareholders of MedAdvisor (**Founders**) under which the Company has a conditional right to acquire 100% of the issued capital of MedAdvisor (**Acquisition**). A summary of the material terms of the HOA is set out in Section 11.1.

Upon successful Settlement of the Acquisition, the Company will focus on developing the Platform. The Board is of the opinion that the opportunity presented under the Acquisition represents an opportunity that is in the best interest of current Shareholders of the Company.

### 6.2 Key investment highlights

The Existing Directors and Incoming Directors are of the view that key highlights of an investment in the Company include:

- (a) an investment in innovative technology that has already demonstrated its ability to be the leading healthcare platform for pharmacists and patients despite limited marketing spend;
- (b) potential future revenue growth from linking GPs with pharmacists and patients in a user friendly platform that streamlines workflows and makes patients' lives easier and improve health outcomes; and

- (c) an investment in a company with proven track record of improving patient medication adherence across large patient populations. Non adherence of medication is one of the biggest addressable health issues which dramatically increases healthcare costs. The Platform has the potential to add substantial value to the healthcare system and pharmaceutical companies; and
- (d) international expansion opportunities exist for the Company leveraging the technology in larger markets; and
- (e) a strong management team that can lead the Company through the next phase of its growth.

## 6.3 MedAdvisor

### (a) Industry Overview and Background

MedAdvisor operates in the electronic health (**e-health**) and mobile health (**m-health**) industries. “e-health” broadly refers to the use of information and communications technologies in healthcare, while “m-health” specifically concerns the use of mobile devices for healthcare, especially smart phones and tablets.

E-health and m-health are among the most rapidly growing sectors of the information and communications technology industry. e-health is expected to grow globally to \$160 billion in 2015, from \$96 billion in 2010, while m-health is projected to grow globally to \$20.7 billion by 2018. Statistics suggest that over 90% of the Australian adult population are in possession of a smart phone or tablet device; a proliferation which has increased dramatically in a short period of time.

MedAdvisor has a specific focus on the use of internet and mobile technologies for improved patient medication management and adherence.

Poor medication adherence has been identified as one of the most significant and costly problems faced by governments and major healthcare providers across developed nations. Poor adherence is a major contributor to poor health outcomes for patients and is widely considered to be a ‘preventable’ healthcare issue.

Major studies show that approximately only half of all medication prescribed is actually purchased and/or taken correctly. Beyond poorer health outcomes for patients, this results in significant lost revenue for pharmaceutical manufacturers and pharmacies. Globally, medication non-adherence leads to more costly medical services for governments, in particular, avoidable hospitalisation and GP visits.

The MedAdvisor Platform is a cloud based software platform that assists individuals in correctly using their medication via a ‘virtual pharmacist’, using smartphones, tablets or PCs. The MedAdvisor Platform, which is free to patients, connects to pharmacy dispensing systems to automatically retrieve medication records, driving an intelligent training, information and reminder system to ensure correct and reliable medication use.

The Platform has dramatically improved health outcomes for users. Users become more compliant as the Platform automatically assists them in taking their medication safely, effectively and on time. Results of a recent study undertaken by MedAdvisor showed a 17 per cent improvement in adherence of MedAdvisor users compared with those not using MedAdvisor across a range of common long-term medications. Improvements in patient medication adherence are brought about via the Platform’s key features:

- (i) a complete list of each user’s prescription medications, including details of scripts and repeats, supply remaining (days), details of the medicine and medication images;

- (ii) automatic reminders to fill repeat scripts (Fill-My-Scripts) and see the doctor for new scripts (See-My-Doctor), with follow-up 'chase' messages where required;
- (iii) Tap-To-Refill ordering, where patients can order their scripts to be prepared ahead of their pharmacy visit to avoid any waiting;
- (iv) dose reminders that prompt patients to take medication at certain times of the day (Take-My-Meds);
- (v) full training and information about a user's medication, including custom training programs for certain medications where supported by the manufacturer;
- (vi) carer mode, allowing users to take medication of those they care for, including children, spouses or elderly parents from within their own account; and
- (vii) pharmacy co-branding and contact information. MedAdvisor acts as a communication platform between a pharmacy and their patients/customers, with inbuilt co-branding, all the pharmacy's contact information and opening hours, and broadcast and two-way messaging capabilities.

Together, these tools offer users a complete medication aid that organises the patient's daily use of medication, coaches them to complete important regular tasks (like repeat fills and schedule doctor's visits for replacement scripts) and educates them on their medications.

By allowing patients to reorder their medication from their favourite pharmacy at the tap of a button, the Platform reduces wait times and improves work flows at the pharmacy.

The Platform was the most downloaded pharmacy or medication-related app in Apple and Android stores in Australia in 2014 and 2015 (to date). In addition, nearly a quarter of all Australian pharmacies subscribe to the Platform.

MedAdvisor is backed by a strong executive team with a successful track record in management and extensive experience in developing major e-health and m-health software systems for Australian and US clients.

MedAdvisor has formed important sales and marketing partnerships with Apotex, Bupa and the Pharmacy Guild of Australia's GuildLink subsidiary, and has training and service contracts with a number of top tier global pharmaceutical companies.

Revenues in the period since the incorporation of MedAdvisor to the end of the 2014 financial year were mainly derived from license fees paid to MedAdvisor by Actavis under the co-marketing and distribution agreement (summarised in Section 11.6). In August 2014 Actavis relinquished its exclusive distribution rights under the co-marketing and distribution agreement, which had the effect of relieving Actavis of its obligations to pay MedAdvisor for a minimum number of pharmacy subscriptions from August 2014.

Following an initial free trial period revenues began to be generated from pharmacies paying subscriptions to access the MedAdvisor Platform in October 2014. Since the start of the paid subscription period MedAdvisor have seen strong growth in pharmacies subscribing to the MedAdvisor Platform.

The growth in patient numbers allowed MedAdvisor to launch MTAC in 2014 to branded pharmaceutical manufactures. This program has been very well received and MedAdvisor currently has 4 companies using the program across 7 drugs to deliver targeted training and adherence information to patients using their specific medication.

**(b) Apotex Partnership**

Apotex is one of Australia's leading supplier of generic medication, over the counter products and professional services to the Australian pharmacy market. Apotex calls on a majority of pharmacies in Australia, many of whom use Apotex as their preferred supplier of these products.

On 4 September 2015, MedAdvisor and Apotex entered into an agreement for Apotex to become the exclusive generic pharmaceutical distribution partner for MedAdvisor. Apotex will be instrumental in signing up new pharmacies and working with pharmacists to sign up patients. Apotex will promote MedAdvisor and refer pharmacies to MedAdvisor for the opportunity to use MedAdvisor's Platform. Each pharmacy will enter into a licence agreement with MedAdvisor directly, pursuant to which fees will be paid to MedAdvisor.

Apotex can retain this exclusivity if it is able to achieve certain milestones on pharmacy sign ups. In return Apotex may get advanced access to new features that may be offered to pharmacies with an Apotex relationship. Further details on the Apotex Agreement is set out in Section 11.8 of this Prospectus.

**(c) BUPA Partnership**

MedAdvisor and BUPA entered an exclusive Co-Promotional Agreement in 2014. BUPA promotes MedAdvisor as its recommended medication management solution through various channels, including its website, retail stores and customer communications.

BUPA also appears as MedAdvisor's exclusive health partner on MedAdvisor promotional material. MedAdvisor does not have any financial or performance obligations to BUPA as part of the agreement. Further terms of the agreement with BUPA are set out in Section 11.14 of this Prospectus.

**(d) GuildLink Partnership**

GuildLink, a wholly owned subsidiary of the Pharmacy Guild of Australia, partners with MedAdvisor to enable the MedAdvisor Platform and associated functionality to be offered to pharmacies through GuildLink's platforms and service offerings. GuildLink also offers MedAdvisor technical support on an arm's length fee-for-service model. Further terms of the agreements with GuildLink are set out in sections 11.7 and 11.8 of this Prospectus.

**(e) Competition**

There are providers of alternative platforms such as SMS currently in the market place. The SMS based platforms are constrained by functionality and cost as each message is limited in the amount of content that can be delivered and incurs a fee for the pharmacy. There are also standalone medication management apps, however these apps do not currently link directly with pharmacy dispense data, meaning that patients need to enter all the information into the app themselves.

MedAdvisor is Australia's leading mobile and web medication management platform. More than 88,000 Australians are actively using the Platform, and approximately 25% of all Australian pharmacies are paid subscribers to the Platform.

MedAdvisor's closest competitors or potential competitors in Australia are Healthnotes, MemoCare and eRx Express.

Healthnotes is a major provider of SMS services to Australian pharmacies whose customers receive text messages on their mobile devices from a pharmacy that subscribes to the Healthnotes service. Healthnotes has recently developed an app to extend their service capabilities.

MemoCare is provided by GuildLink as their SMS platform of choice. The MemoCare SMS platform is currently bundled with the MedAdvisor Platform and is provided in conjunction with the other services provided by MedAdvisor. Under the new GuildLink Services Agreement MemoCare and MedAdvisor will no longer automatically be bundled together as of 1 October 2015. MedAdvisor will still be available as an optional module within GuildLink's GuildCare suite. MedAdvisor will move to direct invoicing and charging of the pharmacy for the MedAdvisor module, through its own payment gateway.

eRx Express is an App tool allowing specifically for the ordering of prescription medications by patients ahead of their visit to pharmacy, by scanning QR/barcodes on prescriptions. It is not (at this stage) a medication management tool but specifically an ordering tool, which does compete with the Tap-To-Refill and Snap-n-Send features of MedAdvisor, but does not compete with most other features.

**(f) Revenue Potential**

**(i) Pharmacy Subscription**

Pharmacies pay a flat monthly fee under licensing agreements to offer the MedAdvisor service, regardless of patient numbers they activate – again designed to encourage as many patient activations as possible.

**(ii) Training & Adherence**

Using the Platform to deliver training and adherence messaging directly to patients. The messaging service "MedAdvisor Training and Adherence Communications" (MTAC) allows manufacturers to deliver a series of messages to patients to train them on all aspects of proper medication use.

MTAC is proving effective at significantly boosting adherence and at building patient brand loyalty for the manufacturer. Adherence increases of up to 30%, translating to up to 30% more dispenses of those medications per annum, and reduced 'drop-off', are being seen in early MTAC campaigns, with major manufacturers already subscribing to services for one or more products (GSK, UCB, AstraZeneca, Actavis/Allergan). These manufacturers pay fees to MedAdvisor for access to and use of the Platform and associated services, such as MTAC.

**(iii) Premium Listings**

Similar to classifieds, branded pharmaceutical manufacturers may also pay annual fees for premium listing of their products on the Platform (branding boost).

**(iv) GP Revenue Streams**

MedAdvisor has commenced design and development for a major new initiative connecting GPs to the Platform. These revenue streams will be annuity style income streams, which will likely comprise of introduction fees, fees for HMRs and fees for script generation. MMG will be the initial primary source for the MedAdvisor's access to GPs and has entered into the MMG Agreement for this purpose. MMG are incentivised under the MMG Agreement (and following Settlement of the Acquisition the MMG Performance Shares) to maximise the recruitment of GPs. Further details of the MMG Agreement are set out in Section 11.2.

**(v) International**

As the Incoming Directors consider that the Platform is an innovative technology and design, opportunities exist to export the Platform into markets other than Australia.

**(g) Strategy Post Listing**

MedAdvisor will use the funds from the Public Offer to accelerate its plans for market and product development. The business will invest in consumer marketing and assess new market opportunities both domestically and internationally.

Primarily, funds will be used to drive pharmacy uptake with the intention of subscribing 2,500 or more Australian pharmacies and developing the potential of GP revenue streams. Ultimately, this will link the GP, pharmacist and patient for the first time. This platform will provide significant insight and opportunity for all stakeholders including pharmaceutical manufacturers.

The Company will continue to invest in its product to meet these opportunities and ensure that the business is established as the platform of choice for medication management for pharmacists, GPs and patients. The opportunities that arise once the network is established will provide additional upside for the business.

**(h) Intellectual Property**

MedAdvisor protects its intellectual property through the use of trade secrets, copyright and registered trademarks. Any infringement on MedAdvisor's intellectual property will be vigorously defended.

## 6.4 Direction of the Company

Subject to Shareholder approval being obtained at the General Meeting, the Company intends to dispose of its Mineral Hill South Mining Project.

Accordingly, upon Settlement of the Acquisition, the Company's focus will shift from mineral exploration in Australia to the technology industry, specifically the development and operation of the Platform. As such, the Company's Mineral Hill South Mining Project is not considered material in the context of the Offers.

## 6.5 Business Model and growth strategies for the Company

MedAdvisor has positioned itself as an innovator in providing tools to empower stakeholders to better manage health outcomes.

MedAdvisor's medication management and adherence tools allow medical practitioners, pharmacists and pharmaceutical manufactures to have a rich connection with patients in a way that provides patients with timely information and training that should improve their medication adherence rate.

MedAdvisor has adopted the following strategies for its business model:

- (a) increase the number of pharmacies that subscribe to the MedAdvisor Platform;
- (b) engage with all MedAdvisor pharmacies to increase the number of their patients that use MedAdvisor apps;
- (c) to market to consumers directly to drive traffic to pharmacy;
- (d) extend the Platform to medical practitioners allowing them to engage with their patients through MedAdvisor;
- (e) engage with medical practitioners to advocate for the MedAdvisor Platform with their patients as an effective tool to assist them in managing their medications;

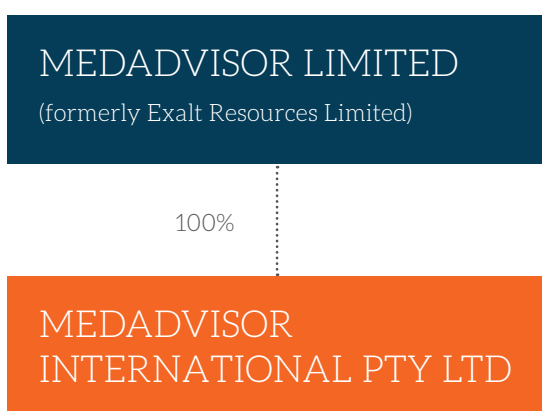


- (f) to expand the number of pharmaceutical companies that use MedAdvisor as their primary vehicle to deliver medication information and training to their patients and increase the number of campaigns per pharmaceutical companies; and
- (g) to engage with pharmaceutical manufacturers to advocate for MedAdvisor among their pharmacy customers.

The above business model will be consistently reviewed and amended by the Board to ensure it meets the main objective of maximising Shareholder returns.

## 6.6 Group structure

If the Acquisition reaches Settlement, the diagram below summarises the ownership structure of the Company and MedAdvisor.



## 6.7 Key Dependencies of the Business Model

The key factors that MedAdvisor will depend on to meet its objectives are:

- (a) the successful completion of the Offers;
- (b) the successful Settlement of the Acquisition;
- (c) ability to protect its intellectual property in the Platform;
- (d) the continuing ability of the Company to attract customers to the Platform; and
- (e) the continued access to patient prescription data.

## 6.8 Funding

The funding for the Company for the two years following re-admission to the Official List of ASX will be met by the offer of Shares pursuant to the Public Offer under this Prospectus and by the Company's existing cash reserves (see Section 6.9 for further details). As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

## 6.9 Use of Funds

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves post-Acquisition, in the next two years following re-admission to the Official List of the ASX (for the purpose of satisfying ASX's requirements for re-listing following a significant change to the nature and scale of the Company's activities) as follows:

Funds available	Minimum Subscription (\$3,000,000)	Percentage of Funds (%)	Maximum Subscription (\$5,000,000)	Percentage of Funds (%)
Existing cash reserves of the Company <sup>1</sup>	\$792,734	21%	\$792,734	14%
Funds raised from the Offers	\$3,000,000	79%	\$5,000,000	86%
<b>Total</b>	<b>\$3,792,734</b>	<b>100%</b>	<b>\$5,792,734</b>	<b>100%</b>
Allocation of funds	Minimum Subscription (\$3,000,000)	Percentage of Funds (%)	Maximum Subscription (\$5,000,000)	Percentage of Funds (%)
MedAdvisor business development <sup>2</sup>	\$480,000	13%	\$600,000	10%
Marketing <sup>3</sup>	\$1,150,000	30%	\$2,000,000	35%
Customer training & support <sup>4</sup>	\$270,000	7%	\$365,000	6%
International expansion <sup>5</sup>	-	0%	\$335,000	9%
Expenses associated with the Acquisition <sup>6</sup>	\$390,995	10%	\$512,995	9%
Working capital <sup>7</sup>	\$1,501,739	40%	\$1,979,739	34%
<b>TOTAL</b>	<b>\$3,792,734</b>	<b>100%</b>	<b>\$5,792,734</b>	<b>100%</b>

### Notes:

- These funds represent existing cash held by the Company at or around the date of this Prospectus. (assuming that MedAdvisor has raised a total of \$770,000 of a possible \$1,000,000 through the issue of MedAdvisor Convertible Notes). The Company expects to incur costs within the ordinary course of its business which will diminish this amount prior to Settlement.
- Funds used for development of MedAdvisor include:
  - development of the GP link;

- (b) funding to improve patient connectivity with health care professionals;
  - (c) functionality enhancements; and
  - (d) targeted development of new adjacent markets.
3. Funds used for marketing of MedAdvisor include:
- (a) raising awareness of the MedAdvisor Platform with pharmaceutical companies, pharmacies, GPs and patients; and
  - (b) costs of marketing utilising digital and print media, direct sales and select above the line initiatives.
4. Funds used for customer training and support of MedAdvisor include:
- (a) building in-house capacity to provide training and support to new pharmacy customers; and
  - (b) building online interactive training materials for both pharmacies and patients.
5. Funds used for international expansion of MedAdvisor include:
- (a) assessing and prioritising international market opportunities for MedAdvisor;
  - (b) engaging suitable consultants to scope and advise on potential partnering opportunities in those markets;
  - (c) undertaking an on the ground assessment of the opportunity; and
  - (d) development of commercialisation plans for each market
6. Refer to Section 12.13 of this Prospectus for further details.
7. Working capital includes the general costs associated with the management and operation of the business including administration expenses, salaries, directors' fees, rent, office move and fitout other associated costs.

In the event MedAdvisor raises further funds through the issue of MedAdvisor Convertible Notes or the Company raises more than the minimum subscription amount of \$3,000,000 but less than the Maximum Subscription amount of \$5,000,000, the additional funds raised will be first applied towards expenses associated with the Offers and Acquisition and then approximately as follows:

- (a) business development - 25%;
- (b) marketing - 60%;
- (c) customer training and support - 15%; and
- (d) international expansion - 0%.

The above table is a statement of current intentions as of the date of lodgement of this Prospectus with the ASIC. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the minimum raising of \$3,000,000 under the Public Offer, the Board believes the Company will have sufficient working capital to achieve the objectives set out in this Prospectus (and in particular, Section 6.5).

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 7).

## 6.10 Historical Financial Information

The Investigating Accountant's Report contained in Section 9 of this Prospectus sets out:

- (a) the Audited Consolidated Statement of Comprehensive Income of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- (b) the Audited Statement of Comprehensive Income of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- (c) the Audited Consolidated Statement of Cash Flows of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- (d) the Audited Statement of Cash Flows of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- (e) the Audited Consolidated Statement of Financial Position of Exalt as at 30 June 2013, 30 June 2014 and 30 June 2015; and
- (f) the Audited Statement of Financial Position of MedAdvisor as at 30 June 2013, 30 June 2014 and 30 June 2015.

Investors are urged to read the Investigating Accountant's Report in full.

The full financial statements for the Company for its financial year ended 30 June 2015, which include the notes to the financial statements, can be found from the Company's ASX announcements platform on [www.asx.com.au](http://www.asx.com.au).

## 6.11 Dividend Policy

It is anticipated that, following Settlement of the Acquisition, the Company will focus on the development of the Platform, growth of the business and future expansion opportunities. Accordingly, the Company does not expect to declare any dividends during this period or in the short to medium term.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

## 6.12 Capital Structure

The expected capital structure of the Company following completion of the Offers and all related matters (assuming no Options are exercised) will be as follows:

	Shares	Options	Performance Shares <sup>4</sup>	Performance Rights <sup>4</sup>
Current	85,250,406	16,008,568	-	-
Consideration Securities	385,064,105	-	195,000,000	-
Public Offer <sup>1</sup>	166,666,667	-	-	-
MedAdvisor Noteholder Shares <sup>2</sup>	41,666,667	-	-	-
MMG Performance Shares	-	-	55,000,000	-
Issue of Shares to Mr Stephen Brockhurst	1,000,000	-	-	-
Issue of Converting Loan Shares <sup>3</sup>	9,523,810	-	-	-
Read Rights	-	-	-	42,500,000
Bennetto Options	-	10,000,000	-	-
Lead Manager Options	-	25,000,000	-	-
TOTAL	689,171,655	51,008,568	250,000,000	42,500,000

### Notes

1. This assumes that \$5,000,000 is raised under the Public Offer.
2. This value assumes that a total of \$1,000,000 is raised by MedAdvisor through the issue of MedAdvisor Convertible Notes (with \$770,000 having been raised as at the date of this Prospectus) and does not incorporate interest accrued under the MedAdvisor Convertible Notes and assumes a conversion price of \$0.024 under the MedAdvisor Convertible Notes. In the event that Settlement occurs before the six month anniversary of a MedAdvisor Convertible Note, no interest shall accrue and no Shares will be issued in respect of conversion of interest accrued under the MedAdvisor Convertible Notes. Refer to Section 11.3 for a summary of the terms of the MedAdvisor Convertible Notes.
3. This value does not incorporate interest accrued under the Converting Loan Agreements and assumes a conversion price of \$0.021 under the Converting Loan Agreements. In the event that Settlement occurs on 31 October 2015, the Company will issue up to approximately 321,721 Shares upon conversion of interest accrued under the Converting Loan Agreements. Refer to Section 11.4 for a summary of the terms of the Converting Loan Agreements. This includes the Converting Loan Shares to be issued to Mr Shane Hartwig, a former Director of the Company, upon Shareholder approval to be obtained at the General Meeting.
4. Convertible into Shares on a one for one basis upon satisfaction of specified milestones. Refer to Section 12.7 for a summary of the terms and conditions of the Founder Performance Shares, Section for a summary of the terms and conditions of the MMG Performance Shares and section 12.8 for a summary of the terms and conditions of the Read Rights.

## 6.13 Substantial Shareholders

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
GXB Pty Ltd	5,599,997	6.57%
UBS Wealth Management Australia Nominees Pty Ltd	4,604,543	5.40%

On completion of the Offers (assuming the Minimum Subscription is raised under the Public Offer), the following Shareholders are expected to hold 5% or more of the total number of Shares on issue:

Shareholder	Shares	%
Mrs Viv Swinnerton <sup>1</sup>	106,837,500	17.2%
Kojent Pty Ltd <sup>2</sup>	87,750,000	14.0%
Romida Enterprises Pty Ltd	58,500,000	9.4%

### Notes

1. Mr Josh Swinnerton and Mrs Viv Swinnerton are associates and accordingly Mr Josh Swinnerton is deemed to have an equivalent voting power to the voting power held by Mrs Viv Swinnerton upon Settlement of the Acquisition.
2. Mr Jim Xenos and Kojent Pty Ltd are associates and accordingly Mr Jim Xenos is deemed to have an equivalent voting power to the voting power held by Kojent upon Settlement of the Acquisition.

## 6.14 Restricted Securities

Subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offers, the Company understands that certain Securities on issue (including some of the Consideration Shares) may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.

During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Company's listed securities being reinstated to trading on ASX (which reinstatement is subject to ASX's discretion and approval).

## 6.15 Top 20 Shareholders

The Company will announce to the ASX details of its top 20 Shareholders following completion of the Offers and prior to the Shares re-commencing trading on ASX.

## 7. Risk Factors

### 7.1 Introduction

An investment in the Company is not risk free and the Board strongly recommends that potential investors consider the key risk factors detailed in the Investment Overview in Section 5D of this Prospectus as well as the risk factors described below, together with information contained elsewhere in this Prospectus before deciding whether to apply for Securities and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

This Section 7 identifies circumstances that the Board regard as the major risks associated with an investment in the Company and which may have a material adverse impact on the financial performance of the Company and the market price of the Shares if they were to arise.

There are risks associated with the contemplated Acquisition, specifically in relation to the success of the Company which may adversely impact the value of an investment in the Securities of the Company (Section 7.2 and 7.3).

In addition, there are other general investment risks, many of which are largely beyond the control of the Company and its Directors (Section 7.4).

The Incoming Directors aim, and will aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them.

The following risk factors are not intended to be an exhaustive list of the risk factors to which the Company is exposed. In addition, this Section 7 has been prepared without taking into account offerees' individual financial objectives, financial situation and particular needs. Offerees should seek professional investment advice if they have any queries in relation to making an investment in the Company.

### 7.2 Specific risks associated with the Change in Nature and Scale of Activities

#### (a) Re-Quotation of Shares on ASX

The acquisition of MedAdvisor constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

#### (b) Dilution Risk

The Company currently has 85,250,406 Shares and 16,008,568 Options on issue. At Settlement, the Company proposes to issue:

- (i) the Consideration Shares;
- (ii) the Founder Performance Shares;
- (iii) the MMG Performance Shares
- (iv) the MedAdvisor Noteholder Shares;
- (v) the Converting Loan Shares;
- (vi) the Read Rights;
- (vii) the Bennetto Options;
- (viii) the Lead Manager Options;
- (ix) the Brockhurst shares; and
- (x) up to 166,666,667 Shares to raise at least \$3,000,000 and up to \$5,000,000 pursuant to the Public Offer under this Prospectus.

On completion of the Offers, assuming Settlement occurs on 31 October 2015, the Maximum Subscription of Shares under the Public Offer of \$5,000,000 and no exercise of Options:

- (xi) the existing Shareholders (including the issue of 1,000,000 Shares to Stephen Brockhurst and the lenders under the Converting Loan Agreements) will retain approximately 13.90% of the Company's issued Share capital;
- (xii) the shareholders of MedAdvisor (and MedAdvisor Noteholders) will hold approximately 61.92% of the Company's issued Share capital;
- (xiii) the investors under the Public Offer will hold approximately 24.18% of the Company's issued Share capital;
- (xiv) if subsequently the performance milestones are met and all the Founder Performance Shares and MMG Performance Shares are converted (and provided no other Shares are issued or Options exercised), the interests of the existing Shareholders in the Company will reduce to 9.08% (from 13.90%), assuming Maximum Subscription under the Public Offer; and
- (xv) there is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the Business.

**(c) Liquidity Risk**

On Settlement, the Company proposes to issue the Consideration Shares, the MedAdvisor Noteholders Shares, the Brockhurst Shares and the Converting Loan Shares. The Directors understand that ASX will treat these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. However, submissions have been made to the ASX for a waiver of the restriction period to take into account the length of investment of the holders and the amount paid for their MedAdvisor Shares (as applicable to each class of securities).

Based on the post-offer capital structure (assuming no further Shares are issued or Options exercised), the Consideration Shares, the MedAdvisor Noteholder Shares, the Brockhurst Shares and the Converting Loan Shares will equate to approximately 63.45% of the issued Share capital on a fully diluted basis (assuming Maximum Subscription under the Public Offer). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.



**(d) Contractual Risk**

Pursuant to the HOA, Settlement is subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the HOA. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

MedAdvisor has a significant number of shareholders and each will be required to enter into a formal sale agreement to give effect to the Acquisition. If any individual shareholder fails to enter into the sale agreement the Acquisition may not be able to proceed. It is intended that the Company requires 100% of the share capital of MedAdvisor to complete the Acquisition.

## 7.3 Risks in respect of MedAdvisor's current operations

**(a) Limited operating history**

MedAdvisor was incorporated in 2012 and has limited operating history. MedAdvisor's limited operating history may not provide a meaningful basis for investors to evaluate the business, financial performance and prospects of the Company post-Acquisition. Accordingly, investors should not rely on financial performance information for any prior periods as an indication of future performance. Investors should consider MedAdvisor's business and prospects in light of the risks, uncertainties, expenses and challenges that the business may face as an early-stage business. Going forward, the Company may not be successful in addressing the risks and uncertainties that may arise and which may materially and adversely affect MedAdvisor's business prospects.

MedAdvisor's ability to achieve its objectives depends on the ability of MedAdvisor's nominee directors and officers to implement the proposed business plans and to respond in a timely and appropriate manner to any unforeseen circumstances.

**(b) Competition and new technologies**

The industry in which MedAdvisor is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. 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, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the MedAdvisor Platform not being differentiated to other similar offerings.

The size and financial strength of some of MedAdvisor's competitors may make it difficult for it to maintain a competitive position in the technology market. In particular, MedAdvisor's ability to acquire additional technology interests could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

The key competition risk is in achieving appreciable market share and differentiation from its key competitors.

**(c) Sales and marketing success**

Following Settlement, the Company intends to focus on Platform development and marketing. By its nature, there is no guarantee that the Platform's development and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty creating market awareness of the "MedAdvisor" Platform. This would likely have an adverse impact on the Company's potential profitability.

Even if the Company does successfully commercialise the MedAdvisor Platform, there is a risk the Company will not achieve a commercial return. For example, new technology may overtake the Company's technology.

**(d) Attracting customers to the Platform**

The Company's revenue will be affected by its ability to attract customers to the MedAdvisor Platform. Various factors can affect the level of customers using the MedAdvisor Platform, including:

- (i) Marketing and promotions: If the Company's marketing and promotion efforts are not effective this may result in fewer customers using the MedAdvisor Platform.
- (ii) Brand damage: If the Company or MedAdvisor suffer from reputational damage, customer numbers could be affected.
- (iii) MMG: MMG may have limited success in recruiting GPs and pharmacies to use the MedAdvisor Platform which may result in reduced revenue for the Company.

**(e) Hacker attacks**

MedAdvisor will rely upon the availability of its Platform to provide services to customers and attract new customers. Hackers could render the Platform unavailable or cause customers' personal information to be compromised.

Although MedAdvisor has strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of the Platform could lead to a loss of revenue for the Company while compromising customers' information could hinder the Company's abilities to retain existing customers or attract new customers, which would have a material adverse impact on the Company's growth.

**(f) Contractual Third Party Risk**

MedAdvisor relies on third parties for key deliverables in its business model. This includes payment gateway providers, sales staff and integration of the MedAdvisor platforms to the in-market dispensing software packages. A failure of any one of these parties without an appropriate countermeasure could cause a disruption to operations. MedAdvisor is continually assessing the risk and opportunities associated with its business model and other than disruptions for short periods of time due to service delivery failure is not solely reliant on any one party for delivery.

**(g) Domain name risk**

The MedAdvisor Platform will depend to some extent on customers being attracted to the MedAdvisor website. MedAdvisor has registered a domain name for the purposes of its website. However, should MedAdvisor not renew or otherwise lose control of its domain name, it would lose all website traffic directed to that domain. This would likely adversely affect MedAdvisor's revenue.

**(h) Staff Risk**

There is a risk that, where there is a turnover of development staff who have knowledge of the technology and business, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of MedAdvisor's intellectual property which has a commercial value to MedAdvisor as well as an opportunity cost for replacement of those staff and subsequent training.

MedAdvisor has historically had low levels of staff turnover in the development teams. In addition, all staff contracts contain express provisions with respect to ownership of intellectual property and restraints of trade to limit any potential loss suffered by MedAdvisor to the maximum extent possible.

**(i) Protection of intellectual property rights**

MedAdvisor protects its intellectual property rights in respect of the MedAdvisor Platform through copyright, trademarks, trade secrets and end user licenses. If the Company fails to protect the intellectual property rights of MedAdvisor adequately, competitors may gain access to its technology which would in turn harm its business.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the MedAdvisor Platform may eventually be launched. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.

In addition, unauthorised use of the "MedAdvisor" brand in counterfeit products or services may not only result in potential revenue loss, but also have an adverse impact on its brand value and perceptions of its product qualities.

**(j) Dependence on the internet**

The successful continuation of the MedAdvisor Platform will depend to some extent on the continued acceptance of the internet as a communications and commerce platform for individuals and enterprises. The internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service.

The performance of the internet and its acceptance as a business tool have been harmed by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Company's products would be significantly reduced, which would harm its business.

**(k) Access to Patient Prescription Data**

The successful continuation of the MedAdvisor Platform will depend on the continued access to patient prescription data. Access to the data is dependent on permissions given by both the pharmacy and the patient. At present there are no legal impediments to accessing the data as long as MedAdvisor has the necessary consents from both the pharmacist and the patient and the Company continues to comply with requirements of the Privacy Act 1988 (Cth).

Both pharmacies and patients have expressly consented to allow MedAdvisor to access patient prescription data as part of the registration process when they accept the standard MedAdvisor terms and conditions. Unless this consent is expressly revoked by either the pharmacy or the patient the consent is an enduring consent.

MedAdvisor has systems and processes in place to ensure that it complies and continues to comply with the Privacy Act 1988 (Cth).

There is a risk that either a pharmacy or a patient withdraws consent to access the prescription data. In the case of a pharmacy withdrawing consent this would be in the form of the pharmacy discontinuing their subscription of MedAdvisor, in which case their patients would be offered to switch their favourite pharmacy to a pharmacy that continues to support MedAdvisor.

There is a risk that the Federal Government may legislate to prohibit the access of prescription data by commercial organisations such as MedAdvisor.

## 7.4 General Risks Relating to the Company

**(a) Going Concern Risk**

Both the Company's and MedAdvisor's auditors contain a 'going concern' note. Due to their losses in recent years and dependency on the ability to raise additional funds in the following 12 months, there may be uncertainty as to whether the Company will continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

Notwithstanding the 'going concern' note, the Directors and Incoming Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern.

**(b) Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these employees cease their employment and suitable replacements are not identified and engaged in a timely manner.

**(c) Risk of High Volume of Share Sales**

If Settlement occurs, the Company will have issued a significant number of new Securities to various parties. Some of the MedAdvisor Shareholders and others that receive Shares as a result of the Acquisition or the Offers may not intend to continue to hold those Shares and may wish to sell them on ASX (subject to any applicable escrow period). There is a risk that an increase in the amount of people wanting to sell Shares may adversely impact on the market price of the Company's Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, Shareholders may, upon

selling their Shares, receive a market price for their securities that is less than the price of Shares offered pursuant to the Offers.

**(d) Trading Price of Shares**

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares. In addition, the price of Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

**(e) Additional Requirements for Capital**

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing in addition to amounts raised under the Public Offer. 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.

**(f) Litigation Risks**

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. Neither Exalt nor MedAdvisor are currently engaged in any litigation.

**(g) Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

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

(h) **Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(i) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to MedAdvisor business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

(j) **Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above risk factors, and others not specifically referred to above, may materially affect the future financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

## 8. Board, Management and Interests



### 8.1 Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Mr Peter Bennetto (Non-Executive Chairman & Director);
- (b) Mr Stephen Brockhurst (Non-Executive Director); and
- (c) Mr Peter Dykes (Non-Executive Director),

(together, the **Existing Directors**).

It is proposed that upon Settlement of the Acquisition:

- (a) Mr Robert Read, Mr Josh Swinnerton and Mr Jim Xenos will be appointed to the Board of the Company (together, **Incoming Directors**);
- (d) Mr Peter Bennetto remains on the Board in his current role; and
- (e) Mr Stephen Brockhurst and Mr Peter Dykes intend to resign as Directors, although Mr Brockhurst will remain on as Company Secretary.

The profiles of each of the Incoming Directors, the continuing Director and Senior Management are set out below. Those directors who are independent directors are specified as such below.



#### **Mr Robert Read** (Proposed Executive Director and CEO)

Robert comes from a diverse commercial background covering strategy consulting, private equity as well as senior management positions in both medium and large companies. Robert spent the early years of his career in consulting before moving to senior venture capital and private equity positions. Following this Robert gained experience as a senior executive to build on the hands on skills he had developed in his private equity roles. Robert brings a wide range of skills to the position of CEO, in particular leadership, sales and marketing, finance performance improvement and a deep understanding of what is needed to successfully grow start-up businesses.

Prior to taking the position as CEO of MedAdvisor Robert was Managing Director of the Australian Private Equity arm of Harbert Management Corporation, a US based multi-asset class fund manager during which time he also served as interim CEO of an investee. Before his time at Harbert, Robert was the Director of Commercial Strategy and Operations at GlaxoSmithKline one of the world's leading pharmaceutical companies. At GSK he was responsible for strategy development, digital marketing, sales force effectiveness, sales training and business intelligence and commercial analysis. During his private equity career Robert spent periods at both St George Bank and ANZ Bank private equity divisions where he would be responsible for managing investments to successful and profitable exits. As part of his role with Harbert, Robert was a director of one of Harbert's investments, Sumo Group Holdings Pty Ltd, which was placed into liquidation in December 2014 due to the loss of a major client that resulted in that business not being able to continue as a going concern.

Robert holds a Bachelor of Commerce (Management) as well as a Bachelor of Arts (Psychology) both from Monash University and is a Graduate of the AICD Directors Course.

#### **Mr Josh Swinnerton** (Proposed Executive Director and CTO)



Josh has extensive experience leading and managing sizeable IT ventures, both within large companies, as a consultant, and as the technical and operational lead of start-up companies. Prior to founding MedAdvisor, Josh was the Chairman and CTO of technology start-up DeskActive Pty Ltd which he also founded and sold into the US based DeskActive, Inc, raising funds in the US for the company's expansion and managed software development. DeskActive Inc was placed into liquidation in early 2012 and as a result, DeskInc Pty Ltd was placed into liquidation in March 2012 and subsequently wound up in January 2015.

Prior to founding DeskActive Josh held senior software engineering positions in a number of large IT companies. At Oakton he was Technical Architect and Team Leader in a multimillion dollar project for a major client, while at Unico Computer Systems and AdvaTel Josh held senior positions as a Software Engineer. During this time Josh has gained valuable experience in bridging the gap between innovative technology and business objectives. Josh also has extensive skills in building and managing exceptional development teams.

Josh has a Masters of Entrepreneurship and Innovation from Swinburne University of Technology, Grad Cert of Product Engineering from IRIS, a Bachelor of Computer Engineering (Hons) and a Bachelor of Computer Science both from Melbourne University.





**Mr Jim Xenos (Proposed Non-Executive Director)**

Jim is an experienced general manager with sales and marketing expertise and a track record in building and leading high performing teams delivering market share and profit growth in national and multinational companies. Jim has strong reputation in forming brand and portfolio strategies, developing new product launches with innovative go to market activities in existing and new channels. He has significant strength in establishing high performing sales teams in highly competitive categories.

Jim is currently the Managing Director of NostraData which he co-founded in 2010. NostraData is a leading provider of business intelligence to the Pharmaceutical industry. Prior to co-founding NostraData Jim held a number of Associate Director positions with GlaxoSmithKline as well as holding the position of Head of Retail at Sigma for the Heron brand. These positions helped Jim to develop key skills in the areas of general and financial management, marketing and strategy development, sales management and team development. Jim has been a non-executive director for MedAdvisor International Pty Ltd since 2012.

Jim holds a Bachelor of Mathematical and Information Science as well as a Graduate Diploma of Education both from LaTrobe University, Jim is also a Graduate Member of the Australian Institute of Company Directors.



**Mr Peter Bennetto (Proposed Independent Non-Executive Director)**

Peter Bennetto is an experienced company director, with skills in banking, corporate finance and governance and has held a number of company director positions in exploration, mining and manufacturing companies listed on the ASX since 1990. He is currently chairman of Ironbark Zinc Ltd (ASX:IBG).

## 8.2 Key Management

In addition to Mr Read and Mr Swinnerton, the following sets out the background of other key management personnel of MedAdvisor:



**Mr Carlo Campiciano (CFO and Company Secretary)**

Carlo is a qualified accountant with extensive experience working with businesses on a wide range of areas including taxation, finance, operations, planning, operational and financial strategy. Carlo has also spent significant time working in industry as a chief financial officer, being the CFO for MedAdvisor since 2012.

Prior to MedAdvisor, Carlo spent a number of years as the CFO of start-up which business that grew from an annual turnover of \$2 million to over \$40 million. Carlo also spent 12 years lecturing in venture finance in the Master of Entrepreneurship and Innovation program at the Swinburne Graduate School of Entrepreneurship.

After Settlement, Carlo will be the CFO and Joint Company Secretary for the Company.

## 8.3 Remuneration of Existing Directors and Incoming Directors

Details of the Existing Directors' and Incoming Directors' remuneration are set out in the table below:

Director	Remuneration for year ended 30 June 2014	Remuneration for year ended 30 June 2015	Proposed remuneration for year ended 30 June 2016 <sup>1</sup>
<b>Remuneration</b>			
<b>Existing Directors</b>			
Peter Bennetto	\$21,000	\$42,000	\$65,000
Stephen Brockhurst	N/A	\$5,613	\$12,000 <sup>2</sup>
Peter Dykes	\$35,500	\$36,000	\$12,000 <sup>2</sup>
<b>Incoming Directors</b>			
Robert Read	N/A	N/A	\$250,000 <sup>3</sup>
Josh Swinnerton	N/A	N/A	\$205,950
Jim Xenos	N/A	N/A	\$45,000

**Notes:**

1. Amounts referred to are exclusive of superannuation.
2. At \$3,000 per month, assuming resignation at or around 31 October 2015.
3. This is Mr Read's base salary. Terms of his incentive based remuneration are set out in Section 11.15(a) of this prospectus

The Company's Constitution provides that the remuneration of Non-Executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The Constitution provides that the aggregate remuneration for Non-Executive Directors may be varied by ordinary resolution of the Shareholders in general meeting. The current amount is fixed at \$300,000.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

## 8.4 Existing Director and Incoming Director interests in Securities

Directors are not required under the Company's current constitution or the new Constitution (to be approved by Shareholders at the General Meeting) to hold any Shares to be eligible to act as a director.

Details of the Existing Directors' and Incoming Directors' relevant interest in the Securities of the Company upon completion of the Offers are set out in the table below:

Director	Shares	Options	Performance Shares	Performance Rights
<b>Existing Directors</b>				
Peter Bennetto	Nil	10,000,000 <sup>1</sup>	Nil	Nil
Stephen Brockhurst	1,000,000	Nil	Nil	Nil
Peter Dykes	Nil	Nil	Nil	Nil
<b>Incoming Directors</b>				
Robert Read	5,000,000	Nil	Nil	42,500,000 <sup>2</sup>
Josh Swinnerton <sup>4</sup>	106,837,500	Nil	68,225,102 <sup>3</sup>	Nil
Jim Xenos	87,750,000	Nil	56,036,062 <sup>3</sup>	Nil

### Notes:

1. Terms of the Options are set out in Section 12.9 of this Prospectus.
2. Terms of the Read Rights are set out in Section 12.8 of this Prospectus.
3. The terms of the Founder Performance Shares (being the Performance Shares held by Messrs Swinnerton and Xenos) are set out in Section 12.6.
4. Mr Josh Swinnerton's voting power in the Company could potentially increase to above 20% upon conversion of the Founder Performance Shares. Shareholder approval is being sought at the General Meeting for the potential acquisition of this interest by Mr Josh Swinnerton.

## 8.5 Agreements with Existing Directors and Incoming Directors

The agreements the Company has entered into with Existing Directors and Incoming Directors are listed in Sections 11.15 - 11.16.

## 9. Investigating Accountant's Report



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4 September 2015

The Directors  
 Exalt Resources Limited  
 Level 11, 216 St Georges Terrace  
 Perth WA 6000

Dear Sirs

### **Investigating Accountant's Report**

#### **Independent Limited Assurance Report on Exalt Limited's and MedAdvisor International Pty Ltd's Historical and Pro Forma Historical Financial Information**

We have been engaged by Exalt Limited ("Exalt" or "the Company") to report on the historical financial information and pro forma historical financial information of Exalt as at 30 June 2015 for inclusion in its prospectus to be lodged with the Australian Securities and Investments Commission and dated on or about 4 September 2015 ("the Prospectus") and relating to the proposed:

- offer of between 100,000,000 and 166,666,667 fully paid ordinary shares in the Company at an issue price of \$0.03 per share, to raise between \$3,000,000 and \$5,000,000 (prior to costs of the issue) ("the Public Offer");
- acquisition of MedAdvisor International Pty Ltd ("MedAdvisor") and issue of Consideration Shares and Founder Performance Shares to the shareholders of MedAdvisor;
- offer of MedAdvisor Noteholder Shares to the MedAdvisor Noteholders;
- offer of MMG Performance Shares to MMG;
- offer of the Read Rights to Mr Robert Read (or his nominee);
- offer of the Converting Loan Shares to the Company Lenders;
- offer of the Bennetto Options to Mr Peter Bennerro (or his nominee); and
- offer of the Brockhurst Shares to Mr Stephen Brockhurst.

Expressions and terms defined in the Prospectus have the same meaning in this report.



## RSM Bird Cameron Corporate Pty Ltd

AFS Licence No 255847

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence (AFSL) under the *Corporations Act 2001*. RSM Bird Cameron Corporate Pty Ltd holds the appropriate: AFSL under the *Corporations Act 2001*.

### Scope

#### *Historical Financial Information*

You have requested RSM Bird Cameron Corporate Pty Ltd to review the following historical financial information of Exalt and MedAdvisor included in the Prospectus:

- The Consolidated Statement of Comprehensive Income of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Statement of Comprehensive Income of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- The Consolidated Statement of Cash Flows of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Statement of Cash Flows of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Consolidated Statement of Financial Position of Exalt as at 30 June 2013, 30 June 2014 and 30 June 2015; and
- the Statement of Financial Position of MedAdvisor as at 30 June 2013, 30 June 2014 and 30 June 2015.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Historical Financial Information of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 have been extracted from Exalt's financial statements for each financial year, which were audited by Hall Chadwick, Sydney, and on which an unqualified audit opinion was issued for each financial year. For each of the three financial years, Hall Chadwick's audit report included an emphasis of matter that, without modifying their audit opinion, drew notice to the existence of a material uncertainty which may cast significant doubt over Exalt's ability to continue as a going concern.

The Historical Financial Information of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 have been extracted from MedAdvisor's financial statements for each financial year, which were audited by RSM Bird Cameron Partners, Melbourne, and on which an unqualified audit opinion was issued for each financial year. For the year ended 30 June 2015, RSM Bird Cameron's audit report included an emphasis of matter that, without modifying their audit opinion, drew notice to the existence of a material uncertainty which may cast significant doubt over MedAdvisor's ability to continue as a going concern.

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

#### *Pro Forma Historical Financial Information*

You have requested RSM Bird Cameron Corporate Pty Ltd to review the pro forma historical Statement of Financial Position as at 30 June 2015 referred to as "the pro forma historical financial information".



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The pro forma historical financial information has been derived from the historical financial information of Exalt after adjusting for the effects of pro forma adjustments described in note 2 of the financial information, which is included as an annexure to this report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the transactions to which the pro forma adjustments relate, as described in note 1 of the financial information, as if those transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the Company's actual or prospective financial position.

#### **Directors' responsibility**

The directors of Exalt are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

#### **Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information*.

We made such enquiries, primarily of persons responsible for financial and accounting matters, and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances including:

- a consistency check of the application of the stated basis of preparation, to the historical and pro forma historical financial information;
- a review of Exalt and MedAdvisor's work papers, accounting records and other documents;
- enquiry of directors, management personnel and advisors;
- consideration of the pro forma adjustments described in note 2 of the financial information; and
- the performance of analytical procedures applied to the historical and pro forma historical financial information.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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## Conclusions

### *Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in the annexure to this report, and comprising:

- The Consolidated Statement of Comprehensive Income of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Statement of Comprehensive Income of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- The Consolidated Statement of Cash Flows of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Statement of Cash Flows of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Consolidated Statement of Financial Position of Exalt as at 30 June 2013, 30 June 2014 and 30 June 2015; and
- the Statement of Financial Position of MedAdvisor as at 30 June 2013, 30 June 2014 and 30 June 2015;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the financial information.

### *Pro Forma Historical Financial Information*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information, being the Statement of Financial Position as at 30 June 2015, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the financial information.

## Restriction on Use

Without modifying our conclusions, we draw attention to the financial information – basis of preparation section, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

## Responsibility

RSM Bird Cameron Corporate Pty Ltd has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included. RSM Bird Cameron Corporate Pty Ltd has not authorised the issue of the Prospectus. Accordingly, RSM Bird Cameron Corporate Pty Ltd makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Prospectus.



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**Declaration of Interest**

RSM Bird Cameron Corporate Pty Ltd does not have any interest in the outcome of this transaction other than the preparation of this assurance report for which normal professional fees will be received. RSM Bird Cameron Partners is the independent auditor of MedAdvisor and receives normal professional fees for those services.

Yours faithfully

A handwritten signature in blue ink that reads "RSM Bird Cameron Corporate Pty Ltd".

**RSM BIRD CAMERON CORPORATE PTY LTD**

A handwritten signature in blue ink that reads "Jason Croall".

**Jason Croall**  
Director

4 September 2015



## **Annexure – Financial Information**

### **Financial Information – basis of preparation**

The Financial Information contained in this section includes the Historical Financial Information and Pro forma Historical Financial Information for Exalt and MedAdvisor.

The Financial Information included in this Section has been prepared and presented in accordance with the recognition and measurement principals described in Australian Accounting Standards. Compliance with these standards ensures that the Financial Information complies with the recognition and measurement principles of International Financial Reporting Standards as adopted by the International Accounting Standards Board.

The Financial Information has been solely prepared for the purpose of inclusion in the Prospectus and is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Financial Information section of the Prospectus sets out the following:

- the Audited Consolidated Statement of Comprehensive Income of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Audited Statement of Comprehensive Income of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Audited Consolidated Statement of Cash Flows of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Audited Statement of Cash Flows of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- the Audited Consolidated Statement of Financial Position of Exalt as at 30 June 2013, 30 June 2014 and 30 June 2015; and
- the Audited Statement of Financial Position of MedAdvisor as at 30 June 2013, 30 June 2014 and 30 June 2015.

together the Historical Financial Information; and

- the Consolidated Pro-Forma Statement of Financial Position of Exalt as at 30 June 2015, assuming the completion of transactions summarised in Note 2 of the Financial Information.

the Pro-Forma Financial Information.

The Pro-Forma Financial Information has been reviewed by RSM Bird Cameron Corporate Pty Limited, Melbourne. A copy of RSM Bird Cameron Corporate Pty Limited's Investigating Accountant's Report is set out in section 9 of the Prospectus.

The Financial Information has been prepared and presented in accordance with the accounting policies set out in Note 1 to the Financial Information.

The Historical Financial Information of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 have been extracted from Exalt's financial statements for each financial year, which were audited by Hall Chadwick, Sydney, and on which an unqualified audit opinion was issued for each financial year. For each of the three financial years, Hall Chadwick's audit report included an emphasis of matter that, without modifying their audit opinion, drew notice to the existence of a material uncertainty which may cast significant doubt over Exalt's ability to continue as a going concern.

The Historical Financial Information of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015 have been extracted from MedAdvisor's financial statements for each financial year, which were audited by RSM Bird Cameron Partners, Melbourne, and on which an unqualified audit opinion was issued for each financial year. For the year ended 30 June 2015, RSM Bird Cameron's audit report included an emphasis of matter that, without modifying their audit opinion, drew notice to the existence of a material uncertainty which may cast significant doubt over MedAdvisor's ability to continue as a going concern.

The Historical and Pro Forma Financial Information is presented in abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Investors should note that past results are not a guarantee of future performance.

**Historical Consolidated Statement of Comprehensive Income - Exalt**

Set out below is the historical audited Consolidated Statement of Comprehensive Income of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015

	<b>Audited Year ended 30-Jun-15 \$</b>	<b>Audited Year ended 30-Jun-14 \$</b>	<b>Audited Year ended 30-Jun-13 \$</b>
Revenue	3,441	34,617	93,019
Finance costs	(2,851)	(16,611)	-
Employee benefits expense	-	(683,838)	(1,283,990)
Share based payments	-	(244,241)	(209,928)
Consultancy expenses	(75,437)	(694,182)	(696,367)
Impairment of ODNI Mining Rights and Exploration Costs	(307,567)	(8,735,600)	-
Directors Fees	(116,074)	(173,539)	(264,253)
Exploration Costs	(35,548)	(28,325)	(132,550)
Occupancy	(4,576)	(214,064)	(96,659)
Legal, Professional and Compliance Fees	(118,172)	(158,865)	(114,664)
Depreciation	(957)	(4,244)	(1,434)
Due diligence expenses	-	-	(744,591)
Other expenses	(9,224)	(225,175)	(295,600)
<b>Loss from continuing operations before income tax</b>	<b>(666,965)</b>	<b>(11,144,067)</b>	<b>(3,747,017)</b>
Income tax expense	-	-	-
<b>Loss from continuing operations after income tax expense</b>	<b>(666,965)</b>	<b>(11,144,067)</b>	<b>(3,747,017)</b>
Other comprehensive income net of tax	-	-	-
<b>Total comprehensive loss for the year attributable to members</b>	<b>(666,965)</b>	<b>(11,144,067)</b>	<b>(3,747,017)</b>

The historical Consolidated Statements of Comprehensive Income of Exalt have been extracted from the audited financial statements of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

Note: The Consolidated Statement of Comprehensive Income should be read in conjunction with the notes to the financial information.

**Historical Statement of Comprehensive Income – MedAdvisor**

Set out below is the historical audited Statement of Comprehensive Income of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015

	<b>Audited Year ended 30-Jun-15 \$</b>	<b>Audited Year ended 30-Jun-14 \$</b>	<b>Audited Year ended 30-Jun-13 \$</b>
Revenue from continuing operations	1,645,712	1,000,606	500,000
Other revenue	258,743	88,677	1,984
Direct expenses	(634,035)	(20,243)	-
Development costs	(150,154)	(820,642)	(598,232)
Employee benefits expenses	(1,008,869)	(587,212)	-
Marketing expense	(397,001)	(385,805)	(45,090)
Depreciation and amortisation expenses	(9,812)	(9,000)	-
Other expenses	(245,173)	(101,007)	(65,628)
Finance costs	(5,534)	(827)	-
<b>Loss from continuing operations before income tax</b>	<b>(546,123)</b>	<b>(835,453)</b>	<b>(206,966)</b>
Income tax expense	-	-	-
<b>Loss from continuing operations after income tax expense</b>	<b>(546,123)</b>	<b>(835,453)</b>	<b>(206,966)</b>
Profit from discontinued operations	-	-	-
<b>Loss for the year</b>	<b>(546,123)</b>	<b>(835,453)</b>	<b>(206,966)</b>
Other comprehensive income net of tax	-	-	-
<b>Total comprehensive loss for the year attributable to members</b>	<b>(546,123)</b>	<b>(835,453)</b>	<b>(206,966)</b>

The historical Statements of Comprehensive Income of MedAdvisor have been extracted from the audited financial statements of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

Note: The Statement of Comprehensive Income should be read in conjunction with the notes to the financial information.

## Management Commentary on the historical financial performance of MedAdvisor

### (i) Revenue

	FY 2015	FY 2014	FY 2013
<b>Operating Revenue</b>			
Actavis License Fee	500,000	1,000,000	500,000
Pharmacy Subscriptions	986,220	-	-
Brand Pharma Fees (MTAC)	155,650	-	-
Miscellaneous	3,842	606	-
	<u>1,645,712</u>	<u>1,000,606</u>	<u>500,000</u>
<b>Other Revenue</b>			
Interest	17,611	24,025	1,984
R&D Tax Concession	241,132	64,652	-
	<u>258,743</u>	<u>88,677</u>	<u>1,984</u>
<b>Total Revenues</b>	<b><u>1,904,455</u></b>	<b><u>1,089,283</u></b>	<b><u>501,984</u></b>

Revenues in the period since the incorporation of MedAdvisor to the end of the 2014 financial year were mainly derived from license fees paid to MedAdvisor by Actavis Pharma Pty Ltd ("Actavis") under the Co\_Marketing & Distribution Agreement (CMDA) entered into with Actavis. During the 2015 financial year, Actavis paid the final tranche of \$500,000 under the CMDA. In August 2014, Actavis elected to relinquish its exclusive distribution rights under the CMDA which had the effect of relieving Actavis of its obligations to pay MedAdvisor, for a minimum number of pharmacy subscriptions, from August 2014.

Following an initial free trial period revenues began to be generated from pharmacies paying subscriptions to access the platform in October 2014. Since the start of the paid subscription period we have seen strong growth in pharmacies subscribing to the platform as represented below.

	YTD FY 2016	FY 2015	FY 2014	FY 2013
Pharmacy Subscriptions	<u>1,228</u>	<u>1,072</u>	<u>580</u>	<u>0</u>

Pharmacy growth has been closely followed by an increasing use of MedAdvisor by patients as represented below.

	YTD FY 2016	FY 2015	FY 2014	FY 2013
Patient Numbers	<u>81,895</u>	<u>54,145</u>	<u>8,792</u>	<u>0</u>

The growth in patient numbers allowed us to launch our Medication Training & Adherence Campaigns ("MTAC") program in 2014 to branded pharmaceutical manufactures. This program has been very well received and we currently have 4 companies using the program across 7 drugs to deliver targeted training and adherence information to patients using their specific medication.

The R&D Tax Concession delivered a cash refund to the Company as a result of the research and development activities undertaken in the development of the platform. Ongoing development will see these tax concessions being maintained over the next year or so.

**(ii) Expenses****Direct costs:**

Distribution Costs which form the majority of Direct Costs incurred in the 2015 financial year relate to the costs associated with the MedAdvisor platform's integration into the GuildCare Pharmacy Console as well as the costs associated with MedAdvisor's obligations under the CMDA to Actavis. Other Direct Costs incurred relate to the provision of Managed IT Services for hosting the MedAdvisor platform in a secure and stable environment as well as some rebates to customers.

**Development costs:**

Development of the MedAdvisor platform was until December 2013 undertaken by an entity related to the founder (SwinTech Pty Ltd) as part of the agreement for the acquisition by MedAdvisor of the core MedAdvisor technology. From January 2014 MedAdvisor took control of the continued development of the platform and all employees involved in the development of the platform.

Apart from distributions costs incurred in the 2015 financial year the majority of costs incurred by MedAdvisor since incorporation have been incurred in the development of the platform. These costs have been:

	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
<b>Development Costs</b>			
Contractors	77,181	764,782	598,232
Internal - inc Employee Costs	<u>974,031</u>	<u>542,103</u>	<u>-</u>
	<u>1,051,212</u>	<u>1,306,885</u>	<u>598,232</u>

**Employee benefits expenses:**

Employee expense benefits have increased as key personnel have been added to the organisation to facilitate its growth. These expenses include salaries and other employment related costs of staff employed by MedAdvisor. Employee costs will vary only with new additions to the team as well as incremental payments given to employees depending on their yearly performance.

**Historical Consolidated Statement of Cash Flows - Exalt**

Set out below is the historical audited Consolidated Statement of Cash Flows of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

	<b>Audited Year ended 30-Jun-15 \$</b>	<b>Audited Year ended 30-Jun-14 \$</b>	<b>Audited Year ended 30-Jun-13 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	-	5,110	-
Payments to suppliers and employees	(309,883)	(2,530,441)	(3,423,254)
Interest received	3,441	29,971	93,019
	<u>(306,442)</u>	<u>(2,495,360)</u>	<u>(3,330,235)</u>
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation expenditure	(53,598)	(269,219)	(1,119,428)
Purchase of plant and equipment	-	(2,503)	(8,565)
	<u>(53,598)</u>	<u>(271,722)</u>	<u>(1,127,993)</u>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares	135,000	101,000	5,500,000
Proceeds from borrowings	90,000	-	-
Payments relating to capital raising	(7,950)	-	(623,617)
	<u>217,050</u>	<u>101,000</u>	<u>4,876,383</u>
<b>Net increase/(decrease) in cash</b>	<u>(142,990)</u>	<u>(2,666,082)</u>	<u>418,155</u>

The historical Consolidated Statements of Cash Flows of Exalt have been extracted from the audited financial statements of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

Note: The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial information.

**Historical Statement of Cash Flows – MedAdvisor**

Set out below is the historical audited Statement of Cash Flows of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015

	<b>Audited Year ended 30-Jun-15 \$</b>	<b>Audited Year ended 30-Jun-14 \$</b>	<b>Audited Year ended 30-Jun-13 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)	1,194,602	1,168,436	552,000
Payments to suppliers and employees (inclusive of GST)	(1,689,602)	(2,029,169)	(522,381)
Interest received	17,597	24,024	1,984
	<u>(477,403)</u>	<u>(836,709)</u>	<u>31,603</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	(7,822)	-	-
Payments for intangibles	(3,280)	(101,160)	(1,300)
	<u>(11,102)</u>	<u>(101,160)</u>	<u>(1,300)</u>
<b>Cash flows from financing activities</b>			
Proceeds from new share issue	-	1,750,000	100
Capital Raising Costs (net of GST)	-	(127,663)	-
Proceeds from Convertible Notes	345,000	-	-
Receipts from related parties	-	25,000	308,000
Payments to related parties	-	(308,000)	(25,000)
	<u>345,000</u>	<u>1,339,337</u>	<u>283,100</u>
<b>Net increase/(decrease) in cash</b>	<u>(143,505)</u>	<u>401,468</u>	<u>313,403</u>

The historical Statements of Cash Flows of MedAdvisor have been extracted from the audited financial statements of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

Note: The Statement of Cash Flows should be read in conjunction with the notes to the financial information.



**Historical Consolidated Statement of Financial Position - Exalt**

Set out below is the historical audited Consolidated Statement of Financial Position of Exalt as at 30 June 2013, 30 June 2014 and 30 June 2015.

	<b>Audited 30-Jun-15 \$</b>	<b>Audited 30-Jun-14 \$</b>	<b>Audited 30-Jun-13 \$</b>
<b>Current Assets</b>			
Cash and cash equivalents	165,033	308,023	2,974,105
Trade and other receivables	26,827	85,884	151,145
Other current assets	5,839	-	-
<b>Total Current Assets</b>	<u>197,699</u>	<u>393,907</u>	<u>3,125,250</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	-	2,073	9,670
Other non-current assets - exploration expenditure	-	309,517	8,771,255
<b>Total Non-Current Assets</b>	<u>-</u>	<u>311,590</u>	<u>8,780,925</u>
<b>Total Assets</b>	<u>197,699</u>	<u>705,497</u>	<u>11,906,175</u>
<b>Current Liabilities</b>			
Trade and other payables	304,581	394,514	733,057
Employee Benefits	-	-	63,308
<b>Total Current Liabilities</b>	<u>304,581</u>	<u>394,514</u>	<u>796,365</u>
<b>Total Liabilities</b>	<u>304,581</u>	<u>394,514</u>	<u>796,365</u>
<b>Net Assets/(Liabilities)</b>	<u><b>(106,882)</b></u>	<u><b>310,983</b></u>	<u><b>11,109,810</b></u>
<b>Equity</b>			
Contributed Equity	11,940,409	11,703,950	14,359,616
Reserves	178,468	638,818	1,560,852
Accumulated Losses	(12,225,759)	(12,031,785)	(4,810,658)
<b>Total Equity</b>	<u><b>(106,882)</b></u>	<u><b>310,983</b></u>	<u><b>11,109,810</b></u>

The historical Consolidated Statements of Financial Position of Exalt have been extracted from the audited financial statements of Exalt for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

Note: The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial information.

**Historical Statement of Financial Position – MedAdvisor**

Set out below is the historical audited Statement of Financial Position of MedAdvisor as at 30 June 2013, 30 June 2014 and 30 June 2015.

	<b>Audited 30-Jun-15 \$</b>	<b>Audited 30-Jun-14 \$</b>	<b>Audited 30-Jun-13 \$</b>
<b>Current Assets</b>			
Cash and cash equivalents	571,366	714,871	313,403
Trade and other receivables	86,992	30,129	43,174
Other current assets	74,864	23,458	-
<b>Total Current Assets</b>	<u>733,222</u>	<u>768,458</u>	<u>356,577</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	9,935	-	-
Intangible assets	78,740	84,460	91,300
<b>Total Non-Current Assets</b>	<u>88,675</u>	<u>84,460</u>	<u>91,300</u>
<b>Total Assets</b>	<u>821,897</u>	<u>852,918</u>	<u>447,877</u>
<b>Current Liabilities</b>			
Trade and other payables	260,200	244,604	654,743
Net Income in Advance	125,989	-	-
Borrowings	345,000	-	-
Employee Benefits	50,575	28,296	-
<b>Total Current Liabilities</b>	<u>781,764</u>	<u>272,900</u>	<u>654,743</u>
<b>Non-Current Liabilities</b>			
Employee Benefits	6,238	-	-
<b>Total Liabilities</b>	<u>788,002</u>	<u>272,900</u>	<u>654,743</u>
<b>Net Assets/(Liabilities)</b>	<u><b>33,895</b></u>	<u><b>580,018</b></u>	<u><b>(206,866)</b></u>
<b>Equity</b>			
Contributed Equity	1,622,436	1,622,436	100
Accumulated Losses	(1,588,541)	(1,042,418)	(206,966)
<b>Total Equity</b>	<u><b>33,895</b></u>	<u><b>580,018</b></u>	<u><b>(206,866)</b></u>

The historical Statements of Financial Position of MedAdvisor have been extracted from the audited financial statements of MedAdvisor for the years ended 30 June 2013, 30 June 2014 and 30 June 2015.

Note: The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial information.

### Consolidated Historical and Pro-Forma Statement of Financial Position

The Consolidated Pro-Forma Statement of Financial Position as at 30 June 2015, set out below, has been prepared to illustrate the effects of the Offer and the acquisition of MedAdvisor and assumes completion of the pro-forma transactions set out in Note 2 as if they had occurred on 30 June 2015.

	Notes	Exalt Audited 30-Jun-15 \$	MedAdvisor Audited 30-Jun-15 \$	Pro-Forma Transactions Minimum Raise \$	Unaudited Pro-Forma Minimum Raise \$	Pro-Forma Transactions Maximum Raise \$	Unaudited Pro-Forma Maximum Raise \$
<b>Current Assets</b>							
Cash and cash equivalents	4	165,033	571,366	2,915,340	3,651,739	4,793,340	5,529,739
Trade and other receivables	5	26,827	86,992	-	113,819	-	113,819
Other current assets	6	5,839	74,864	-	80,703	-	80,703
<b>Total Current Assets</b>		<u>197,699</u>	<u>733,222</u>	<u>2,915,340</u>	<u>3,846,261</u>	<u>4,793,340</u>	<u>5,724,261</u>
<b>Non-Current Assets</b>							
Property, plant and equipment	7	-	9,935	-	9,935	-	9,935
Intangible assets	8	-	78,740	-	78,740	-	78,740
<b>Total Non-Current Assets</b>		<u>-</u>	<u>88,675</u>	<u>-</u>	<u>88,675</u>	<u>-</u>	<u>88,675</u>
<b>Total Assets</b>		<u>197,699</u>	<u>821,897</u>	<u>2,915,340</u>	<u>3,934,936</u>	<u>4,793,340</u>	<u>5,812,936</u>
<b>Current Liabilities</b>							
Trade and other payables	9	304,581	260,200	(133,968)	430,813	(133,968)	430,813
Net Income in Advance	10	-	125,989	-	125,989	-	125,989
Borrowings	11	-	345,000	(345,000)	-	(345,000)	-
Employee Benefits	12	-	50,575	-	50,575	-	50,575
<b>Total Current Liabilities</b>		<u>304,581</u>	<u>781,764</u>	<u>(478,968)</u>	<u>607,377</u>	<u>(478,968)</u>	<u>607,377</u>
<b>Non-Current Liabilities</b>							
Employee Benefits	12	-	6,238	-	6,238	-	6,238
<b>Total Liabilities</b>		<u>304,581</u>	<u>788,002</u>	<u>(478,968)</u>	<u>613,615</u>	<u>(478,968)</u>	<u>613,615</u>
<b>Net Assets/(Liabilities)</b>		<u>(106,882)</u>	<u>33,895</u>	<u>3,394,308</u>	<u>3,321,321</u>	<u>5,272,308</u>	<u>5,199,321</u>
<b>Equity</b>							
Contributed Equity	13	11,940,409	1,622,436	(8,361,103)	5,201,742	(6,483,103)	7,079,742
Reserves	14	178,468	-	234,532	413,000	234,532	413,000
Accumulated Losses	15	(12,225,759)	(1,588,541)	11,520,879	(2,293,421)	11,520,879	(2,293,421)
<b>Total Equity</b>		<u>(106,882)</u>	<u>33,895</u>	<u>3,394,308</u>	<u>3,321,321</u>	<u>5,272,308</u>	<u>5,199,321</u>

The Consolidated Pro-Forma Statement of Financial Position represents the Audited Statement of Financial Position as at 30 June 2015 adjusted for the pro-forma transactions outlined in Note 2 relating to the issue of shares pursuant to this Prospectus and other transactions.

The historical Consolidated Statement of Financial Position of Exalt at 30 June 2015 has been extracted from the audited financial statements of Exalt for the year ended 30 June 2015.

The historical Statement of Financial Position of MedAdvisor at 30 June 2015 has been extracted from the audited financial statements of MedAdvisor for the year ended 30 June 2015.

The Consolidated Pro-Forma Statement of Financial Position should be read in conjunction with the notes to the financial information.

**EXALT LIMITED**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies that have been adopted in the preparation of financial information are:

**a. Basis of Preparation**

The financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of Australian Accounting Standards (including Australian Accounting Interpretations), and the *Corporations Act 2001*.

Exalt Limited is listed on the Australian Securities Exchange. The Consolidated Pro-Forma Statement of Financial Position assumes completion by Exalt of the legal acquisition of MedAdvisor.

For accounting purposes, the legal acquisition of MedAdvisor by Exalt does not represent a business combination as outlined in Australian Accounting Standard AASB 3 "*Business Combinations*" ("AASB 3"). At the time of the transaction, Exalt will not constitute a business in its own right as defined in AASB 3.

To recognise the effects of this transaction, the financial information has been prepared using 'reverse acquisition accounting principles' (as set out in AASB 3), in accordance with the International Financial Reporting Interpretation Committee's Interpretation guidance dated March 2013.

Accordingly, the consolidated financial statements of Exalt have been prepared as a continuation of the consolidated financial statements of MedAdvisor. MedAdvisor (as the deemed acquirer) has accounted for the acquisition of Exalt from the acquisition date. However, as Exalt did not constitute a business at the acquisition date, no goodwill can be recognised as a result of the transaction and the excess of the notional transaction consideration paid over the assets and liabilities of Exalt acquired has been recognised as an expense in the income statement.

**Historical cost convention**

The financial information has been prepared under the historical cost convention, as modified by the revaluation of certain assets, where appropriate.

**Critical accounting estimates and judgements**

The preparation of financial information in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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**Basis of consolidation**

The consolidated financial statements comprise the financial statements of Exalt and its subsidiaries at each period end ("the Group"). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered. Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated profit or loss and balance sheet respectively.

**b. Reverse assets acquisition**

In accordance with the principles of AASB 3, the proposed acquisition by Exalt (the legal parent) of MedAdvisor (the legal subsidiary), is deemed a reverse asset acquisition since the substance of the transaction is that the existing shareholders of MedAdvisor will have effectively acquired Exalt. Under reverse acquisition accounting, the consolidated financial statements are prepared as if MedAdvisor had acquired Exalt, not vice versa as represented by the legal position. However, as Exalt did not constitute a business at the acquisition date, no goodwill can be recognised as a result of the transaction.

In reverse acquisition accounting, the cost of the business is deemed to have been incurred by the legal subsidiary (the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent (the acquiree for accounting purposes).

As a consequence:

- the cost of investment held by the legal parent (Exalt) in the legal subsidiary (MedAdvisor) is reversed on consolidation and the cost of the reverse acquisition (based on the fair value of the shareholding of Exalt acquired) is eliminated on consolidation against the consolidated equity and reserves of Exalt and its consolidated entities at the date control is passed. The effect of this is to restate the consolidated equity and reserves balances to reflect those of MedAdvisor at the date of acquisition;
- the amount recognised as issued equity instruments is determined by adding the deemed cost of the combination, calculated by reference to the fair value of the shareholding in Exalt acquired, to the issued equity of the legal subsidiary (MedAdvisor) immediately before the proposed acquisition; and
- the consolidated financial statements are issued under the name of the legal parent (Exalt) but are a continuation of the financial statements of the deemed acquirer (MedAdvisor) under the reverse acquisition rules.

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**c. Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**d. Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, which are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

**EXALT LIMITED**  
**NOTES TO THE FINANCIAL INFORMATION**  
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Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**e. Financial Instruments**

**Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

**Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortized cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

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.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

**(i) 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.

**(ii) Financial liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**EXALT LIMITED**  
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**Impairment**

At the end of the reporting period, the Company 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 an impairment has arisen. Impairment losses are immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**f. Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**g. Intangibles Other than Goodwill**

**Intellectual Property - Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

**h. Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.



**EXALT LIMITED**  
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**i. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

**j. Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**k. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**l. Revenue and Other Income**

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised when received.

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

**m. Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**n. Contributed equity**

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

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**o. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**p. Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Company has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

**q. Critical accounting estimates and judgements.**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**r. New and revised accounting standards and interpretations**

Early adoption of Accounting Standards / Interpretations at the date of this financial report, AASB 9 and AASB 15 which may impact the entity in the period of initial application, have been issued but are not yet effective. These new Standards and Interpretations have not been applied in the presentation of this financial information. Other than changes to disclosure formats, it is not expected that the initial application of these Standards and Interpretations in the future will have any material impact.

**EXALT LIMITED  
NOTES TO THE FINANCIAL INFORMATION  
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**2. PRO-FORMA ADJUSTMENTS**

The Consolidated Pro-Forma Statement of Financial Position as at 30 June 2015 has been prepared by adjusting the Consolidated Statement of Financial Position as at that date to reflect the financial effects of the following transactions as if they had occurred at 30 June 2015:

- i) The issue of 385,064,105 fully paid ordinary shares and 195,000,000 Founder Performance Shares as consideration for the acquisition of MedAdvisor.
- ii) The Public Offer issue of 100,000,000 (minimum subscription) to 166,666,667 (maximum subscription) fully paid ordinary shares at \$0.03 each to raise \$3,000,000 to \$5,000,000 before expenses of the issue. The pro-forma adjustments assume that the Public Offer is fully subscribed. All shares issued pursuant to the Prospectus will be issued as fully paid.
- iii) Cash costs of undertaking the Public Offer of \$390,995 (minimum subscription) to \$512,995 (maximum subscription).
- iv) The issue of \$655,000 of MedAdvisor Convertible Notes between 30 June 2015 and the date of the Prospectus.
- v) The conversion of \$1,000,000 of MedAdvisor Convertible notes into 41,666,667 ordinary shares in accordance with the terms of the MedAdvisor Convertible notes as set out in Section 11.3 of the Prospectus.
- vi) The issue of 55,000,000 MMG Performance Shares in accordance with the terms set out in Section 12.7 of the Prospectus.
- vii) The issue of 42,500,000 Performance Rights to Robert Read in accordance with the terms set out in Section 12.8 of the Prospectus.
- viii) The receipt of \$200,000 in Converting Loans between 30 June 2015 and the date of the Prospectus.
- ix) The conversion of \$200,000 of Converting loans into 9,523,810 ordinary shares (plus the conversion of any interest accrued thereon) in accordance with the terms of the Converting Loan agreements notes as set out in Section 11.4 of the Prospectus.
- x) The issue of 1,000,000 fully paid ordinary shares to Mr Stephen Brockhurst under a services agreement between Exalt and Mr Brockhurst.
- xi) The issue of 10,000,000 Options to Mr Peter Bennetto in accordance with the terms set out in Section 12.9 of the Prospectus.
- xii) The issue of 25,000,000 Options to Peloton Capital Pty Ltd in accordance with the terms set out in Section 12.9 of the Prospectus
- xiii) The payment of estimated operating expenses between 30 June 2015 and the date of this Prospectus of \$548,665, inclusive of amounts recognised as liabilities at 30 June 2015 of \$133,968.

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**3. REVERSE ASSETS ACQUISITION**

The proposed acquisition by Exalt (the legal parent) of MedAdvisor (the legal subsidiary) is deemed to be a reverse asset acquisition under the principles of AASB 3 "Business Combinations" since the substance of the transaction is that the existing shareholders of MedAdvisor have effectively acquired Exalt. As a result of the reverse acquisition MedAdvisor is considered to be the acquirer and Exalt is considered to be the accounting acquiree, therefore this Financial Information has been prepared as a continuation of the financial statements of MedAdvisor.

However, as Exalt did not constitute a business at the acquisition date, no goodwill can be recognised as a result of the transaction and the excess of the notional transaction consideration paid over the assets and liabilities of Exalt acquired has been recognised as an expense in the income statement.

The following accounting treatment has been adopted on the basis that the acquisition of MedAdvisor is deemed to be completed prior to the capital raising as set out in note 2 (ii).

		\$
Issued share capital of Exalt as at 30 June 2015 (number of shares)	85,250,406	
<b>Ordinary shares</b>		
Number of shares issued as consideration for the acquisition of MedAdvisor (note 2 (ii))	385,064,105	
Percentage ownership of Exalt by MedAdvisor shareholders (rounded)	81.87%	
Notional value of 81.87% ownership interest in Exalt *		35,301
Less: Net liabilities of Exalt at 30 June 2015		(106,882)
Excess of notional consideration over net liabilities acquired – expensed to the income statement		<u>142,183</u>
<b>Contingent consideration - Founder Performance Shares</b>		
Number of Founder performance shares issued as consideration for the acquisition of MedAdvisor (note 2 (ii))	195,000,000	
Additional Percentage ownership of Exalt by MedAdvisor shareholders provided by Founder Performance Shares (rounded)	5.3165%	
Notional value of 5.32% ownership interest in Exalt *		<u>2,292</u>
In accordance with AASB 2 - Share Based Payment - the notional value of the contingent consideration will be expensed over the expected vesting period of the Founder Performance Shares. In the event that the Founder Performance Shares do not vest and expire and previously recognised expensed will be		
* Based on the audited net liabilities of Exalt at 30 June 2015, plus \$150,000 as the value of a listed shell in accordance with the mid-point value adopted in the Independent Expert's Report accompanying the notice to shareholders to approve the acquisition of MedAdvisor by Exalt.		

**4. Cash and cash equivalents**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Cash at bank	165,033	3,651,739	5,529,739
Cash at 30 June 2015		165,033	165,033
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Proceeds from the issue of 100,000,000/166,666,667 ordinary shares in relation to the Public Offer pursuant to the Prospectus (note 2 (ii))		3,000,000	5,000,000
Cash acquired in MedAdvisor acquisition		571,366	571,366
Cash costs of undertaking the Public Offer (note 2 (iii))		(390,995)	(512,995)
The issue of \$655,000 of MedAdvisor Convertible Notes between 30 June 2015 and the date of the Prospectus (note 2 (iv))		655,000	655,000
The receipt of \$200,000 of Converting Loans between 30 June 2015 and the date of the Prospectus (note 2 (viii))		200,000	200,000
The payment of estimated operating expenses between 30 June 2015 and the date of this Prospectus of \$548,665, inclusive of amounts recognised as liabilities at 30 June 2015 of \$133,968 (note 2 (xiii))		(548,665)	(548,665)
		<u>3,486,706</u>	<u>5,364,706</u>
<b>Pro-forma balance</b>		<u>3,651,739</u>	<u>5,529,739</u>

**EXALT LIMITED**  
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**5. Trade and other receivables**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Trade and other receivables	26,827	113,819	113,819
Trade and other receivables at 30 June 2015		26,827	26,827
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Trade and other receivables acquired in MedAdvisor Acquisition		86,992	86,992
		86,992	86,992
<b>Pro-forma balance</b>		<b>113,819</b>	<b>113,819</b>

**6. Other Current Assets**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Prepayments	5,839	80,703	80,703
Balance at 30 June 2015		5,839	5,839
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Prepayments acquired in MedAdvisor Acquisition		74,864	74,864
<b>Pro-forma balance</b>		<b>80,703</b>	<b>80,703</b>

**7. Property, plant and equipment**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Property, plant and equipment written down value	-	9,935	9,935
Property, plant and equipment at 30 June 2015		-	-
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Property plant and equipment acquired in MedAdvisor Acquisition		9,935	9,935
<b>Pro-forma balance</b>		<b>9,935</b>	<b>9,935</b>

**8. Intangible Assets**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Intellectual Property	-	78,740	78,740
Intangible Assets at 30 June 2015		-	-
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Intangible Assets acquired in MedAdvisor Acquisition		78,740	78,740
<b>Pro-forma balance</b>		<b>78,740</b>	<b>78,740</b>

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**9. Trade and other payables**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Trade and other payables	304,581	430,813	430,813
	<u>304,581</u>	<u>430,813</u>	<u>430,813</u>
Trade and other payables at 30 June 2015		304,581	304,581
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Acquired in MedAdvisor Acquisition		260,200	260,200
The payment of estimated operating expenses between 30 June 2015 and the date of this Prospectus of \$548,665, inclusive of amounts recognised as liabilities at 30 June 2015 of \$133,968 (note 2 (xiii))		(133,968)	(133,968)
		<u>126,232</u>	<u>126,232</u>
<b>Pro-forma balance</b>		<u><b>430,813</b></u>	<u><b>430,813</b></u>

**10. Net Income in Advance**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Net Income in Advance	-	125,989	125,989
	<u>-</u>	<u>125,989</u>	<u>125,989</u>
Trade and other payables at 30 June 2015		-	-
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Acquired in MedAdvisor Acquisition		125,989	125,989
<b>Pro-forma balance</b>		<u><b>125,989</b></u>	<u><b>125,989</b></u>
<b>Pro-forma balance comprises:</b>			
Gross Pharmacy Subscriptions in Advance		275,367	275,367
Less: Costs Applicable thereto			
Distribution Costs		(137,683)	(137,683)
Discounts		(7,785)	(7,785)
Handling Fees		(3,910)	(3,910)
		<u>125,989</u>	<u>125,989</u>

**11. Borrowings**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Convertible Notes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Borrowings at 30 June 2015		-	-
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Borrowings acquired as part of MedAdvisor Acquisition		345,000	345,000
The issue of \$655,000 of MedAdvisor Convertible Notes between 30 June 2015 and the date of the Prospectus (Note 2 (iv))		655,000	655,000
The conversion of \$1,000,000 of MedAdvisor Convertible notes into 41,666,667 ordinary shares in accordance with the terms of the MedAdvisor Convertible notes as set out in Section 11.3 of the Prospectus (Note 2 (v))		(1,000,000)	(1,000,000)
The receipt of \$200,000 in Converting Loans between 30 June 2015 and the date of the Prospectus (Note 2 (viii))		200,000	200,000
The conversion of \$200,000 of Converting loans into 9,523,810 ordinary shares in accordance with the terms of the Converting Loan agreements notes as set out in Section 11.4 of the Prospectus (Note 2 (ix))		(200,000)	(200,000)
		<u>-</u>	<u>-</u>
<b>Pro-forma balance</b>		<u><b>-</b></u>	<u><b>-</b></u>

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**12. Employee Benefits**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Employee Benefits - Current	-	50,575	50,575
Employee Benefits - Non-Current	-	6,238	6,238
	<u>-</u>	<u>56,813</u>	<u>56,813</u>
Employee Benefits at 30 June 2015		-	-
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Acquired in MedAdvisor Acquisition		56,813	56,813
<b>Pro-forma balance</b>		<u>56,813</u>	<u>56,813</u>

**13. Contributed Equity**

	Minimum Number of ordinary shares	\$	Maximum Number of ordinary shares	\$
Issued share capital as at 30 June 2015	85,250,406	11,940,409	85,250,406	11,940,409
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>				
<i>MedAdvisor Acquisition</i>				
Elimination of existing Exalt share capital balance	-	(11,940,409)	-	(11,940,409)
MedAdvisor Share Capital balance acquired	-	1,622,436	-	1,622,436
Fully paid ordinary shares issued as consideration for the MedAdvisor Acquisition (note 2 (i)) and note 3	385,064,105	35,301	385,064,105	35,301
Fully paid ordinary shares issued in relation to the Public Offer at \$0.03 pursuant to the Prospectus (note 2 (ii))	100,000,000	3,000,000	166,666,667	5,000,000
Cash costs of undertaking the Public Offer (note 2(iii))	-	(390,995)	-	(512,995)
The conversion of \$1,000,000 of MedAdvisor Convertible notes into 41,666,667 ordinary shares in accordance with the terms of the MedAdvisor Convertible notes as set out in Section 11.3 of the Prospectus (note 2 (v))	41,666,667	1,000,000	41,666,667	1,000,000
The conversion of \$200,000 of Converting loans into 9,523,810 ordinary shares in accordance with the terms of the Converting Loan agreements notes as set out in Section 11.4 of the Prospectus (Note 2 (ix))	9,523,810	200,000	9,523,810	200,000
The issue of 1,000,000 fully paid ordinary shares to Mr Stephen Brockhurst under a services agreement between Exalt and Mr Brockhurst (Note 2 (x))	1,000,000	30,000	1,000,000	30,000
The issue of 25,000,000 Options to Peloton Capital Pty Ltd in accordance with the terms set out in Section 12.9 of the Prospectus (Note 2 (xii))	-	(295,000)	-	(295,000)
	537,254,582	(6,738,667)	603,921,249	(4,860,667)
<b>Pro-forma balance</b>	<u>622,504,988</u>	<u>5,201,742</u>	<u>689,171,655</u>	<u>7,079,742</u>

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**14. Reserves**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$	
Option Reserve	178,468	413,000	413,000	
Performance Shares/Rights Reserve	-	-	-	
	<u>178,468</u>	<u>413,000</u>	<u>413,000</u>	
<b>Options Reserve</b>				
	<b>Minimum</b>		<b>Maximum</b>	
	<b>Number of</b>	<b>\$</b>	<b>Number of</b>	<b>\$</b>
	<b>options</b>		<b>options</b>	
Balance as at 30 June 2015	16,008,568	178,468	16,008,568	178,468
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>				
<i>MedAdvisor Acquisition</i>				
Elimination of existing Exalt options reserve balance	-	(178,468)	-	(178,468)
The issue of 10,000,000 Options to Mr Peter Bennetto in accordance with the terms set out in Section 12.9 of the Prospectus (Note 2 (xi))	10,000,000	118,000	10,000,000	118,000
The issue of 25,000,000 Options to Peloton Capital Pty Ltd in accordance with the terms set out in Section 12.9 of the Prospectus (Note 2 (xii))	25,000,000	295,000	25,000,000	295,000
	<u>35,000,000</u>	<u>234,532</u>	<u>35,000,000</u>	<u>234,532</u>
<b>Pro-forma balance</b>	<b><u>51,008,568</u></b>	<b><u>413,000</u></b>	<b><u>51,008,568</u></b>	<b><u>413,000</u></b>

Fair values at grant date are determined using a binomial option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, expected early exercise and the risk-free interest rate for the term of the option.

The model inputs for options included as Pro-Forma Adjustments were:

Exercise Price	\$0.03
Expiry Date	3 years from grant date
Share Price at Grant Date	\$0.03
Expected Dividend Yield Rate	0.0%
Risk-free Interest Rate	2.0%
Volatility	60%

**Performance Shares/Rights Reserve**

	Minimum Number of performance shares/rights	\$	Maximum Number of performance shares/rights	\$
Balance as at 30 June 2015	-	-	-	-
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>				
<i>MedAdvisor Acquisition</i>				
The issue of 385,064,105 fully paid ordinary shares and 195,000,000 Founder Performance Shares as each as consideration for the acquisition of MedAdvisor (Note 2 (i))	195,000,000	-	195,000,000	-
The issue of 55,000,000 MMG Performance Shares in accordance with the terms set out in Section 12.7 of the Prospectus (Note 2 (vi))	55,000,000	-	55,000,000	-
The issue of 42,500,000 Performance Rights to Robert Read in accordance with the terms set out in Section 12.8 of the Prospectus (Note 2 (vii))	42,500,000	-	42,500,000	-
	<u>292,500,000</u>	<u>-</u>	<u>292,500,000</u>	<u>-</u>
<b>Pro-forma balance</b>	<b><u>292,500,000</u></b>	<b><u>-</u></b>	<b><u>292,500,000</u></b>	<b><u>-</u></b>

The Founder Performance Shares convert into ordinary shares of the Company subject to a number of milestones being met. The terms of the milestones are set out in Section 12.1 of the Prospectus.

In accordance with AASB 2 - Share Based Payment - the notional value of the Founder Performance Shares will be expensed over the expected vesting period of the Founder Performance Shares. In the event that the Founder Performance Shares do not vest and expire, any previously recognised expensed will be subsequently reversed.

The MMG Performance Shares convert into ordinary shares of the Company subject to a number of milestones being met. The terms of the milestones are set out in Section 12.7 of the Prospectus.

In accordance with AASB 2 - Share Based Payment - the grant date fair value of the MMG Performance Shares of \$1,650,000 (55,000,000 x \$0.03) will be expensed over the expected vesting period of the MMG Performance Shares. In the event that the Founder Performance Shares do not vest and expire, any previously recognised expensed will be subsequently reversed.

The Performance Rights issued to Robert Read convert into ordinary shares of the Company subject to a number of milestones being met. The terms of the milestones are set out in Section 12.8 of the Prospectus.

In accordance with AASB 2 - Share Based Payment - the grant date fair value of the Performance Rights issued to Robert Read of \$1,275,000 (42,500,000 x \$0.03) will be expensed over the expected vesting period of the Performance Rights. In the event that the Founder Performance Shares do not vest and expire, any previously recognised expensed will be subsequently reversed.



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**15. Accumulated losses**

	Audited 30-Jun-15 \$	Unaudited Pro-forma Minimum \$	Unaudited Pro-forma Maximum \$
Accumulated losses	(12,225,759)	(2,293,421)	(2,293,421)
<i>Adjustments arising in the preparation of the pro-forma balance are summarised as follows:</i>			
Accumulated losses at 30 June 2015		(12,225,759)	(12,225,759)
Elimination of Exalt losses upon completion of MedAdvisor Acquisition under reverse acquisition accounting		12,225,759	12,225,759
Accumulated losses of MedAdvisor on acquisition		(1,588,541)	(1,588,541)
Excess of notional consideration over net liabilities acquired – expensed to the income statement (note 3)		(142,183)	(142,183)
The issue of 1,000,000 fully paid ordinary shares to Mr Stephen Brockhurst under a services agreement between Exalt and Mr Brockhurst (Note 2 (x))		(30,000)	(30,000)
The issue of 10,000,000 Options to Mr Peter Bennetto in accordance with the terms set out in Section 12.9 of the Prospectus (Note 2 (xii))		(118,000)	(118,000)
The payment of estimated operating expenses between 30 June 2015 and the date of this Prospectus of \$548,665, inclusive of amounts recognised as liabilities at 30 June 2015 of \$133,968 (Note 2 (xiii))		(414,697)	(414,697)
		9,932,338	9,932,338
<b>Pro-forma balance</b>		<b>(2,293,421)</b>	<b>(2,293,421)</b>

**16. RELATED PARTY DISCLOSURE**

- (a) The Directors of Exalt at the date of this report are:
- Mr Peter Bennetto (Non Exec. Director);
  - Mr Stephen Brockhurst (Non Exec. Director); and
  - Mr Peter Dykes (Non-Exec. Director).
- (b) Directors' holdings of shares, directors' remuneration and other directors' interests are set out in Section 8 of the Prospectus.
- (c) The Directors are not related parties of MedAdvisor prior to the completion of the Offer.
- (d) There have been no related party transactions other than the directors' transactions set out in Section 8 of the Prospectus.

# 10. Corporate Governance



## 10.1 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Incoming Directors are committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted *The Corporate Governance Principles and Recommendations (3rd Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

The Incoming Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines. The Company's main corporate governance policies and practices that will be adopted from completion of the Offers are outlined below and further details can be obtained from the Company website at [www.exaltresources.com.au](http://www.exaltresources.com.au).

## 10.2 Board of Directors

The Board is responsible for corporate governance of the Company. The Incoming Directors will develop strategies for the Company, review strategic objectives and monitor performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;
- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Incoming Directors will assume the following responsibilities:

- (d) developing initiatives for profit and asset growth;
- (e) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (f) acting on behalf of, and being accountable to, the Shareholders; and
- (g) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

In light of the Company's size and nature, the Incoming Directors consider that the proposed composition of the Board is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

### 10.3 Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. However, subject thereto, the Company is committed to the following principles:

- (a) the Board is to comprise Directors with a blend of skills, experience and attributes appropriate for the Company and its business; and
- (b) the principal criterion for the appointment of new Directors is their ability to add value to the Company and its business.

Following Settlement, the Board will consist of 4 Directors. The Company has adopted a Nominations Committee Charter and will appoint a Nominations and Remuneration Committee.

Where a casual vacancy arises during the year, the Incoming Directors will have procedures to select the most suitable candidate with the appropriate experience and expertise to ensure a balanced and effective Board. Any Director appointed during the year to fill a casual vacancy or as an addition to the Board, holds office until the next general meeting and is then eligible for re-election by the Shareholders.

Each Incoming Director has confirmed to the Company that he anticipates being available to perform his or her duties as a non-executive director or executive director without constraint from other commitments.

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

The Company's Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the Recommendations and has adopted a definition of independence that is based on that set out in the Recommendations.

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

### 10.4 Board Charter

The Board Charter sets out the responsibilities of the Board in greater detail. It provides that the Board should comprise Directors with the appropriate mix of skills, experience, expertise and diversity which are relevant to the Company's businesses and the Board's responsibilities. The Board Charter allows the Board to delegate powers and responsibilities to committees established by the Board. The Board retains ultimate accountability to Shareholders in discharging its duties.

## 10.5 Identification and management of risk

The Incoming Directors intend to establish a risk management committee which is responsible for overseeing the risk management function. It is proposed that the risk management committee will be responsible for ensuring the risks and opportunities are identified on a timely basis.

The Board will be responsible for overseeing the establishment of and approving risk management strategies, policies, procedures and systems of the Company. The Company's management is responsible for establishing the Company's risk management framework. The Company will regularly undertake reviews of its risk management procedures to ensure that it complies with its legal obligations, including assisting the Chief Executive Officer or Chief Financial Officer to provide required declarations.

## 10.6 Ethical standards

The Incoming Directors are committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Incoming Directors intend to adopt a Code of Conduct which sets out the way the Company conducts business. The Company will carry on business honestly and fairly, acting only in ways that reflect well on the Company and in compliance with all laws and regulations.

The Incoming Directors also propose to adopt a policy document which will outline employees' obligations of compliance with the Code of Conduct, and explains how the code interacts with the Company's other corporate governance policies.

It is proposed that responsibilities incorporated in the Code of Conduct will include protection of the Company's business, using the Company's resources in an appropriate manner, protecting confidential information and avoiding conflicts of interest.

## 10.7 Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

## 10.8 Remuneration arrangements

The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Incoming Directors intend to review and approve the remuneration policy to enable the Company to attract and retain Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility.

The proposed role of the Remuneration and Nomination Committee is to review and make recommendations to the Board on remuneration arrangements and policies related to the Directors, Chief Executive Officer and other members of senior management and to ensure that the remuneration policies and practices are consistent with the Company's strategic goals and human resources objectives. In addition, it is proposed that the Committee will be responsible for reviewing and making recommendations in relation to the composition and performance of the Board and its committees and ensuring that adequate succession plans are in place (including for the recruitment and appointment of Directors and senior management). Independent advice may be sought by the Remuneration and Nomination Committee where appropriate.

The Remuneration and Nomination Committee will meet as often as is required by its Charter or other policy approved by the Board to govern the operation of the Remuneration and Nomination Committee. Following each meeting, the Remuneration and Nomination Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation that requires Board approval.

## 10.9 Trading policy

The Board has adopted a Securities Trading Policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The Securities Trading Policy explains the types of conduct in relation to dealings in Shares that are prohibited under the Corporations Act and to establish procedures in relation to such persons' dealing in the Shares.

Under the terms of the policy, buying or selling Shares is not permitted at any time by any person who possesses inside information in a manner contrary to the Corporations Act or where short-term or speculative trading is involved. The policy also generally provides that written notification to the Chairman (or in the case of the Chairman, the Board) must be satisfied prior to trading.

## 10.10 External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

## 10.11 Audit committee

The Company will have an Audit and Risk Management Committee which fulfils the Company's corporate governance and monitoring responsibilities in relation to the Company's risks associated with the integrity of the financial reporting, internal control systems and the independence of the external audit function.

The Committee will be responsible for approving the services that the Company's external auditor may provide. The external auditor:

- (a) must be independent of the Company and the Directors and senior executives. To ensure this, the Company requires a formal report from its external auditor on an annual basis setting out the relationships that may affect its independence; and
- (b) may not provide services to the Company that may impair, or appear to impair, the external auditor's judgement or independence in respect of the Company.

## 10.12 Diversity Policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

## 10.13 Departures from Recommendations

Following re-admission to the Official List of ASX, the Company will be required to report any departures from the Recommendations in its annual financial report. The Company's expected compliance and departures from the Recommendations following Settlement of the Acquisition are set out below.

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Principle 1: Lay solid foundations for management and oversight</b>		
<b>Recommendation 1.1</b>		
A listed entity should have and disclose a charter which sets out the respective roles and responsibilities of the Board, the Chair and management, and includes a description of those matters expressly reserved to the Board and those delegated to management.	Yes	<p>The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter.</p> <p>The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance, overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities and monitoring the effectiveness of the Company's governance practices.</p> <p>Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, directly to the Chair or the lead independent director, as appropriate.</p>

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 1.2</b>		
A listed entity should:	Yes	In determining candidates for the Board, the Nomination Committee will follow a prescribed process whereby it will evaluate the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.
(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and		
(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a Director.		Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting and re-appointment of directors is not automatic.

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 1.3</b>		
A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	<p>Each non-executive director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees.</p> <p>Each executive director's agreement with the Company includes the same details as the non-executive directors' agreements but also includes a position description, reporting hierarchy and termination clauses.</p> <p>To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.</p>
<b>Recommendation 1.4</b>		
The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Yes	The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter.



Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 1.5</b>		
A listed entity should:	Yes	The Company has established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.
(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;		The Company's Diversity Strategy details the Company's measurable objectives for achieving gender diversity in accordance with the Diversity Policy. In doing this, and assigning the responsibility for the Diversity Policy and its administration, monitoring and review. The Diversity Strategy includes a number of concepts including contribution to enhance local workforce and provision of opportunities for career development. Initiation of programs and schemes to achieve these goals were achieved during the Reporting Period. The Board has also adopted a policy to address harassment and discrimination in the Company, which it believes will facilitate an environment that encourages a diverse workforce.
(b) disclose that policy or a summary of it; and		The Incoming Directors propose to set the following objectives for the employment of women:
(c) disclose as at the end of each reporting period:		<ul style="list-style-type: none"> <li>to the Board – 20% by 2016 and 33% by 2018</li> <li>to senior management (including CFO and Company Secretary) – 20% by 2017 and 33% by 2018</li> <li>to the organisation as a whole – 50% by 2018</li> </ul>
(i) the measurable objectives for achieving gender diversity set by the Board in accordance with the entity's diversity policy and its progress towards achieving them; and		As at the date of Settlement, the Company will have the following proportion of women appointed:
(ii) either:		<ul style="list-style-type: none"> <li>to the Board – 0%</li> <li>to senior management (including CFO and Company Secretary) – 0%</li> <li>to the organisation as a whole – 40%</li> </ul>
(A) the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or		
(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.		

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 1.6</b>		
A listed entity should:	Yes	The Chair is responsible for evaluating the performance of the Board and, when appropriate, Board committees and individual directors deemed. A Non-Executive Director is responsible for evaluating the Chair. The Board is responsible for evaluating the Managing Director.
(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and		The evaluations of the Board, and any applicable Board committees and individual directors are undertaken via informal discussions on an ongoing basis with the Chair.
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		The evaluation of the Managing Director is undertaken via an informal interview process which occurs annually or more frequently, at the Board's discretion.
		During the previous reporting period an evaluation of Board, its committees, the chair and individual directors took place in accordance with the process disclosed above.
<b>Recommendation 1.7</b>		
A listed entity should:	Yes	The Chair is responsible for evaluating the performance of senior executives. The evaluation of senior executives is undertaken via an informal interview process which occurs annually or more frequently as required and otherwise takes place as part of the annual salary review under the senior executives' employment contract.
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and		
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		During the previous reporting period an evaluation of senior executives took place in accordance with the process disclosed above.

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Principle 2: Structure the Board to add value</b>		
<b>Recommendation 2.1</b>		
<p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p>	No	<p>The Board has not and is unlikely to initially establish a separate Nomination Committee after Settlement. Given the proposed size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board will perform the role of the Nomination Committee.</p> <p>Items that are usually required to be discussed by a nomination committee are discussed at a separate meeting when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board will deal with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.</p> <p>To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee.</p>
<b>Recommendation 2.2</b>		
<p>A listed entity should have and disclose a Board skill matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</p>	Yes	<p>While the Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages, it will re-address this matter after Settlement to determine any variations from the last review.</p> <p>The Incoming Directors will seek suitable Board candidates for positions from a diverse pool. Initially, the Board will look to appoint one additional independent non-executive director in the near term.</p>

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 2.3</b>		
A listed entity should disclose:	Yes	Non-executive Chairman, Peter Bennetto (appointment 28 November 2013) will remain on the Board after Settlement and will be the only independent director of the Company.
(a) the names of the Directors considered by the Board to be independent Directors;		
(b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3 <sup>rd</sup> Edition), but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and		Each Incoming Director will not be considered an independent director. Robert Read and Josh Swinerton will be executive directors and Jim Xenos will be a substantial security holder.
(c) the length of service of each Director		
<b>Recommendation 2.4</b>		
A majority of the Board of a listed entity should be independent Directors.	No	As described above, only one of the four proposed Directors of the Company after Settlement will be independent directors. The Incoming Directors do not believe that, given the size of the Company, the Company will be able to comply with this recommendation in the near term, however the Board will canvass candidates to fill an additional independent non-executive director role in the near term.
<b>Recommendation 2.5</b>		
The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Yes	Peter Bennetto will be the independent chairman and will not fill the role of CEO.

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 2.6</b>  A listed entity should have a program for inducting new Directors and providing appropriate professional development opportunities for continuing Directors to develop and maintain the skills and knowledge needed to perform their role as a Director effectively.	Yes	<p>It is the policy of the Company that each new Director undergoes 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. Information conveyed to new Directors include:</p> <ul style="list-style-type: none"> <li>• details of the roles and responsibilities of a Director;</li> <li>• formal policies on Director appointment as well as conduct and contribution expectations;</li> <li>• a copy of the Corporate Governance Statement, Charters, Policies and Memos and</li> <li>• a copy of the Constitution of the Company.</li> </ul> <p>In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.</p>
<b>Principle 3: Act ethically and responsibly</b>		
<b>Recommendation 3.1</b>  A listed entity should:	Yes	The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
(a) have a code of conduct for its Directors, senior executives and employees; and  (b) disclose that code or a summary of it.		

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Principle 4: Safeguard integrity in financial reporting</b>		
<b>Recommendation 4.1</b>		
The Board of a listed entity should:	No	The Board is unlikely to establish a separate Audit Committee in the near term, and therefore it is not structured in accordance with Recommendation 4.1. Given the proposed size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Audit Committee. Accordingly, the Board performs the role of Audit Committee.
(a) have an audit committee which:		Items that are usually required to be discussed by an Audit Committee will be discussed at a separate meeting when required. When the Board convenes as the Audit Committee it will carry out those functions which are delegated to it in the Company's Audit Committee Charter.
(i) has at least three members, all of whom are non-executive Directors and a majority of whom are independent Directors; and		
(ii) is chaired by an independent Director, who is not the Chair of the Board,		
and disclose:		The Board will deal with any conflicts of interest that may occur when convening in the capacity of the Audit Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.
(iii) the charter of the committee;		To assist the Board to fulfil its function as the Audit Committee, the Company has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the Audit Committee.
(iv) the relevant qualifications and experience of the members of the committee; and		
(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). 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 Audit Committee (or its equivalent) and any recommendations are made to the Board.
(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 4.2</b>		
The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the 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.	Yes	The Managing Director and the Chief Financial Officer provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks
<b>Recommendation 4.3</b>		
A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
<b>Principle 5: Make timely and balanced disclosure</b>		
<b>Recommendation 5.1</b>		
A listed entity should:	Yes	The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.
(a) have a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules; and		The Company has appointed a Responsible Officer who is responsible for ensuring the procedures are complied with. The Responsible Officer is Stephen Brockhurst, and in his absence, Peter Bennetto.
(b) disclose that policy or a summary of it.		After Settlement, it is intended that the Responsible Officer is Carlo Campiciano, and in his absence, Robert Read.

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Principle 6: <i>Respect the rights of security holders</i></b>		
<b>Recommendation 6.1</b>		
A listed entity should provide information about itself and its governance to investors via its website.	Yes	<p>The Company's website includes the following:</p> <ul style="list-style-type: none"> <li>• Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks</li> <li>• Names and biographical details of each of its directors and senior executives</li> <li>• Constitution</li> <li>• Copies of annual, half yearly and quarterly reports</li> <li>• ASX announcements</li> <li>• Copies of notices of meetings of security holders</li> <li>• Media releases</li> <li>• Overview of the Company's current business, structure and history</li> <li>• Details of upcoming meetings of security holders</li> <li>• Historical market price information of the securities on issue</li> <li>• Contact details for the share registry and media enquiries</li> </ul>
<b>Recommendation 6.2</b>		
A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.
<b>Recommendation 6.3</b>		
A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.



Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 6.4</b>		
A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders are given the opportunity to receive communications electronically
<b>Principle 7: Recognise and manage risk</b>		
<b>Recommendation 7.1</b>		
<p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent Directors; and</p> <p>(ii) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p>	No	<p>The Board does not expect to establish a separate Risk Committee in the near term after Settlement, and therefore it will not be structured in accordance with Recommendation 7.1.</p> <p>Given the proposed size and composition of the Board, the Incoming Directors believe that there would be no efficiencies gained by establishing a separate Risk Committee. Accordingly, the Board will perform the role of the Risk Committee. Items that are usually required to be discussed by a Risk Committee are discussed at a separate meeting when required. When the Board convenes as the Risk Committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Risk Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.</p>

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 7.2</b>		
The Board or a committee of the Board should:	Yes	The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. The Incoming Directors will re-assess the risk profile accordingly after Settlement.
(a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound; and		
(b) disclose in relation to each reporting period, whether such a review has taken place.		Under the policy, the Board delegates day-to-day management of risk to the Managing Director, who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.
		In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board. In addition, the following risk management measures will be continued by the Board to manage the Company's material business risks:
		<ul style="list-style-type: none"> <li>the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval;</li> <li>the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and</li> <li>the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.</li> </ul>
<b>Recommendation 7.3</b>		
A listed entity should disclose:	No	The Board will perform the role of Audit Committee. When the Board convenes as the Audit Committee it will carry out those functions which are delegated to it in the Company's Audit Committee Charter which include reviewing the Company's internal financial control system.
(a) if it has an internal audit function, how the function is structured and what role it performs; or		
(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		Due to the nature and size of the Company's proposed operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<b>Recommendation 7.4</b>		
A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is not subject to material economic, environmental and social sustainability risks. The Incoming Board will re-assess this position after Settlement.
<b>Principle 8: Remunerate fairly and responsibly</b>		
<b>Recommendation 8.1</b>		
The Board of a listed entity should:	Yes	The Board will establish a separate Remuneration Committee which will comprise of both non-executive directors and potentially independent advisors, as required, until the size and composition of the board allows for three non-executive director members.
(a) have a remuneration committee which:		The Remuneration Committee will carry out those functions which are delegated to it in the Company's Remuneration Committee Charter.
(i) has at least three members, a majority of whom are independent Directors; and		
(ii) is chaired by an independent Director,		
and disclose:		
(iii) the charter of the committee;		
(iv) the members of the committee; and		
(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		
(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		

Recommendations (3 <sup>rd</sup> Edition)	Comply	Explanation
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives and ensure that the different roles and responsibilities of non-executive Directors compared to executive Directors and other senior executives are reflected in the level and composition of their remuneration.</p>	Yes	<p>Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms of part of the Annual Report.</p> <p>The remuneration of non-executive directors is set by reference to payments made by other companies of similar size and industry, and by reference to the director's skills and experience. The Company may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the directors' option holdings are fully disclosed.</p> <p>Executive pay and rewards consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options or performance rights is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.</p>
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	Yes	<p>Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.</p>

# 11. Material Contracts



## 11.1 HOA

The material terms of the HOA are as follows:

- (a) **(Consideration):** the consideration payable by the Company in respect of the Acquisition is as follows:
  - (i) 385,064,105 Shares to the shareholders of MedAdvisor in proportion to the number of MedAdvisor Shares held (**Consideration Shares**); and
  - (ii) 195,000,000 Founder Performance Shares to the Founders in consideration for the MedAdvisor B Class Shares, which shall convert into Shares upon satisfaction of the following milestones:
    - (A) 50% of the Founder Performance Shares shall convert upon the “MedAdvisor Platform” being activated at 2,500 pharmacies within a period of 2 years from the issue of the Founder Performance Shares; and
    - (B) 50% of the Founder Performance Shares shall convert upon the Company receiving annualised revenue (calculated over two consecutive calendar quarters) of no less than \$5,000,000, within a period of 3 years from the issue of the Founder Performance Shares,

(together, the **Consideration Securities**)
- (b) **(Conditions Precedent):** Settlement is conditional upon the satisfaction or waiver of the following outstanding conditions precedent:
  - (i) completion of due diligence by the Company and MedAdvisor in respect of one another’s business and operations;
  - (ii) the conditional approval by ASX to reinstate the Company’s securities to trading on ASX (after the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the Company and MedAdvisor;
  - (iii) the Company undertaking the Public Offer pursuant to this Prospectus and meeting the Minimum Subscription under the Public Offer; and
  - (iv) the Company receiving all Shareholder and regulatory approvals required to complete the Acquisition; and

- (c) **(Board Changes):** upon Settlement occurring, two existing directors of the Company will retire and three nominees of MedAdvisor will be appointed to the board of the Company.

The HOA otherwise contains terms, conditions and restrictions which are customary for an agreement of its nature.

The Company and MedAdvisor are in the process of finalising a formal share sale agreement to supersede the terms of the HOA and expect that this agreement will be signed prior to Settlement. This agreement will be signed by all shareholders of MedAdvisor. The founding shareholders will provide extensive warranties to the Company in respect of the MedAdvisor business under this agreement.

## 11.2 MedAdvisor Convertible Notes

MedAdvisor is in the process of undertaking a capital raising pursuant to which it has issued and proposes issuing notes convertible into MedAdvisor Shares (**MedAdvisor Convertible Notes**) to raise up to \$1,000,000.

As at the date of this Prospectus, it has entered into 24 agreements for the issue of MedAdvisor Convertible Notes with an aggregate value of \$770,000. MedAdvisor expects to raise the full \$1,000,000 prior to Settlement.

The material terms of the MedAdvisor Convertible Notes will be as follows:

- (a) **Maturity Date:** the repayment date is the date which is 24 months after the date a MedAdvisor Convertible Note is issued (**Maturity Date**);
- (b) **Conversion price:** the conversion price for the MedAdvisor Convertible Notes is 80% of the price at which Shares are offered pursuant to the Public Offer;
- (c) **Conversion:** either of MedAdvisor or the holder may elect during the period commencing on the date of the ASX announcement of the Acquisition and ending on the date that is either 30 or 60 business days thereafter that the face value of the MedAdvisor Convertible Notes shall convert into Shares in the Company at Settlement (MedAdvisor has confirmed that it has and will elect for the MedAdvisor Convertible Notes to be converted on the date of Settlement);
- (d) **Repayment:** in the event that the MedAdvisor Convertible Notes have not been converted or repaid at an earlier date, the MedAdvisor Convertible Notes will be repayable on the Maturity Date;
- (e) **Unsecured:** MedAdvisor's obligations under the MedAdvisor Convertible Notes are unsecured; and
- (f) **Interest:** MedAdvisor shall, on and from the date that is 6 months from the date of issue of the MedAdvisor Convertible Notes until the MedAdvisor Convertible Notes are converted or redeemed, pay the holder a quarterly coupon payment equal to the face value of the MedAdvisor Convertible Notes held by the Noteholder multiplied by 10% per annum (calculated on daily balances and not compounded).

## 11.3 Converting Loan Agreements

On or about 27 July 2015, the Company completed a capital raising pursuant to which it entered into converting loan agreements, including an agreement with Mr Shane Hartwig (a former Director), pursuant to which it was lent a total of \$200,000 (**Converting Loan Agreements**).

The key terms of the Converting Loan Agreements are as follows:

- (a) **Conversion:** all outstanding monies under the Converting Loan Agreements will, subject to Shareholder approval, automatically convert into Shares at Settlement;
- (b) **Number:** the Company shall issue such number of Shares to the lenders determined by dividing the outstanding monies by the price which is equal to a 30% discount to the price at which Shares are issued under the Public Offer;
- (c) **Repayment:** the repayment date is the date that is 6 months from the date of termination of the HOA or the date that notice is given by a lender that the Company is in breach of its obligations under the Converting Loan Agreement; and
- (d) **Unsecured:** The Company's obligations under the Converting Loan Agreements are unsecured; and
- (e) **Interest:** interest will accrue daily at a rate of 8% per annum on the outstanding amount under each Converting Loan Agreement and is calculated on a monthly basis. An interest rate of 16% per annum is payable on any overdue amounts and accrues from day to day from and including the due date for payment up until the actual date of payment.

## 11.4 Peloton Mandate

On 24 June 2015, the Company entered into a mandate with Peloton under which Peloton agreed to provide corporate advisory and investor relation services to the Company (**Peloton Mandate**).

The key terms of the Peloton Mandate are as follows:

- (a) **Lead Manager:** Peloton will be appointed lead manager of the Public Offer;
- (b) **Lead Manager Options:** the Company has agreed to issue 25,000,000 Options (exercisable at \$0.03 on or before the date that is 3 years from the date of issue) (**Lead Manager Options**) upon successful completion of the Public Offer;
- (c) **Capital Raising Fee:** the Company has agreed to pay to Peloton a capital raising fee equal to 6% of any funds raised under the Public Offer arranged by Peloton; and
- (d) **Investor Relations Fee:** the Company has agreed to pay to Peloton:
  - (i) an investor relations fee of \$8,000 (plus GST) for the period from 1 September 2015 to 31 August 2016; and
  - (ii) a roadshow fee of \$1,000 per day for any roadshows undertaken by Peloton on behalf of the Company (of which there will be no less than 2 during 2015).

## 11.5 MMG Agreement

On 18 March 2015, MedAdvisor entered into a heads of agreement with MMG under which MedAdvisor and MMG agreed to work as partners and enter into formal agreements in respect of the expansion of MedAdvisor's software and applications for use in the general practitioner (GP) sector (**MMG Agreement**).

The material terms of the MMG Agreement are set out below:

- (a) **(Home Medication Review Program Development and Pilot Study):**
  - (i) MedAdvisor will develop the Platform to enable patients to be automatically offered HMRs and to allow HMRs to be referred by GPs to pharmacists (**HMR Program**); and
  - (ii) MMG will:
    - (A) facilitate an advisory panel of no less than 8 experienced and reputable GPs who will provide expertise to assist MedAdvisor in the design, development and testing of the HMR Program; and
    - (B) following development of the HMR Program, MMG will facilitate a pilot study of not less than 40 GPs to test the commercial and technical feasibility of the HMR Program (**Pilot Study**);
- (b) **(Fundraising):** Prior to commencement of the Pilot Study, MMG will assist MedAdvisor's corporate advisors in raising between \$750,000 and \$1,000,000 from third parties through the issue of MedAdvisor Convertible Notes. As at the date of this Prospectus MedAdvisor has raised a total of \$770,000 through the issue of MedAdvisor Convertible Notes (the terms of which are summarised in Section 11.3 below);
- (c) **(Equity Remuneration):** In consideration for MMG's assistance in developing the HMR Program, undertaking the Pilot Study and assisting with the issue of MedAdvisor Convertible Notes, MedAdvisor has agreed to issue 5,000,000 MedAdvisor Shares to MMG (which will be satisfied through the issue of the MMG Performance Shares to MMG);
- (d) **(HMR Program Recruitment):** MedAdvisor will grant to MMG:
  - (i) the exclusive right to recruit GPs in NSW and SA; and
  - (ii) the non-exclusive right to recruit GPs from elsewhere in Australia,

into the HMR Program for a period of 5 years from the date that the HMR Program is launched (following completion of the Pilot Study) (**HMR Commencement Date**), provided that if MMG does not meet the sign-up milestones set out below, MMG's exclusive right to recruit GPs in NSW and SA will become non-exclusive.



Period		MMG GPs	
From	To	New	Aggregate
HMR Commencement Date	6 months after HMR Commencement Date	50	50
6 months after HMR Commencement Date	12 months after HMR Commencement Date	75	125
12 months after HMR Commencement Date	24 months after HMR Commencement Date	575	700
24 months after HMR Commencement Date	36 months after HMR Commencement Date	300	1,000
36 months after HMR Commencement Date	48 months after HMR Commencement Date	400	1,400
48 months after HMR Commencement Date	60 months after HMR Commencement Date	600	2,000

- (e) **(Earn-out Remuneration):** Upon meeting financial targets set out below, which are calculated as the aggregate of:

- (i) gross revenue (inclusive of commissions, if any, to be paid to MMG) derived and received by MedAdvisor (that is, paid to MedAdvisor) from the HMR Program;
- (ii) revenue received by MedAdvisor from pharmacies introduced by MMG less the Guildlink Fee and the Promotional Portion; and
- (iii) all other revenue earned by MedAdvisor from GPs introduced by MMG,

by the date that is 2 years following the HMR Commencement Date, MMG is entitled to be issued the corresponding number of MedAdvisor Shares:

Financial Target	MedAdvisor Shares to be issued	Aggregate MedAdvisor Shares issued
\$1,000,000	10,000,000	10,000,000
\$2,000,000	10,000,000	20,000,000
\$4,000,000	12,500,000	32,500,000
\$7,000,000	17,500,000	50,000,000

The obligation of MedAdvisor to issue the MedAdvisor Shares referred to above will be satisfied by the Company through the issue of the MMG Performance Shares (the terms of which are set out in Section 12.7).

- (f) **(Commission):** MMG will be entitled to a commission in perpetuity from MedAdvisor equal to 25% of the revenue earned by (and paid to) MedAdvisor from GPs introduced to MedAdvisor by MMG from the conduct of HMRs through the HMR Program.
- (g) **(Distribution Agreement):** MedAdvisor will grant MMG the non-exclusive right to recruit pharmacies to subscribe to the Platform for a period of 5 years from the HMR Commencement Date in consideration for a proportion of the subscription fee paid by any pharmacies introduced by MMG to be included in a marketing and training fund or reserve for the funding of activities that:

- (i) promote and market the Platform to pharmacies;
- (ii) train and support pharmacies in respect of the Platform;
- (iii) promote and market the Platform to GPs; and
- (iv) train and support GPs in respect of the Platform.

## 11.6 Actavis Co-Marketing and Distribution Agreement

MedAdvisor entered into a Co-Marketing and Distribution Agreement with Watson Pharma Pty Ltd ACN 147 695 225 (now known as Actavis Pharma Pty Ltd) (**Actavis**) on 4 June 2013. The purpose of this agreement was for the development of the MedAdvisor Platform and to distribute and commercialise the Platform in retail pharmacies through promotion and sales by Actavis.

Subject to the achievement of defined targets and other terms, Actavis was granted the exclusive right to market and distribute the MedAdvisor Platform to retail pharmacies in Australia for an initial term of three years ending 31 March 2016. This right was qualified by MedAdvisor's right to market, distribute and supply the Platform to health insurance companies, doctors and other health professionals (and others with Actavis approval).

Under the agreement, Actavis was required to pay MedAdvisor a licence fee of \$2 million (payable in accordance with agreed milestones). MedAdvisor also receives a monthly fee from Actavis in respect of each pharmacy that Actavis procures to enter into a licence agreement which contemplates a direct relationship between the pharmacy and Actavis (**Pharmacy Fee**). The Pharmacy Fee was to be reviewed and adjusted on each review date (three years from the commencement date) pursuant to a defined formula.

Actavis elected to become a non-exclusive distributor of the Platform. As a result, any upfront licence fee/payment receivable by MedAdvisor for any new Platform distributor in Australia is to be shared equally by MedAdvisor and Actavis. This is referred to as a "Commission Fee" and, to the extent the upfront fee is more than \$1 million in the aggregate, that excess shall be solely for MedAdvisor. No upfront fee has been negotiated or is receivable by MedAdvisor from others with whom a contractual arrangement has been concluded.

On 4 September 2015, pursuant to the terms of the agreement, MedAdvisor gave notice to Actavis that it does not intend to renew the agreement and, as a result, the agreement will terminate on 31 March 2016. The primary reason for this decision relates to the recent sale of the Actavis business to Allergan and Actavis largely withdrawing its presence from the Australian market-place. MedAdvisor has also entered into the Apotex Referral Agreement (described in Section 11.9 below) to replace Actavis' role as a key promoter of the Platform into Australian pharmacies moving forward.

## 11.7 GuildLink/Actavis Service Agreement

MedAdvisor entered into a tripartite services agreement with Actavis and GuildLink on 30 January 2014. The purposes of this agreement was to enable the integration of the MedAdvisor Platform into the GuildCare Platform (a software platform offering through which GuildLink offers services to pharmacies) (GuildCare Platform) for increased facilitation of the delivery of the MedAdvisor Platform to pharmacies. GuildLink is also required to promote the MedAdvisor Platform to pharmacies and to provide support and maintenance services to Actavis and MedAdvisor after integration.

The agreement also features the following terms:

- (a) GuildLink grants Actavis and MedAdvisor the right to access and use:
  - (i) the GuildCare Platform to deliver the MedAdvisor Platform to pharmacists in Australia; and

- (ii) the supply of GuildCare's database of consumer medicines information;
- (b) GuildLink has copyright in drug images and Actavis and MedAdvisor are prohibited from changing those images, other than in accordance with specified directions in the agreement;
- (c) MedAdvisor is responsible for any claims arising from misidentification of drugs or from any changes to drug images;
- (d) GuildLink excludes liability to Actavis and MedAdvisor arising from their use of any information obtained from the GuildLink drug image database (other than on account of GuildLink's misconduct and/or negligence); and
- (e) MedAdvisor and Actavis are prohibited from using any other platform, other than the GuildCare Platform to deliver the MedAdvisor Platform to pharmacists in Australia (unless GuildLink's consent is obtained).

Actavis is entitled to a dollar-for-dollar rebate from GuildLink for new pharmacies which subscribe to the MedAdvisor Technology. MedAdvisor does not receive fees from GuildLink, yet pursuant to the Co-Marketing & Distribution Agreement with Actavis, Actavis is required to pay a monthly fee for each new pharmacy which subscribes to the MedAdvisor Platform and signs a licence agreement). In practice, GuildLink has been remitting the licence fee directly to MedAdvisor and MedAdvisor is also paid at agreed rates for training and installation services provided to GuildLink.

MedAdvisor paid GuildLink a fee for the development and deployment of the MedAdvisor Platform into the GuildCare Platform. MedAdvisor is required to pay GuildLink a support and maintenance fees of \$50,000 in the first year after Integration, otherwise support and maintenance services are payable in accordance with GuildLink standard rates to a maximum of \$50,000 per year.

Each party indemnifies the other for a breach of contract, infringement of intellectual property rights and negligence. MedAdvisor's liability is limited to the fees paid or payable to GuildLink under the agreement.

The term of the agreement runs for two years from 10 September 2013 and automatically renews for subsequent terms of one year unless Actavis or GuildLink give notice to all parties no later than three months prior to the expiry of the initial term (or a subsequent term) that it does not wish to renew. GuildLink has provided notice that it does not wish to renew this agreement and it will expire on 10 September 2015. GuildLink and MedAdvisor have entered into a stand alone service agreement for the continued delivery of the MedAdvisor Platform through the GuildCare Platform.

## 11.8 GuildLink Services Agreement

As noted, MedAdvisor has entered into a new services agreement with GuildLink on 4 September 2015, which is in effect despite the operation of the GuildLink/Actavis Services Agreement at 11.7 above. This agreement is for the continued delivery of the MedAdvisor Platform through the GuildCare Platform to participating pharmacies as well as continued support and maintenance services provided by GuildLink to MedAdvisor.

While this new agreement with GuildLink no longer requires MedAdvisor to only deliver the MedAdvisor Platform to pharmacies through the GuildCare Platform, the parties have agreed not to promote or host a program which competes with and is substantially similar to the other party's programs and which are (as applicable) delivered through the MedAdvisor Platform or the GuildCare Platform. However, this restriction does not apply to and excludes: SMS and email patient communications and script reminder services; script owing services; GuildCare delivered adherence training; medical training programs; medical adherence programs; and pharmacy adherence programs delivered on alternative platforms to the MedAdvisor Platform or the GuildCare Platform.

The agreement also provides for the following:

- (a) GuildLink grants MedAdvisor the right to access and use:
  - (i) the GuildCare Platform to deliver the MedAdvisor Platform to pharmacists in Australia; and
  - (ii) the supply of database of consumer medicines information;
- (b) the agreement provides for use of each party's brand, subject to prior consent of the other party; and
- (c) MedAdvisor charges pharmacies and collects its own subscription fees, save that the arrangements in the GuildLink/Actavis Services Agreement (referred to at 11.7 above) continue until 9 September 2015, although it has been agreed between GuildLink and MedAdvisor that GuildLink will continue collection arrangements on MedAdvisor's behalf until 30 September 2015.

GuildLink will charge MedAdvisor a platform access and usage fee for each MedAdvisor participating pharmacy, subject to a minimum aggregate platform access and usage fee per year. MedAdvisor will also pay a support services fee on a time and materials basis at set rates and any other support service charges as applicable.

The agreement is for an initial two year term commencing on 1 August 2015 with further terms of one year, which will automatically renew if neither party elects not to renew the agreement on at least six months' prior written notice.

A party may terminate by written notice to the other party for various events of default including:

- (a) for an unremedied material breach or irremediable material breach;
- (b) if a party is insolvent, ceases or threatens to carry out all or a substantial part of its business, or changes/proposes substantial change in nature and scope of its business;
- (c) a party is subject to a substantial change of ownership without consent; or
- (d) where a competitor or potential competitor of a party controls another party.

Should a party reasonably consider the other party is in breach of promoting or hosting a competitive program, the agreement provides a process for detailing issues and concerns for resolution (and in the absence of resolution, a party may terminate the agreement).

## 11.9 Apotex Referral Agreement

MedAdvisor entered into a referral agreement with Apotex on 4 September . Under this agreement, Apotex will promote MedAdvisor and refer pharmacies to MedAdvisor for the opportunity to use MedAdvisor's Platform. Each pharmacy will enter into a "Service Agreement", being a licence agreement with MedAdvisor directly (described in section 11.10), pursuant to which fees will be paid to MedAdvisor. As such no fees are paid directly by Apotex to MedAdvisor.

The agreement is for an initial term ending 31 December 2019. The agreement provides for automatic renewal periods of one year unless otherwise terminated or a party elects not to renew at least three months before the expiration of the current term.

MedAdvisor will notify Apotex of each pharmacy that enters into a service agreement. MedAdvisor is obliged to ensure the delivery of data to customers and associated information through use of the Platform and other performance requirements. Apotex will provide training to pharmacies in respect of the Platform.

During the term of this agreement, MedAdvisor is not permitted to enter into any contract or arrangement (or other understanding) concerning the provision of compliance services to any other pharmaceutical company whose primary business is the development of generic pharmaceutical products. In order to retain this exclusivity, Apotex has certain referral targets to be met.

If Apotex considers (after good faith discussion with MedAdvisor) that any MedAdvisor fee increase is unreasonable, Apotex has the right to terminate the agreement. Either party may otherwise immediately terminate if the other party is unable to perform the agreement lawfully, is insolvent, or for un-remedied or irremediable breach.

MedAdvisor has entered into a binding heads of agreement with Salix Consulting Pty Ltd (ABN 65 177 182 217) (**Salix**) for Salix to represent MedAdvisor to negotiate the Apotex Referral Agreement (**Salix HOA**). Salix had an existing relationship with Apotex that assisted with the negotiations. Under the Salix HOA, Salix is entitled to receive from MedAdvisor a commission on the monthly licence fee paid by Apotex introduced pharmacies (capped at a maximum of 2,000) for a period of three years from the commencement of the Apotex Referral Agreement. The commission is payable twice annually.

## 11.10 Pharmacy Licence Agreements

MedAdvisor has entered into various Licence Agreements with pharmacies around Australia relating to the provision of a licence to access and use MedAdvisor's Platform. These agreements are for an indefinite term but are subject to termination provisions set out below.

Under the agreement:

- (a) MedAdvisor grants the pharmacy with a non-exclusive, non-transferrable and revocable licence of the MedAdvisor software to the pharmacy and limited use by the pharmacy on the pharmacy's system. The licence may not be transferred without MedAdvisor's consent;
- (b) the pharmacy pays MedAdvisor a fee in consideration for the licence which is subject to change;
- (c) Pharmacy gives MedAdvisor access to the pharmacy's computer system (including point-of-sale and dispensary software) and to access, retrieve, use, store, copy and modify the pharmacy's data and create derivative works from data. The pharmacy also agrees to install software updates prescribed by MedAdvisor;
- (d) MedAdvisor may change its website and platform content or services without notice;
- (e) standard terms for protection of intellectual property rights, limitation of liability disclaimers and exclusion of consequential loss are included; and
- (f) consumer warranties are otherwise applicable in addition to an obligation to ensure the software is free from errors or malicious codes.

MedAdvisor may terminate an agreement for breach by a pharmacy and may revoke use of the MedAdvisor site or platform content at any time with or without notice. MedAdvisor may terminate the Licence Agreement without cause on 30 days written notice or immediately if fees are not paid by the pharmacy. The pharmacy may also terminate without cause on 30 days written notice to MedAdvisor.

At or before the expiry of the Actavis Co-Marketing and Distribution Agreement, MedAdvisor will seek to enter into this standard form licence agreement with Actavis-introduced pharmacies directly.

### 11.11 NostraData Data Services Agreement

On 11 November 2014, MedAdvisor entered into a Data Services Agreement (**DSA**) with NostraData Pty Ltd (ACN 139 103 656) (**NostraData**). Under the DSA, NostraData is to install software at pharmacies, establish connectivity with pharmacies, maintain and upgrade the software, collect data and provide data and reports to MedAdvisor.

Under the DSA, MedAdvisor pays NostraData monthly connection fees and licence fees subject to an annual cap. NostraData may also conduct ad hoc and enhancement work on an as-needs basis at agreed hourly rates.

The DSA has an initial term of 10 years and automatically renews for successive 10 year terms unless a party notifies the other at least 12 months before the expiry of a term that it does not wish to renew.

The DSA may be terminated by MedAdvisor on six months' written notice or immediately if NostraData has failed to remedy or rectify a breach of the agreement within 30 business days' notice. Either party may terminate the DSA immediately if the other suffers an event of insolvency.

Mr Jim Xenos (Incoming Director and pending substantial Shareholder) and Mr Mike de Gama (pending substantial Shareholder) are directors and indirect shareholders of NostraData.

### 11.12 GlaxoSmithKline Supply Agreement

MedAdvisor entered into a supply agreement with GlaxoSmithKline Australia Pty Ltd (ABN 47 100 162 481) (**GSK**) dated 16 February 2015, pursuant to which, MedAdvisor is committed to the development of a digital program that offers health condition and medication information to help patients use their medications safely, effectively and reliably.

Under this agreement, GSK's brand Panadol Osteo is granted exclusive access to be the only paracetamol based product to engage with MedAdvisor Platform users in MTAC services. GSK pays MedAdvisor based on a number of products that utilise the MTAC services of the Platform.

The agreement is for an initial two year term with GSK holding an option to extend for a further one year. GSK can terminate the agreement on 30 days notice at any time and can also terminate if there is a material change in the ownership of MedAdvisor which is unacceptable to GSK.

### 11.13 AstraZeneca Terms of Engagement

MedAdvisor entered into terms of engagement for future supply contracts with AstraZeneca Pty Ltd (ABN 54 009 682 311) on 9 February 2015. The agreement sets out terms on which MedAdvisor is to supply goods or services to AstraZeneca and specifies the basis on which future agreements between the parties will deal with privacy, confidentiality, and anti-corruption. These terms of engagement can be terminated by either party on six months' notice.

### 11.14 UCB Master Services Agreement

MedAdvisor entered into a master services agreement with UCB Australia Pty Ltd (ACN 005 799 208) (**UCB**) on 24 December 2014. The agreement sets out the terms on which UCB will utilise the Platform, through product listings, MTAC, medicine detail screens and other functions.

UCB will make specific service requests to MedAdvisor and fees vary depending on services to be provided. MedAdvisor can terminate a service request on 60 days notice. The agreement with UCB is for a three year term.

## 11.15 BUPA Master Collaboration Agreement

MedAdvisor entered into a master collaboration agreement with BUPA on 28 June 2014, pursuant to BUPA will act as MedAdvisor's exclusive health insurance partner for an initial term of 18 months (with BUPA able to extend this term for an additional 18 months). Either party can terminate on 180 days notice at any time.

The agreement serves as a framework for the parties to determine collaborative activities on a case by case basis. Each party will provide support, resources and assistance as reasonably requested for the purposes of carrying out collaboration activities. Collaboration fees will be agreed on a case by case basis.

All deliverables under the agreement must be co-branded. MedAdvisor agrees to co-brand the MedAdvisor Platform using BUPA's logo and introductory phrase including on splash screens of the software, and promotional collateral. MedAdvisor will not charge BUPA any licensing or sponsorship fees under the agreement.

## 11.16 Executive Services Agreements

The Company has entered into executive services agreements with Mr Robert Read and Mr Josh Swinnerton.

The material terms of these Executive Service Agreements are as follows:

### (a) Mr Read

MedAdvisor and Robert Read entered into an Employment Agreement for his role as CEO commencing on 1 July 2015.

Under the Employment Agreement, Mr Read will receive an annual fixed remuneration of \$250,000 plus superannuation.

Mr Read will also be eligible to receive the following cash bonus payments:

- (i) a maximum milestone bonus of \$140,000 to be achieved during the two financial years following the date of Official Quotation; and
- (ii) a bonus payment equal to 0.75% of gross capital raised in the Public Offer and any other offers made by the Company in the three month period after the date of Official Quotation (subject to the Share price not falling below \$0.03 for any more than five consecutive days in the three month period after the date of Official Quotation).

Under the Employment Agreement, Mr Read will also be issued with 42,500,000 performance rights in the Company, each for nil consideration (Read Rights). The full terms and conditions of the Read Rights are set out at Section 12.8 of this Prospectus.

Mr Read may terminate the Employment Agreement by giving 9 months notice in writing. MedAdvisor may terminate the Employment Agreement by giving 9 months notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, MedAdvisor may terminate the Employment Agreement immediately by notice in writing and without payment.

Upon termination of the Employment Agreement, Mr Read will be subject to a restraint of trade period of up to 12 months.

The Employment Agreement comes into effect the date on which it is signed but is conditional on the approval of MedAdvisor shareholders, which is expected to be obtained at a general meeting to be held prior to Settlement of the Acquisition. If shareholder approval is not achieved, the Employment Agreement will terminate.

The Employment Agreement may be novated from MedAdvisor to the Company after the Acquisition and Mr Read will continue his role as CEO of the Group.

**(b) Mr Swinnerton**

MedAdvisor and Josh Swinnerton entered into an Employment Agreement for his role as CTO on 20 August 2015 as a revision to his existing terms of employment.

Under the Employment Agreement, Mr Swinnerton will receive an annual fixed remuneration of \$205,950 plus superannuation.

Mr Swinnerton may terminate the Employment Agreement by giving 9 months notice in writing. MedAdvisor may terminate the Employment Agreement by giving 9 months notice in writing or by making a payment in lieu of notice. In the event of serious misconduct or other specific circumstances warranting summary dismissal, MedAdvisor may terminate the Employment Agreement immediately by notice in writing and without payment.

Upon termination of the Employment Agreement, Mr Swinnerton will be subject to a restraint of trade period of up to 12 months.

The Employment Agreement comes into effect the date on which it is signed but is conditional on the approval of MedAdvisor shareholders, which is expected to be obtained at a general meeting to be held prior to Settlement of the Acquisition. If shareholder approval is not achieved, Mr Swinnerton will remain employed on the terms of his prior employment agreement, which provides for four weeks notice of termination and does not provide for a restraint of trade clause. His remuneration will remain the same.

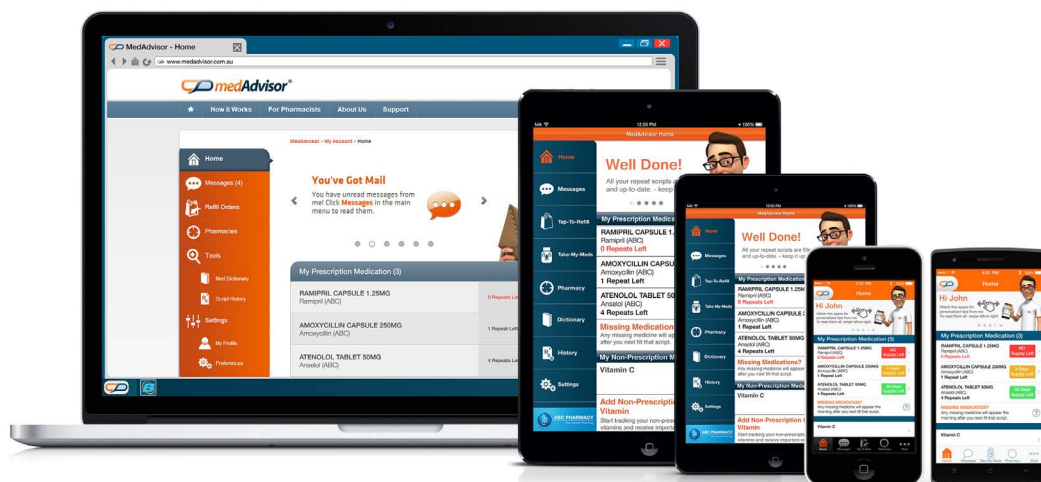
The Employment Agreement may be novated from MedAdvisor to the Company after the Acquisition and Mr Swinnerton will continue his role as CTO of the Group.

## 11.17 Deeds of indemnity, insurance and access

The Company is in the process of finalising deeds of indemnity, insurance and access with each of its Incoming Directors and will enter into such deeds with the Incoming Directors following their appointments. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

For existing directors, the Company has entered into deeds of indemnity, insurance and access on similar terms.





## 12. Additional Material Information

### 12.1 Suspension and Re-admission to ASX

As the Company is currently a mineral exploration company, the Acquisition, if successfully completed, will represent a significant change in the nature and scale of the Company's operations to a technology company.

ASX has advised that this change in the nature and scale of the Company's activities will require:

- (a) the approval of Shareholders; and
- (b) the Company to re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

In accordance with ASX guidelines, it will be necessary for the Company to apply for a trading halt in its Shares from the beginning of trading on the date of the General Meeting.

If Shareholder approval to the change in nature and scale of the Company's activities as a result of the Acquisition is obtained, then subject to the passing of each other Essential Resolution (see below for further details), the Company will be required to apply for voluntary suspension of the Shares with effect from the close of the General Meeting. In such circumstances, the Shares will not be reinstated to Official Quotation until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and is re-admitted by ASX to the Official List.

Some of the key requirements of Chapters 1 and 2 of the ASX Listing Rules are:

- (a) the Company must satisfy the shareholder spread requirements relating to the minimum number of Shareholders and the minimum value of the shareholdings of those Shareholders;
- (b) the Company must satisfy the “assets test” as set out in ASX Listing Rule 1.3; and
- (c) the issue price of Shares must be at least 20 cents and the exercise price of Options must be at least 20 cents unless ASX grants the Company a waiver, which it has done to allow the issue price of the Shares under the Public Offer to be \$0.03.

It is expected that the conduct of the Public Offer pursuant to this Prospectus will enable the Company to satisfy the above requirements.

Applicants should be aware that ASX will not re-admit or admit any Shares to Official Quotation until the Company re-complies with Chapters 1 and 2 of the Listing Rules and is re-admitted by ASX to the Official List. In the event that the Company does not receive conditional approval for re-admission to the Official List, the Company will not proceed with the Offers and will repay all Application Monies received by it in connection with this Prospectus (without interest).

If Shareholder approval to the change in nature and scale of the Company’s activities is not obtained, the Offers will not proceed, the trading halt will end after the results of the General Meeting have been announced to the market and trading in Shares will thereupon re-commence.

## 12.2 Shareholder Approval of Essential Resolutions

The Company has called the General Meeting primarily for the purpose of seeking the approval of Shareholders to a number of resolutions required to implement the Acquisition.

It is a condition to completion of the Offers under this Prospectus, as well as the Acquisition, that each of the following resolutions is approved by Shareholders:

- (a) the significant change in the nature or scale of the Company’s activities to become a technology company, for which Shareholder approval is required under ASX Listing Rule 11.1.2 ;
- (b) the creation of a new class of securities, being the Founder Performance Shares;
- (c) the creation of a new class of securities, being the MMG Performance Shares;
- (d) the issue of Shares under the Public Offer;
- (e) the issue of the Consideration Securities;
- (f) the acquisition of a relevant interest in the Company of more than 20% by Mrs Viv Swinnerton;
- (g) the issue of the MMG Performance Shares;
- (h) the issue of Shares upon conversion of the MedAdvisor Convertible Notes;
- (i) the change of name of the Company to “MedAdvisor Limited”;
- (j) election of the Incoming Directors;

- (k) the issue of Shares upon conversion of the Converting Loan Agreements; and
- (l) the issue of Shares to Mr Shane Hartwig upon conversion of the Converting Loan Agreements;
- (m) the issue of the Read Rights to Mr Robert Read;
- (n) the acquisition of MedAdvisor Shares from Mr Nick Downes; and
- (o) the acquisition of MedAdvisor Shares from Mr Geoff Barnes,

(each, an **Essential Resolution**).

If any of the Essential Resolutions are not approved by Shareholders the Acquisition (including the Offers under this Prospectus) will not be completed.

## 12.3 Change of Name

It is proposed that, subject to Shareholder approval being obtained, the Company will change its name to “MedAdvisor Limited” on Settlement of the Acquisition, which in the Company’s opinion will be better suited to the Company’s new strategic direction.

An overview of the Company’s business following Settlement of the Acquisition is set out in Section 6.

## 12.4 Litigation

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against our Company.

## 12.5 Rights attaching to Shares

The following is a summary of the more significant rights and restrictions that will attach to Shares following the Shareholder approval of the Constitution at the General Meeting. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company’s registered office during normal business hours.

### (a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

**(f) Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

**(g) Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

**(h) Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

## 12.6 Terms of Founder Performance Shares

- (a) **(Performance Shares):** Each Founder Performance Share is a share in the capital of the Company.
- (b) **(General Meetings):** The Founder Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of the Company.
- (c) **(No Voting Rights):** The Founder Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** The Founder Performance Shares do not entitle the Holder to any dividends.
- (e) **(No Rights on Winding Up):** Upon winding up of the Company, the Founder Performance Shares may not participate in the surplus profits or assets of the Company.
- (f) **(Transfer of Performance Shares):** The Founder Performance Shares are not transferable.
- (g) **(Reorganisation of Capital):** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.

- (h) **(Application to ASX):** The Founder Performance Shares will not be quoted on ASX. Upon conversion of the Founder Performance Shares into Shares in accordance with these terms, the Company must within 7 days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (i) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (g) (Reorganisation of Capital), holders of Founder Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX):** The terms of the Founder Performance Shares may be amended as necessary by the Company board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) **(No Other Rights):** The Founder Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

#### Conversion of the Founder Performance Shares

- (l) **(Milestones):** The Founder Performance Shares will convert upon satisfaction of any one of the following milestones:
  - (i) 50% of the Founder Performance Shares shall convert upon the "MedAdvisor Platform" being activated at 2,500 pharmacies within a period of 2 years from the issue of the Founder Performance Shares; and
  - (ii) 50% of the Founder Performance Shares shall convert upon the Company receiving annualised revenue from the MedAdvisor business (calculated over two consecutive calendar quarters) of no less than \$5,000,000, within a period of 3 years from the issue of the Founder Performance Shares,
 (each referred to as a **Milestone**).
- (m) **(Conversion of Founder Performance Shares):** In the event a Milestone is satisfied, all of the Founder Performance Shares held by the Holder will convert into an equal number of Shares.
- (n) **(No Conversion if Milestone not Achieved):** Any Founder Performance Share not converted into a Share within the period required under the relevant Milestone will lapse.
- (o) **(After Conversion):** The Shares issued on conversion of the Founder Performance Shares will, as and from 5.00pm (AEST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (p) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the Founder Performance Shares into Shares.
- (q) **(Ranking of Shares)** The Shares into which the Founder Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.

## 12.7 Terms and conditions of MMG Performance Shares

- (a) **(Performance Shares):** Each MMG Performance Share is a share in the capital of the Company.
- (b) **(General Meetings):** The MMG Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of the Company.
- (c) **(No Voting Rights):** The MMG Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** The MMG Performance Shares do not entitle the Holder to any dividends.
- (e) **(No Rights on Winding Up):** Upon winding up of the Company, the MMG Performance Shares may not participate in the surplus profits or assets of the Company.
- (f) **(Transfer of Performance Shares):** The MMG Performance Shares are not transferable.
- (g) **(Reorganisation of Capital):** In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (h) **(Application to ASX):** The MMG Performance Shares will not be quoted on ASX. Upon conversion of the MMG Performance Shares into Shares in accordance with these terms, the Company must within 7 days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (i) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item 12.6(g) (Reorganisation of Capital), holders of MMG Performance Shares will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (j) **(Amendments required by ASX):** The terms of the MMG Performance Shares may be amended as necessary by the Company board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (k) **(No Other Rights):** The MMG Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### Conversion of the MMG Performance Shares

- (l) **(Milestones):** The MMG Performance Shares will convert upon satisfaction of any one of the following milestones:

- (i) 5,000,000 of the MMG Performance Shares will convert upon:
    - (A) the Company completing the Pilot Study; and
    - (B) MedAdvisor raising at least \$750,000 by way of an issue of MedAdvisor Convertible Notes (which milestone is expected to be satisfied prior to Settlement);
  - (ii) 10,000,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$1,000,000 within a period of 2 years from the HMR Commencement Date;
  - (iii) 10,000,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$2,000,000 within a period of 2 years from the HMR Commencement Date;
  - (iv) 12,500,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$4,000,000 within a period of 2 years from the HMR Commencement Date; and
  - (v) 17,500,000 of the MMG Performance Shares will convert upon MedAdvisor meeting a Financial Target of \$7,000,000 within a period of 2 years from the HMR Commencement Date;
- (each referred to as a **Milestone**).
- (m) **(Conversion of MMG Performance Shares):** In the event a Milestone is satisfied, all of the MMG Performance Shares held by the Holder will convert into an equal number of Shares.
  - (n) **(No Conversion if Milestone not Achieved):** Any MMG Performance Share not converted into a Share within the period ending on the earlier of:
    - (i) 3 years from the date of issue of the MMG Performance Shares; and
    - (ii) the period required under the relevant Milestone (if any),
 will lapse.
  - (o) **(After Conversion):** The Shares issued on conversion of the MMG Performance Shares will, as and from 5.00pm (AEST) on the date of issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
  - (p) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Shares as soon as practicable following the conversion of the MMG Performance Shares into Shares.
  - (q) **(Ranking of Shares)** The Shares into which the MMG Performance Shares will convert will rank pari passu in all respects with the Shares on issue at the date of conversion.



## 12.8 Terms and conditions of Read Rights

A summary of the terms and conditions of the Read Rights is set out below:

(a) **(Milestones):** The Read Rights shall have the following milestones attached to them:

(i) **Tranche 1 Read Rights**

- (A) 5,000,000 Read Rights shall convert into Shares upon the Company receiving revenue of \$5,000,000 from the MedAdvisor business and such revenue is confirmed by the signed attestation of a registered company auditor or included in the Company's audited financial statements;
- (B) 5,000,000 Read Rights shall convert into Shares upon the Company receiving revenue of \$6,500,000 from the MedAdvisor business and such revenue is confirmed by the signed attestation of a registered company auditor or included in the Company's audited financial statements;
- (C) 2,500,000 Read Rights shall convert into Shares upon the Company receiving revenue of \$8,000,000 from the MedAdvisor business and such revenue is confirmed by the signed attestation of a registered company auditor or included in the Company's audited financial statements;
- (D) 5,000,000 Read Rights shall convert into Shares upon the Company logging 500,000 active patients to the MedAdvisor platform;
- (E) 5,000,000 Read Rights shall convert into Shares upon the Company logging 750,000 active patients to the MedAdvisor platform;
- (F) 2,500,000 Read Rights shall convert into Shares upon the Company logging 1,000,000 active patients to the MedAdvisor platform;
- (G) 5,000,000 Read Rights shall convert into Shares upon the Company logging 2,500 active general practitioners to the MedAdvisor platform;
- (H) 5,000,000 Read Rights shall convert into Shares upon the Company logging 3,750 active general practitioners to the MedAdvisor platform;
- (I) 2,500,000 Read Rights shall convert into Shares upon the Company logging 5,000 active general practitioners to the MedAdvisor platform; and

(ii) **Tranche 2 Read Rights**

5,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed by the Company for the following periods:

- (A) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 6 months;
- (B) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 18 months;

- (C) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 36 months;
- (D) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 48 months; and
- (E) 1,000,000 Read Rights shall convert into Shares upon Mr Read being continuously employed for a period of 60 months,

**(Milestones).**

- (b) **(Notification to holder):** The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
- (c) **(Vesting):** The relevant Read Rights shall vest on the date that the Milestone relating to that Read Right has been satisfied, provided that if a change in control occurs in relation to the Company, the Read Rights shall vest automatically regardless of whether the relevant Milestone has been achieved.
- (d) **(Consideration):** The Read Rights will be issued as consideration for Mr Read's employment as Managing Director of the Company, and no consideration will be payable upon the vesting of the Read Rights.
- (e) **(Conversion):** Upon the relevant Read Rights vesting, each Read Right will, at the election of the holder, vest and convert into one Share.
- (f) **(Lapse of a Read Right):** If the Milestone attaching to a Read Right has not been satisfied in the time periods set out below, it will automatically lapse:
  - (i) **Tranche 1 Read Rights:** the earlier of:
    - (A) 36 months from the commencement of Mr Read's employment by the Company (**Commencement Date**); and
    - (B) the date that Mr Read ceases to be employed by the Company; and
  - (ii) **Tranche 2 Read Rights:** upon Mr Read ceasing to be employed by the Company.
- (g) **(Share ranking):** All Shares issued upon the vesting of Read Rights will upon issue rank pari passu in all respects with other Shares.
- (h) **(Listing of Shares on ASX):** The Company will not apply for quotation of the Read Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Read Rights on ASX within the period required by ASX.
- (i) **(Transfer of Read Rights):** A Read Right is not transferable (including encumbering the Read Rights) except with the prior written consent of the board of the Company.
- (j) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Read Rights and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Read Rights.
- (k) **(Adjustment for reconstruction):** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Read Right (including the Vesting Conditions) are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (l) **(Dividend and Voting Rights):** A Read Right does not confer upon the holder an entitlement to vote or receive dividends

## 12.9 Terms and conditions of Bennetto Options and Lead Manager Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00pm (WST) on the date that is 3 years from the date they are issued (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (iv) If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

**(i) Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

**(j) Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

**(k) Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

**(l) Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

**(m) Unquoted**

The Company will not apply for quotation of the Options on ASX.

**(n) Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 12.10 Interests of Directors

Other than as set out elsewhere in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

## 12.11 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) 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; or
- (b) promoter of the Company;

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (c) the formation or promotion of the Company;
- (d) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (e) the Offers,

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

- (f) the formation or promotion of the Company; or
- (g) the Offers.

RSM Bird Cameron Corporate Pty Ltd has acted as Investigating Accountant of the Company and has prepared the Investigating Accountant's Report which is included in Section 9 of this Prospectus. The Company estimates it will pay RSM Bird Cameron Corporate Pty Ltd a total of \$10,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Bird Cameron Corporate Pty Ltd has received \$2,000 from the Company for their services.

RSM Bird Cameron Partners has acted as independent auditor to MedAdvisor. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Bird Cameron Partners has not received any fees from MedAdvisor for any other services. MedAdvisor estimates it will pay RSM Bird Cameron Partners \$29,066 (excluding GST) in fees for these services.

Hall Chadwick has acted as independent auditor to the Company. The Company estimates it will pay Hall Chadwick \$21,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Hall Chadwick has received fees of \$66,558 (excluding GST) from the Company for audit services.

Peloton Capital Pty Ltd will act as lead manager to the Company in respect of the Public Offer. The Company estimates it will pay Peloton Capital Pty Ltd \$300,000 (excluding GST) for these services (assuming a maximum of \$5,000,000 is raised under the Capital Raising). During the 24 months preceding lodgment of this Prospectus with the ASIC, Peloton Capital Pty Ltd has received fees of approximately \$28,688 (excluding GST) from the Company and \$123,200 (excluding GST) from MedAdvisor for corporate advisory services." Figures to be provided.

Steinepreis Paganin has acted as the solicitors to the Company in respect of the Acquisition and the Offers. The Company estimates it will pay Steinepreis Paganin \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received fees of approximately \$70,000 (excluding GST) from the Company for legal services.

HWL Ebsworth has acted as the solicitors to MedAdvisor in respect of the Acquisition and the Offers. MedAdvisor estimates that it will pay HWL Ebsworth \$100,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, HWL Ebsworth has received fees of approximately \$116,000 (inclusive of GST and disbursements) from MedAdvisor for legal services.

## 12.12 Consents

Other than as set out below, each of the parties referred to in this Section 12.12:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by the relevant party;
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and
- (c) did not authorise or cause the issue of all or any part of this Prospectus.

RSM Bird Cameron Corporate Pty Ltd has given its written consent to being named as Investigating Accountant of the Company in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 9 of this Prospectus in the form and context in which the information and report are included. RSM Bird Cameron Corporate Pty Ltd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

Hall Chadwick has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company in the Investigating Accountant's Report in the form and context in which it appears. Hall Chadwick has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

RSM Bird Cameron Partners has given its written consent to being named as auditor of MedAdvisor in this Prospectus and the inclusion of the audited financial information of MedAdvisor in the Investigating Accountant's Report in the form and context in which it appears. RSM Bird Audit has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Peloton Capital Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lead manager to the Company in relation to the Public Offer.

Steinepreis Paganin has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lawyers to the Company in relation to the Offers.

HWL Ebsworth has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its consent to be named in this Prospectus as lawyers to MedAdvisor in relation to the Offers.

## 12.13 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$512,995 (if the Maximum Subscription is raised under the Public Offer and no Options are exercised).

The table below sets out the items that the expenses of the Offers (assuming both Minimum Subscription and Maximum Subscription and that \$1,000,000 is raised through the issue by MedAdvisor of MedAdvisor Convertible Notes, with \$770,000 having been raised as at the date of this Prospectus) are expected to be applied towards:

Item of Expenditure	\$3,000,000 Minimum Subscription (\$)	\$5,000,000 Maximum Subscription (\$)
ASIC fees	\$2,320	\$2,320
ASX fees	\$73,675	\$75,675
Capital raising fees	\$180,000	\$300,000
Legal, accounting and due diligence fees	\$125,000	\$125,000
Printing and distribution	\$10,000	\$10,000
<b>TOTAL</b>	<b>\$390,995</b>	<b>\$512,995</b>

\* Excluding fees paid to 30 June 2015.

## 12.14 Continuous disclosure obligations

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

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

## 12.15 Electronic Prospectus

The Corporations Act allows distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form.

If you have received this Prospectus as an electronic prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at <http://www.exaltresources.com.au/> or the website of MedAdvisor at <http://medadvisor.com.au/Investors/Prospectus>

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.

## 12.16 Financial Forecasts

Given the current status of the Company's operations and the significant changes anticipated the Incoming Directors do not consider it appropriate to forecast future earnings.

Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.

## 12.17 Governing law

The Offers and the contracts formed on return of an Application Form are governed by the laws applicable in Western Australia, Australia. Each person who applies for Securities pursuant to this Prospectus submits to the nonexclusive jurisdiction of the courts of Western Australia, Australia, and the relevant appellate courts.



# 13. Details Of The Offer



## 13.1 Public Offer

The Public Offer is for up to 166,666,667 Shares at an issue price of \$0.03 per Share to raise up to \$5,000,000.

All Shares issued under this Prospectus will be fully paid and will rank equally with all other Shares then currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 12.5.

### (a) Minimum subscription

The Public Offer is subject to a minimum subscription of 100,000,000 Shares to raise at least \$3,000,000.

If the Minimum Subscription has not been raised within 4 months after the date of this Prospectus, the Company will not issue any Shares and will repay all Application monies for the Shares applied for under the Public Offer within the timeframe prescribed under the Corporations Act, without interest.

The Public Offer is not underwritten.

### (b) Minimum application amount

Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (66,667 Shares) and thereafter, in multiples of \$200 worth of Shares (6,667 Shares).

### (c) Eligible participants

To participate in the Public Offer, you must be a resident of Australia or New Zealand. See Section 13.9 for further details.

The Company is not in a position to guarantee a minimum application of Shares under the Public Offer.

### (d) Quotation and trading

Application for quotation of all Shares issued under the Public Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 13.7 for further details.

No Shares issued pursuant to the Public Offer will be subject to any escrow requirement by the ASX.

## 13.2 Secondary Offers

### (a) Consideration Offer

This Prospectus also includes an offer of the Consideration Securities to be issued to the MedAdvisor Shareholders (or their nominees) pursuant to the Heads of Agreement in consideration for the acquisition by the Company of the entire issued capital of MedAdvisor. The material terms and conditions of the HOA are summarised at Section 11.1 of this Prospectus.

As such, this Prospectus includes a separate offer of the Consideration Securities to the MedAdvisor Shareholders.

The terms of the Shares offered under the Consideration Offer are summarised in Section 12.5 and the terms of the Founder Performance Shares are summarised in Section 12.6. Application for quotation of the Shares issued under the Consideration Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 13.7 for further details. The Founder Performance Shares issued under the Consideration Offer will not be quoted.

Only the MedAdvisor Shareholders (or their nominees) may accept the Consideration Offer. A personalised Application Form in relation to the Consideration Offer will be issued to the MedAdvisor Shareholders together with a copy of this Prospectus.

The Securities issued under the Consideration Offer may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

### (b) MedAdvisor Noteholder Offer

MedAdvisor is party to the MedAdvisor Convertible Notes (the terms of which are summarised in Section 11.3). The terms of the MedAdvisor Convertible Notes provide for Shares to be issued by the Company at Settlement of the Acquisition, to satisfy MedAdvisor's obligations under the MedAdvisor Convertible Notes.

As such, this Prospectus includes a separate offer of such number of Shares as is required for MedAdvisor to be fully and finally released from all obligations under the MedAdvisor Convertible Notes (being up to 41,666,667 Shares).

Only the MedAdvisor Noteholders (or their nominees) may accept the MedAdvisor Noteholder Offer. A personalised Application Form in relation to the MedAdvisor Noteholder Offer will be issued to the MedAdvisor Noteholders together with a copy of this Prospectus.

The terms of the Shares offered under the MedAdvisor Noteholder Offer are summarised in Section 12.5. Application for quotation of the Shares issued under the MedAdvisor Noteholder Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 13.7 for further details.

The MedAdvisor Noteholder Shares may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

### (c) MMG Offer

MedAdvisor is party to the MMG Agreement (the terms of which are summarised in Section 11.2). The Company has agreed under the HOA to issue the MMG Performance Shares to MMG to satisfy MedAdvisor's obligation to issue MedAdvisor Shares to MedAdvisor under the MMG Agreement.

As such, this Prospectus includes a separate offer of the MMG Performance Shares to MMG.

Only MMG (or its nominee) may accept the MMG Offer. A personalised Application Form in relation to the MMG Offer will be issued to MMG together with a copy of this Prospectus.

The terms of the MMG Performance Shares are summarised in Section 12.7. The MMG Performance Shares will not be quoted.

The MMG Performance Shares may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

**(d) Read Offer**

The Company has agreed under the HOA to issue the Read Rights to Mr Robert Read under his executive services agreement with the Company (the terms of which are summarised in Section 11.15(a)).

As such, this Prospectus includes a separate offer of the Read Rights to Mr Read.

Only Mr Read (or his nominee) may accept the Read Offer. A personalised Application Form in relation to the Read Offer will be issued to Mr Read together with a copy of this Prospectus.

The terms of the Read Rights are summarised in Section 12.8. The Read Rights will not be quoted.

The Read Rights may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

**(e) Company Loan Offer**

The Company is party to the Converting Loan Agreements (the terms of which are summarised in Section 11.4) which will convert into Shares in the Company at Settlement.

As such, this Prospectus includes a separate offer of such number of Shares as is required for the Company to be fully and finally released from all obligations under the Converting Loan Agreements (being up to 9,845,531 Shares).

Only the lenders under the Converting Loan Agreements (or their nominees) may accept the Company Loan Offer. A personalised Application Form in relation to the Company Loan Offer will be issued to the MedAdvisor Noteholders together with a copy of this Prospectus.

The terms of the Shares offered under the Company Loan Offer are summarised in Section 12.5. Application for quotation of the Shares issued under the Company Loan Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 13.7 for further details.

The MedAdvisor Noteholder Shares may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

**(f) Bennetto Offer**

The Company has agreed to issue the Bennetto Options to Mr Peter Bennetto.

As such, this Prospectus includes a separate offer of the Bennetto Options to Mr Bennetto, the terms of which are summarised in Section 12.9.

Only Mr Bennetto (or his nominee) may accept the Bennetto Offer. A personalised Application Form in relation to the Bennetto Offer will be issued to Mr Bennetto together with a copy of this Prospectus.

The Bennetto Options will not be quoted.

**(g) Brockhurst Offer**

The Company has agreed to issue the Brockhurst Shares to Mr Stephen Brockhurst.

As such, this Prospectus includes a separate offer of the Brockhurst Shares to Mr Brockhurst. Only Mr Brockhurst (or his nominee) may accept the Brockhurst Offer. A personalised Application Form in relation to the Brockhurst Offer will be issued to Mr Brockhurst together with a copy of this Prospectus.

The terms of the Shares offered under the Brockhurst Offer are summarised in Section 12.5. Application for quotation of the Shares issued under the Brockhurst Offer will be made to ASX no later than 7 days after the date of this Prospectus. See Section 13.7 for further details.

The Brockhurst Shares may be subject to escrow under the ASX Listing Rules. Please refer to Section 6.14 for a summary of the likely escrow position.

### 13.3 Purpose of the Offers

The primary purposes of the Offers are to:

- (a) assist the Company to meet the re-admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules (see Section 12.1 for further details);
- (b) to provide the Company with additional funding for development of the Platform and provide the Company with further working capital; and
- (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Public Offer by retail investors or the sale of any Shares issued under (or issued upon conversion of Options, Read Rights or Performance Shares issued under) the Secondary Offers.

The Company intends on applying the funds raised under the Public Offer along with its current cash reserves post-Acquisition in the manner detailed in Section 6.9.

### 13.4 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential Applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

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

## 13.5 Applications

Applications for Securities under the Offers must be made using the relevant Application Form.

By completing an Application Form, each Applicant under the Offers will be taken to have represented, warranted, agreed and acknowledged as follows:

- (a) that all details and statements made by them are complete and accurate;
- (b) that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus;
- (c) they agree to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offers;
- (d) they understand that the Securities have not been, and will not be, registered under the US Securities Act or the securities laws of any State of the United States and may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and applicable US State securities laws;
- (e) they are not in the US;
- (f) they have not sent and will not send the Prospectus or any other material relating to the Offers to any person in the US; and
- (g) they will not offer or sell the Securities in the US or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Securities are offered and sold.

Completed Application Forms must be mailed or delivered to the address set out on the Application Form, with sufficient time to be received by or on behalf of the Company by **no later than 5.00pm (WST) on the Closing Date**, which is currently scheduled to occur on 9 October 2015.

Applications under the Public Offer must be accompanied by payment in full in Australian currency by cheque, direct debit or BPAY® in accordance with the instructions set out in the Application Form.

The Offers are conditional on certain matters, as discussed in Section 2.5. Where no issue is made under the Public Offer, Application monies will be refunded (without interest) to the Applicants as soon as practicable after the Closing Date.

The Company reserves the right to close the Offers early.

If you require assistance in completing an Application Form, please contact the Share Registry on 1300 787 272.

## 13.6 Issue of Shares and Allocation Policy

### (a) General

Subject to the Minimum Subscription being achieved and the satisfaction of each of the Conditions (see Section 2.5), the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date and in accordance with the timetable set out in Section 3.

### (b) Public Offer

The allocation of Shares under the Public Offer will be determined by the Board in consultation with the Proposed Directors and their respective advisers. There is no guaranteed allocation of Shares under the Public Offer.

The Board also intends to give preference to GPs and pharmacists who apply for Shares under the Public Offer, on an equitable basis as between themselves.

Accordingly, the Company is not in a position to guarantee a minimum allocation of Shares under the Public Offer to GPs, pharmacists or other investors.

The Board reserves the right to reject any Application or to allocate any Applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus Application monies will be refunded (without interest) to the Applicant as soon as practicable after the Closing Date.

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

### (c) Acceptance of Applications

A completed Application Form is an offer by you to the Company to apply for the amount of Shares specified in the Application Form on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

### (d) Defects in Applications

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an Application as valid, or how to construe, amend or complete it, will be final.

### (e) Interest

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

(f) **Discretion regarding the Offers**

The Company reserves the right to close the Offers or any part of them early, extend the Offers or any part of them, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for. Applications received under the Offers are irrevocable and may not be varied or withdrawn except as required by law.

## 13.7 Quotation of Shares

The Company will apply for Official Quotation of all Shares issued under this Prospectus within 7 days after the date of this Prospectus. However, Applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be re-admitted to the Official List (see Section 12.1). As such, the Shares may not be able to be traded for some time after the close of the Offers.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of this Prospectus, or such period as varied by the ASIC, or if ASX otherwise rejects the Company's application for re-admission to the Official List (see Section 12.1), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest. In those circumstances the Company will not proceed with the Acquisition.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

## 13.8 Clearing House Electronic Sub-Register System and Issuer Sponsorship

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement Pty Ltd, a wholly owned subsidiary of ASX, operates CHESS. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with holding statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The holding statements will also advise holders of their Holder Identification Number (if the holder is broker sponsored) or Security Holder Reference Number (if the holder is issuer sponsored) and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Electronic sub-registers also mean ownership of Securities can be transferred without having to rely upon paper documentation. Further, monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month. Shareholders may request a holding statement at any other time, however a charge may be made for such additional statements.

## 13.9 General

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

No action has been taken to register or qualify the Securities or otherwise permit an offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia and New Zealand. Persons who are resident in countries other than Australia and New Zealand should not apply for Securities under the Offers.

Where this Prospectus has been dispatched to persons in jurisdictions outside of Australia and New Zealand, in which the securities legislation or regulation requires registration or any analogous treatment, this Prospectus is provided for information purposes only. Other than Australia and New Zealand, this Prospectus has not been and will not be registered under any such legislation or regulation or in any such jurisdiction.

The Offers do not and will not constitute an offer of Securities in the US. Furthermore, no person ordinarily resident in the US is or will become permitted to submit an Application Form. The Securities have not been, and will not be, registered under the US Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US State securities laws. This Prospectus may not be released or distributed in the United States. If the Company believes that any Applicant is ordinarily resident in the US, or is acting on behalf of a person or entity that is ordinarily a resident of the US, the Company will reject that Applicant's application.

## 13.10 Enquiries

If you have any queries in relation to the Offers, please contact Stephen Brockhurst, the Company Secretary on +61 8 9481 0389.



## 14. Directors' Authorisation

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

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

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Stephen Brockhurst,

Non-executive Director

For and on behalf of  
Exalt Resources Limited



## 15. Glossary and Interpretation

### 15.1 Definitions

Unless the context requires otherwise, where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

**Acquisition** means the purchase of 100% of the issued capital in MedAdvisor by the Company in accordance with the HOA.

**Actavis** means Actavis Pharma Pty Ltd (ACN 147 695 225) (formerly known as Watson Pharma Pty Ltd).

**Apotex** means Apotex Pty Limited (ACN 096 916 148).

**Applicant** means a person who has submitted an Application Form.

**Application** means an application for Securities made on an Application Form.

**Application Form** means an application form attached to or accompanying this Prospectus relating to an Offer.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the official listing rules of ASX.

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

**Bennetto Offer** has the meaning given on the cover page of this Prospectus.

**Bennetto Options** means the Options proposed to be offered to Mr Peter Bennetto on the terms set out in section 12.9.

**Brockhurst Offer** has the meaning given on the cover page of this Prospectus.

**Brockhurst Shares** means 1,000,000 Shares proposed to be issued to Mr Stephen Brockhurst upon receipt of Shareholder approval at the General Meeting.

**Board** means the board of Directors as constituted from time to time.

**BUPA** means Bupa Australia Pty Ltd (ACN 000 057 590).

**CHESS** has the meaning given in Section 13.8.

**Closing Date** means the closing date of the Offers as set out in the indicative timetable in Section 3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offers early).

**Company** or **Exalt** means Exalt Resources Limited (ACN 145 327 617).

**Company Loan Offer** has the meaning given on the cover page of this Prospectus.

**Conditions** means the conditions to the Offers set out in Section 2.5 of this Prospectus.

**Consideration Offer** has the meaning given on the cover page of this Prospectus.

**Consideration Shares** has the meaning given in Section 11.1.

**Consideration Securities** has the meaning given at Section 11.1.

**Constitution** means the constitution of the Company (as amended or replaced from time to time) and following settlement of the Acquisition will be as described in Section 12.5.

**Converting Loan Agreements** has the meaning given in Section 11.3.

**Converting Loan Shares** means the Shares issued upon conversion of the Converting Loan Agreements.

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

**Directors** means the directors of the Company appointed from time to time.

**Essential Resolutions** means those Shareholder resolutions referred to in Section 12.2 of this Prospectus to be considered at the General Meeting, as described in further detail in the Notice of Meeting.

**Existing Directors** means the directors of the Company as at the date of this Prospectus.

**Exposure Period** means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

**Financial Target** has the meaning set out in Section 11.5(e).

**Founders** means each of Mrs Viv Swinnerton, Provare Pty Ltd, Kojent Pty Ltd and Romida Enterprises Pty Ltd.

**Founder Performance Shares** means the performance shares to be issued to the Founders and Ethan Allen Investments Pty Ltd (an associate of Peloton Capital) at Settlement in consideration for 100% of the MedAdvisor B Class Shares with terms set out in Section 12.6.

**General Meeting** means the general meeting of the Company to be held on 3 September 2015, which seeks Shareholder approval for the matters set out in the Notice of Meeting (including the Essential Resolutions).

**Group** means the Company and any subsidiaries, including MedAdvisor after Settlement of the Acquisition.

**Guildlink** means Guildlink Pty Ltd (ACN 090 249 960).

**Guildlink Fee** means a fee of \$25 payable to Guildlink Pty Ltd (ACN 090 249 960) for supply of support of the GuildCare software platform and the bundled inclusion of Guildlink's proprietary SMS reminder software product known as MemoCare along with the Platform.

**HMR** means home medication review.

**HMR Program** has the meaning given at Section 11.5.

**HOA** has the meaning given at Section 6.1.

**Incoming Directors** means Mr Robert Read, Mr Josh Swinnerton and Mr Jim Xenos.

**Investigating Accountant** means RSM Bird Cameron Corporate Pty Ltd (ACN 050 508 024).

**Lead Manager Options** has the meaning set out in Section 11.4(b).

**Maximum Subscription** means where the Minimum Subscription is achieved and the full subscriptions of an additional 66,666,667 Shares are accepted to raise a total of \$5,000,000.

**MedAdvisor** means MedAdvisor International Pty Ltd (ACN 161 366 589).

**MedAdvisor B Class Shares** means shares in the capital of MedAdvisor held by the Founders and Ethan Allen Investments Pty Ltd which are issued on the same terms as the Founder Performance Shares.

**MedAdvisor Convertible Notes** means the notes convertible into MedAdvisor Shares to be issued by MedAdvisor prior to the date of this Meeting, the terms of which are summarised in Section 11.3.

**MedAdvisor Noteholder Offer** has the meaning given on the cover page of this Prospectus.

**MedAdvisor Noteholders** means the holders of the MedAdvisor Convertible Notes.

**MedAdvisor Noteholder Shares** means the Shares issued upon conversion of the MedAdvisor Convertible Notes.

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

**MedAdvisor Shareholder** means the holder of a MedAdvisor Share.

**Minimum Subscription** means the Company receiving Valid Applications for 100,000,000 Shares to raise \$3,000,000.

**MMG** means MacMillan Gold & Associates Pty Limited (ACN 166 795 277).

**MMG Agreement** means the heads of agreement entered into between MedAdvisor and MMG dated 19 May 2015.

**MMG Offer** has the meaning given on the cover page of this Prospectus.

**MMG Performance Shares** means the performance shares proposed to be offered to MMG in accordance with the HOA and on the terms set out in Section 12.7.

**MTAC** means medication training and adherence communications.

**NostraData** means NostraData Pty Ltd (ACN 139 103 656).

**Notice of Meeting** means the Notice of General Meeting and Explanatory Statement of the Company dated 26 August 2015 in relation to the General Meeting.

**Offers** means the Public Offer and the Secondary Offers.

**Official List** means the official list of ASX.

**Official Quotation** means official quotation by ASX in accordance with the ASX Listing Rules.

**Option** means an option to acquire a Share.

**Peloton** means Peloton Capital Pty Ltd (ACN 149 540 018).

**Performance Shares** mean each of the Founder Performance Share and the MMG Performance Shares.

**Pilot Study** means the pilot study for the commercial and operational viability of the HMR Program, as detailed in Section 11.5.

**Platform** or **MedAdvisor Platform** has the meaning given in Section 5A.

**Prospectus** means this prospectus.

**Public Authority** means any government or governmental, semi-governmental, administrative, statutory, fiscal, or judicial body, entity, authority, agency, tribunal, department, commission, office, instrumentality, agency or organisation (including any minister or delegate of any of the foregoing), any self-regulatory organisation established under statute and any recognised securities exchange (including without limitation ASX), in each case whether in Australia or elsewhere.

**Public Offer** means the offer of up to 166,666,667 Shares at an issue price of \$0.03 per Share to raise up to \$5,000,000.

**Read Offer** has the meaning given on the cover page of this Prospectus.

**Read Rights** means the performance rights proposed to be offered to Mr Robert Read (or nominee) on the terms set out in section 12.8.

**Recommendations** has the meaning given in Section 10.1.

**Related Bodies Corporate** has the meaning given to that term under section 9 of the Corporations Act.

**RSM Bird Cameron** means RSM Bird Cameron Partners (auditors of MedAdvisor).

**Secondary Offers** means the Consideration Offer, the MedAdvisor Noteholder Offer, the MMG Offer, the Read Offer, the Company Loan Offer and the Bennetto Offer.

**Section** means a section of this Prospectus.

**Securities** mean all securities of the Company, including a Share, an Option, a Read Right, a Founder Performance Share, or a MMG Performance Share (as the context requires).

**Settlement** means settlement of the Acquisition in accordance with the terms of the HOA (or a superseding share sale agreement).

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

**Share Registry** means Computershare Investor Services Pty Limited (ACN 078 279 277).

**Shareholder** means a holder of one or more Shares.

**Subscription Fees** means subscription fees payable by pharmacies introduced by MMG in respect of the Platform.

**US** means the United States of America.

**US Securities Act** means the United States Securities Act of 1933, as amended.

**Valid Application** means a valid and complete Application to subscribe for Shares under the Offers, accompanied by the appropriate Application money in full.

**WST** means Western Standard Time as observed in Perth, Western Australia.

## 15.2 Interpretation

Unless the contrary intention appears, the following rules apply in interpreting this Prospectus:

- (a) words or phrases defined in the Corporations Act have the same meaning in this Prospectus;
- (b) a reference to legislation, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any government agency;
- (e) a reference to Australian dollars, AUD, \$ or dollars is to the lawful currency of the Commonwealth of Australia; and
- (f) a reference to time is to WST.

