



ASX Announcement
18 July 2016

Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Medlab Clinical Ltd ACN 169 149 071 (ASX: MDC) (**the Company**) under section 708AA(2)(f) of the Corporations Act 2001(Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84 (**the Instrument**). References in this notice of the Corporations Act are references to the Corporations Act as modified or amended by the Instrument.

The Company has announced its intention to undertake an equity raising of up to \$5,361,150.00 via a renounceable pro-rata entitlement offer (**Rights Issue**) of fully paid ordinary shares (**Shares**) at a price of \$0.30 per share, on the basis of 1 new share for every 9 shares held as at 5.00pm EST on 21 July 2016 to eligible shareholders of the Company with a registered address in Australia, New Zealand, Hong Kong and Singapore.

Based on the current capital structure a total of an additional 17,870,500 Shares (subject to rounding) will be issued under the Rights Issue. The Offer is fully underwritten by a shareholder of the Company, Farjoy Pty Ltd. The directors intend to (and procure that their associated entities will) participate in the Rights Issue to the extent specified in item 4.11 of the Offer Document.

The Company hereby confirms that in respect of the Rights Issue (as per the requirements of paragraph 708AA(2)(f) of the Corporations Act):

- (i) The Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (ii) The Company is providing this notice under paragraph 2(f) of section 708AA of the Corporations Act;
- (iii) As at the date of this notice the Company has complied with:
 - (A) The provisions of chapter 2M of the Corporations Act as they apply to the Company;
 - (B) Section 674 of the Corporations Act as it applies to the Company;
- (iv) As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act;
- (v) The potential effect that the issue of the new Shares under the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given that the Rights Issue is a pro rata rights issue, the primary consequences are that:
 - (A) If all Shareholders subscribed for their entitlements, then all shareholders will retain their percentage ownership of the Company, and the issue of Shares under the Rights Issue is not expected to have any material effect on the control

of the Company, subject only to changes resulting from the sale of shares by the nominee on behalf of ineligible shareholders; and

- (B) If eligible shareholders do not take up their full entitlement, those shareholder's voting power would be diluted relative to the shareholders who did take up their full entitlement, including those who have applied for additional new securities in under the top-up facility.

The effects on control if shareholders do not subscribe for all of their entitlements may be significant and is further particularised in section 4.9 of the Offer Document prepared by the Company. In particular, section 4.9 describes the potential situation where the Rights issue is not fully subscribed and the underwriters take up their full entitlement as Shareholders and also take up shortfall shares in their capacity as Underwriter.

For and on behalf of the board of the Company.

A handwritten signature in cursive script, appearing to read 'A Dworkin', written in black ink.

Alan Dworkin
Company Secretary
Medlab Clinical Ltd