



31 July 2014

ASX Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

ASX Announcement

Issue of Unlisted Convertible Notes

Medigard Ltd is pleased to announce that it has secured financing of \$300,000 in debt funding via a Convertible Note with its strategic partner Shanghai Sol-Millennium Medical Products Co., Ltd.

The funds obtained from the Convertible Notes will be used to assist with the Company's working capital, including patent costs and further product development.

The principle terms of the Convertible Notes are:

- The Convertible Notes have a maturity date of 36 months from issue and are to be drawn periodically from 31 July 2014 until 23 February 2015.
- Interest accrues at 8% pa, and will be capitalised, until conversion or the maturity date.
- The Notes are redeemable 24 months after issue.
- The Notes are unsecured.
- Convertible to shares at the lower of \$0.05 and 30 Trading Day VWAP prior to Conversion Notice, with the minimum price to be \$0.025.
- All new shares issued under the Convertible Notes will rank equally with existing shares.
- Maximum number of shares to be issued (including capitalisation of interest) is 13,650,000.

Shanghai Sol-Millennium Medical Products Co., Ltd signed an Exclusive Licence Agreement with Medigard Ltd for the manufacture and distribution of the Medigard Ltd Blood Collection Device and the Medigard Ltd Blood Flash Needle in March 2013. The directors of Medigard Ltd welcome the investment by their strategic partner.

A handwritten signature in purple ink, appearing to read "P. Boero".

Patricia Boero
Company Secretary