

health corporation Limited

ACN 116 800 269

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement issue of 2 Shares for every 3 Shares held by Shareholders at an issue price of 0.75 cents per Share to raise approximately \$266,334 (**Entitlement Issue**).

This Prospectus has also been prepared for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

The Entitlement Issue is conditionally underwritten by Verona Capital. Refer to Section 7.2 for details regarding the terms of the Underwriting Agreement.

IMPORTANT NOTICE

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

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

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1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

1.1 Timetable and important dates*

Lodgement of Prospectus with ASIC	29 June 2010
Notice sent to Shareholders and Optionholders	30 June 2010
Ex Date	8 July 2010
Record Date for determining Entitlements	7:00pm (AEST) 14 July 2010
Prospectus dispatched to Shareholders	16 July 2010
Closing Date	7:00pm (AEST) 30 July 2010
Shares quoted on a deferred settlement basis	3 August 2010
Notify ASX of under-subscriptions	4 August 2010
Dispatch date/Shares entered into Shareholders' security holdings	10 August 2010

* These dates are determined based upon the current expectations of the Directors and may be changed with 6 Business Days' prior notice.

1.2 Important notes

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers.

This Prospectus is dated 29 June 2010 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is that date which is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form which accompanies this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

The Offers to New Zealand investors are regulated offers made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations 2001. In New Zealand, this is Part 5 of the *Securities Act 1978 (NZ)* and the *Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008 (NZ)*.

The Offer and the content of the Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act sets out how the Offer must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the Shares is not New Zealand dollars. The value of the Shares will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the Shares to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 3.6, the Company will apply to the ASX for Official Quotation of the Shares offered under this Prospectus. If Official Quotation is granted, the Shares offered under this Prospectus will be able to be traded on the ASX. If you wish to trade the Shares through that market, you will have to make arrangements for a participant in that market to sell the Shares on your behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

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

In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

1.3 Electronic Prospectus

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

1.4 Risks

An investment in the Company is not risk free and prospective new investors should consider the risk factors described in Section 6 of this Prospectus, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. The list of risks is not exhaustive.

2. CORPORATE DIRECTORY

Directors

Mr Jason Davis
Non-Executive Chairman

Mr Ken Lee
Executive Director

Mr Matthew Abrahams
Non-Executive Director

Mr Anthony Ince
Non-Executive Director

Company Secretary

Ms Rachel Jelleff

Registered Office

Level 21, Allendale Square
77 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 9389 2000

Facsimile: +61 8 9389 2099

Website

www.hjp.com.au

Solicitors

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

Auditor*

Hall Chadwick
Level 29, St Martin's Tower
31 Market Street
SYDNEY NSW 2000

ASX Code

HEA

Share Registry*

Registries Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

GPO Box 3993
SYDNEY NSW 2001

Telephone: 1300 737 760

Facsimile: 1300 653 459

*These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer

By this Prospectus, the Company offers for subscription approximately 35,511,218 new Shares pursuant to a pro-rata non-renounceable entitlement issue to Shareholders of 2 new Shares for every 3 Shares held on the Record Date at an issue price of 0.75 cents per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company (and assuming no existing Options are exercised prior to the Record Date), the maximum number of Shares to be issued pursuant to the Offer is approximately 35,511,218. The Offer will raise approximately \$266,334. The purpose of the Offer and the use of funds raised are set out in Section 4 of this Prospectus.

Holders of existing Options will not be entitled to participate in the Offer. The Company currently has 13,198,424 Options on issue as at the date of this Prospectus, which Options may be exercised by the Option holder prior to the Record Date in order to participate in the Offer.

The secondary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date.

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

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

3.2 How to accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for your maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on that relevant Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application moneys (at 0.75 cents per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Health Corporation Limited**" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Share Registry no later than **7:00pm AEST** on the Closing Date.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

3.3 Minimum subscription

There is no minimum subscription in respect of the Offer.

3.4 Underwriting

The Offer is conditionally underwritten by Verona Capital. Refer to Section 7.2 of this Prospectus for further details of the terms of the underwriting.

3.5 Shortfall

Any Entitlement not taken up pursuant to the Offer will form the Shortfall and will be dealt with in accordance with the Underwriting Agreement. Accordingly, Shareholders should not apply for the Shortfall unless directed to do so by the Underwriter.

The offer of any Shortfall Shares is a separate offer made pursuant to this Prospectus and will remain open after the Closing Date. The issue price of any Shortfall Shares will be 0.75 cents, being the price and terms at which the Entitlement has been offered to Shareholders pursuant to this Prospectus.

3.6 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of issue of the Prospectus, (or such period as modified by the ASIC), the

Company will not issue any Shares and will repay all application moneys for the Shares within the time prescribed under the Corporations Act, without interest.

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.

3.7 Allotment of Shares

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. The Company will allot the Shares on the basis of a Shareholder's Entitlement. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application moneys will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application moneys will be held by the Company on trust for the 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.

3.8 Overseas Shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions, having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

Shareholders resident in New Zealand should consult their professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable them to exercise their Entitlements under the Offer.

3.9 Taxation implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Shares offered pursuant to this Prospectus.

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

The Company will not be issuing Share certificates. The Company will apply to ASX to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number (HIN) or Security Holder Reference Number (SRN) and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

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.

3.11 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

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

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$266,334 (before expenses). The secondary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). The proceeds of the Offer are planned to be used in accordance with the table set out below:

Proceeds of the Offer	(\$)
Payment of accrued liabilities	160,000
Review of new business opportunities	25,000
General working capital	69,324
Expenses of the Offer	12,010
Total	266,334

Notes:

¹. Refer to Section 7.7 of this Prospectus for further details relating to the estimated expenses of the Offer.

². As part of the Company's new strategic direction and changes to the Board and management team, as announced together with the announcement of the recent placement to a new investor syndicate, the Company is actively looking for new and complementary opportunities to maximise returns to Shareholders.

4.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase the cash reserves by approximately \$254,324 immediately after completion of the Offer, after deducting the estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 53,266,827 to approximately 88,778,045 Shares following completion of the Offer.

4.3 Consolidated balance sheet and pro-forma consolidated balance sheet

The audit reviewed balance sheet as at 31 December 2009, the unaudited balance sheet from management accounts as at 30 April 2010 and the corresponding unaudited pro-forma balance sheet as at 30 April 2010 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares pursuant to the Offer in this Prospectus are issued.

The unaudited balance sheet based on management accounts as at 30 April 2010 has been prepared to provide Shareholders with information on the Company's assets and liabilities and pro-forma assets and liabilities as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

**Unaudited consolidated balance sheet and pro-forma balance sheet based on
Company management accounts as at 30 April 2010.**

	Notes	Consolidated Audited Balance Sheet 31 Dec 2009	Consolidated Unaudited Balance Sheet 30 Apr 2010	Pro-forma Adjustments	Consolidated Pro-forma Balance Sheet 30 Apr 2010
CURRENT ASSETS					
Cash and cash equivalents	1	500,273	46,158	318,384	364,542
Trade Receivables		1,006,698	1,358,424	-	1,358,424
Inventory		5,555	5,381	-	5,381
Other Current Assets		24,369	12,279	-	12,279
Total Current Assets		1,536,895	1,422,242	318,384	1,740,626
NON-CURRENT ASSETS					
Trade and other receivables		16,432	-	-	-
Financial assets		13,305,975	13,501,982	-	13,501,982
Property, plant and equipment		129,931	120,697	-	120,697
Intangible assets		439,576	436,393	-	436,393
Total Non-Current Assets		13,891,914	14,059,072	-	14,059,072
TOTAL ASSETS		15,428,809	15,481,314	318,384	15,799,698
CURRENT LIABILITIES					
Trade & other payables		2,940,880	2,705,465	12,010	2,717,475
Borrowings		788,256	788,256	-	788,256
Short term financial liabilities		34,797	23,956	-	23,956
Short term provisions		77,805	77,805	-	77,805
Total Current Liabilities		3,841,738	3,595,482	12,010	3,607,492
NON-CURRENT LIABILITIES					
Trade & other payables		3,882,972	4,637,972	-	4,637,972
Borrowings		8,783,177	8,617,925	-	8,617,925
Total Non-Current Liabilities		12,666,149	13,255,897	-	13,255,897
TOTAL LIABILITIES		16,507,887	16,851,379	12,010	16,863,389
NET ASSETS		(1,079,078)	(1,370,065)	306,374	(1,063,691)
EQUITY					
Contributed equity	2	3,981,940	3,981,940	306,374	4,288,314
Retained earnings		(5,061,028)	(5,352,015)	-	(5,352,015)
Parent Interest		(1,079,088)	(1,370,075)	306,374	(1,063,701)
Minority Interest - Asset Trust		10	10	-	10
TOTAL EQUITY		(1,079,078)	(1,370,065)	306,374	(1,063,691)

Notes:

1. Movement in Cash

	\$
Opening cash balance	46,158
Placement to sophisticated investors - May 2010	52,050
Non renounceable rights issue	<u>266,334</u>
Closing Balance	<u>364,542</u>

2. Movement in contributed equity movement

	No. of shares	Issue Price	Issued Capital
Opening balance	46,326,827	-	3,981,940
Placement to sophisticated investors - May 2010	6,940,000	0.75 cents	52,050
Non renounceable rights issue	35,511,218	0.75 cents	266,334
Cost of offer			<u>(12,010)</u>
Closing Balance	<u>88,778,045</u>		<u>4,288,314</u>

4.4 Effect on capital structure

A comparative table of changes in the Company's capital structure as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Shares	Number
Shares on issue at date of Prospectus	53,266,827
Shares offered pursuant to the Offer	35,511,218
Total Shares on issue after completion of the Offer¹	88,778,045

Listed Options	Number
Exercisable at \$1.20 each on or before 1 December 2011	13,198,424
Total Options on issue after completion of the Offer	13,198,424

Notes:

¹ Assumes no Options are exercised.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

5.1 Terms of Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. 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 and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

5.1.1 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 Company's Constitution.

5.1.2 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:

- (a) each shareholder entitled to vote may vote in person or by proxy, attorney;
- (b) 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
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for each share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

5.1.3 Dividend rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid on the share is to the total amount payable in respect of the shares (but any amount paid during the period in respect of which a dividend is declared only entitles the shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any

dividend which it is proposed to pay or to declare on any shares of the Company, that holders of such shares may elect to forgo their right to the whole or part of the proposed dividend and to receive instead an issue of shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as 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.

5.1.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the Company's property, and may for that purpose set such value as the liquidator 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, 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.

5.1.5 Transfer of Shares

Generally, Shares in the Company 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 and the Listing Rules.

5.1.6 Future increase in capital

The allotment and issue of any new shares is under the Directors' control. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing Share or class of shares), the Directors may issue shares as they shall, in their absolute discretion, determine.

5.1.7 Variation of rights

Under 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.

6. RISK FACTORS

Potential Applicants should consider the specific and general risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.1 Specific risks

Financial condition of the Company

As at the date of this Prospectus, the Company is in financial difficulty. In the event that sufficient funds are not raised under this Prospectus, it is unlikely that the Company will be in a position to satisfy its on-going capital requirements and the Board may be left with no option other than to appoint a voluntary administrator to the Company.

Limited history

The Company was incorporated on 21 October, 2005. Since incorporation, the company has experienced consistent losses. The Company's prospects must be considered in light of the risks, expenses and difficulties encountered by companies in their early stages of development, which is specifically relevant to the Company's current position.

In light of its limited history, the Directors believe that they do not have a reasonable basis to make any relevant earnings forecast for the Company.

Legal proceedings

The Company is a party to legal proceedings as set out in Section 7.6 of this Prospectus.

At the time of lodging this Prospectus, it is not possible to predict the likely outcome of the legal proceedings or the timing of those outcomes.

Any adverse finding made against the Company which cannot be successfully recovered from cross claims made against other parties may result in the Company being liable to pay up to the amount claimed by the parties to the legal proceedings. The Company may also be liable for costs of other parties to the proceedings if these costs are awarded against it, as well as its own legal costs.

The Company has not provided any amount for potential outcomes of the legal proceedings as a liability as at 31 May 2010.

Competition

The Company's current and future potential competitors include companies with substantially greater resources to develop similar and competing products. There is no assurance that competitors will not succeed in developing services and products that have higher customer appeal.

To keep ahead of competitors, the Company aims to adopt an aggressive

business pathway over the next two years, maintaining high standards and the ongoing input from the new Board and management team to identify new business opportunities will be paramount to success.

There can be no guarantee that revenue growth will be stimulated or that the Company will operate profitably in the short term, or at all.

Product sale

The Company produces a weight loss product called 'Health-e-weight'. Although sold in limited quantities and with a clear disclaimer that the product does not guarantee weight loss, there is a risk that consumers could claim against the Company in relation to product performance.

Privacy Act

The Chemconsult® program collects personal information. Some of the Company's high level employees, contractors and pharmacists have access to this personal information. Although the Company maintains strict processes and procedures to ensure that each individual's privacy is protected, there is no guarantee that each of the recipients of the personal information will adhere to their confidentiality undertakings and accordingly, there is a potential risk of claims being made against the Company in relation to breaches of privacy legislation in the event of disclosure of personal information.

Contractors and service providers

The Directors are unable to predict the risk of financial failure, default, insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

Strategic alliances

The Company may in the future seek to enter into strategic alliances with other parties, some of which may be corporations much larger than the Company, in the pursuit of new business opportunities. There is a risk in managing strategic alliances and partnerships with large corporations.

Should other participants in any strategic alliance not act in the Company's best interests, this may have a material adverse effect on the Company's operations.

The Directors are unable to predict the risk of financial failure or default by a participant in any strategic alliance to which the Company may become a party.

Intellectual property

The Company's brand names, trademarks and other intellectual property are regarded as critical to its success. Accordingly, the Company is reliant on regulations regarding copyright and trade marks and confidentiality restrictions with staff, contractors and others to safeguard its intellectual property rights. The Company has made reasonable efforts to protect the Company's intellectual property, however, unauthorised use or exploitation of its intellectual property may occur and result in an adverse effect on the operating and financial performance of the Company.

The Company may experience conflict with third parties who may contest its rights to what it believes is its intellectual property, particularly in countries other than Australia. The Company cannot assure potential investors that the actions it has taken to establish and protect its intellectual property rights will be adequate to prevent imitation of its products by others or to prevent others from seeking to block sales of its products as a violation of proprietary rights of others.

6.2 General risks

In addition to the specific risks outlined above, there are general risks associated with the Company's existing and proposed business operations.

The value of the Company's Shares is affected by a number of general factors which are beyond the Company's or the Board's control.

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, local and international economic conditions and general investor sentiment.

Operating risks

The Company's current and future operations, including, appraisal and possible expansion activities may be affected by a range of factors, including:

- (a) industrial accidents, industrial disputes and other force majeure events;
- (b) unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment; and
- (c) inability to obtain necessary consents or approvals.

Economic risks

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

Market conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the Company's future performance or any return on an investment in the Company.

Security investments

Applicants should be aware that there are risks associated with any securities investment. Shares listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of the relevant companies. These factors may materially affect the market price of the securities, regardless of the Company's performance.

Legislative changes, Government policy and approvals

Changes in government regulations and policies may adversely affect the Company's financial performance.

Future capital requirements

The Company's ongoing activities will require substantial expenditure. The funds raised through the Offer will not be sufficient to successfully achieve all the objectives of the Company's overall business strategy, and the Company will be required to undertake further capital raisings. If the Company is unable to continue to use debt or equity to fund expansion after the substantial exhaustion of the net proceeds of the Offer, there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional fundraising on terms acceptable to the Company or at all. Any additional equity financing will be dilutive to Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit the Company's operations and business strategy.

The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's ability to operate as a going concern.

Reliance on key personnel and employees

The Company's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. To manage its growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel and continue to implement and improve operational, financial and management information systems. Investors must be willing to rely to a significant extent on management's discretion and judgement, as well as the expertise and competence of outside contractors.

In addition, Western Australia is currently experiencing a shortage of skilled labour. The Company cannot guarantee that its activities will not be negatively affected by an inability to employ appropriately skilled staff as and if required.

7. ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is 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.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the Company’s assets and liabilities, financial position, profits and losses or prospects.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in Shares.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the Company’s financial statements for the financial year ended 30 June 2009, being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the

year ended 30 June 2009 lodged with ASIC before the issue of this Prospectus; and

- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2009 audited financial statements:

Date	Description of announcement
21/06/2010	Appendix 3Y
16/06/2010	Market Update Presentation
15/06/2010	Cleansing Statement
08/06/2010	Change in Key Management
04/06/2010	Appendix 3Z - Final Director's Interest Notice x 2
03/06/2010	Appendix 3B
02/06/2010	Director Appointment/Resignation
27/05/2010	Appendix 3B
14/05/2010	Initial Director's Interest Notice
14/05/2010	New Board Appointments
13/05/2010	Appendix 3Y Change of Director's Interest Notice
03/05/2010	Placement to Strategic Investors, Rights issue new funding
30/04/2010	Appendix 4C – quarterly
15/03/2010	Response to ASX Query
01/03/2010	Half Yearly Report and Accounts
03/02/2010	Response to ASX Query - Appendix 4C
29/01/2010	Appendix 4C - quarterly
08/12/2009	Omron Healthcare partners Chemconsult Program
26/11/2009	Chairman's Address to Shareholders
13/11/2009	Response to ASX Query
30/10/2009	Appendix 4C - quarterly
15/10/2009	Investor Update
08/10/2009	HCL Business Update Oct 2009

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.hip.com.au.

7.2 Material contract – Underwriting Agreement

By an agreement between Verona Capital (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter has agreed to fully underwrite the Offer by procuring subscriptions for the Shortfall.

The Underwriter has agreed that no underwriting fee is payable by the Company in respect of the funds raised under the Prospectus or the Underwriter's obligation to procure subscriptions for the Shortfall. The Underwriter is, however, entitled to out of pocket expenses related to the underwriting of the Offer and the provision of its broking services, any costs and expenses (excluding legal costs) are not to exceed \$3,000 without the Company's prior approval.

The Underwriter's obligations under the Underwriting Agreement are conditional upon:

- (a) Mr Ken Lee (a Director of the Company) and his related entities agreeing in writing not to take up their Entitlement; and
- (b) as at the Closing Date, there being no:
 - (i) actual material adverse effect on the assets, financial condition, financial position or financial prospects of the Company and Related Corporations taken as a whole; or
 - (ii) event which could, in give rise to a liability of the Underwriter under the Corporations Act or at law in respect of the Offer.

The Underwriter's obligation to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (c) **Prospectus:** any of the following occurs in relation to the Prospectus:
 - (i) the Underwriter reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
 - (ii) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
 - (iii) any person other than the Underwriter who consented to being named in the Prospectus withdraws that consent;
- (d) **Supplementary prospectus:** the Underwriter reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by Verona;

- (e) **ASX listing:** ASX does not give approval for the Underwritten Securities to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (f) **Index changes:** the S&P/ASX All Ordinaries Index (ASX Code: XAO) or S&P/ASX Small Resources Index (ASX Code: XSR) falls more than 10% from the date of the Underwriting Agreement for a period of 3 continuous Business Days;
- (g) **Indictable offence:** a director of the Company or any Related Corporation is charged with an indictable offence;
- (h) **Return of capital or financial assistance:** the Company or a Related Corporation takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of Verona;
- (i) **Banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (j) **Change in laws:** any of the following occurs:
 - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia;
 - (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory;
 - (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy, which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offer or the operation of stock markets generally;
- (k) **Failure to comply:** the Company or any Related Corporation fails to comply with any of the following:
 - (i) a provision of its constitution;
 - (ii) any statute;
 - (iii) a requirement, order or request, made by or on behalf of the ASIC or any governmental agency; or
 - (iv) any material agreement entered into by it;
- (l) **Alteration of capital structure or constitution:** except as described in the Prospectus, the Company alters its capital structure or its constitution without the Underwriter's prior written consent;
- (m) **Hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, Indonesia,

Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country (being a country the majority of whose inhabitants are of Arab ethnicity);

- (n) **Extended force majeure:** a force majeure event which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (o) **Default:** the Company is in default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement;
- (p) **Adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Company or a Related Corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a Related Corporation);
- (q) **Investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a Related Corporation;
- (r) **Due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offer or the results of the investigation or the verification material are false or misleading;
- (s) **Prescribed occurrence:** certain prescribed occurrences occur, other than as disclosed in the Prospectus;
- (t) **Suspension of debt payments:** the Company suspends payment of its debts generally;
- (u) **Event of insolvency:** an event of insolvency (as it is defined in the Underwriting Agreement) occurs in respect of a Related Corporation; or
- (v) **Judgment against a Related Corporation:** a judgment in an amount exceeding \$50,000 is obtained against the Company or a Related Corporation and is not set aside or satisfied within 7 days.

The Underwriting Agreement also contains a number of indemnities, representations and warranties from the Company to the Underwriter that are considered standard for an agreement of this nature.

7.3 Disclosure of underwriting on voting power

As set out in Section 7.2 above, the Offer is fully underwritten by Verona Capital, up to a maximum of 35,511,218 Shares. The total Shares on issue in the Company following completion of the Offer will be 88,778,045.

To comply with the requirement to fully disclose Verona Capital's approximate potential voting power in the Company and the effect of the underwriting by Verona Capital, the table below sets out various scenarios to indicate the effect on the Company's shareholding depending on the Shortfall (if any) and assuming no existing Options are exercised. The potential maximum increase in Verona Capital's shareholding and voting power is set out in the table below (100% Shortfall) and will only occur if no Shareholders take up their Entitlement under the Offer.

As at the date of this Prospectus, Verona Capital has a relevant interest (through its associate, Mr Craig Burton (a director of Verona Capital)) in 3,470,000 Shares, which will increase to 5,783,333 assuming Mr Burton takes up his Entitlement.

Event	Shares	Voting Power
Underwriter's relevant interest as at the date of the Prospectus and including take up of Entitlement only, assuming no Shortfall	5,783,333	6.51%
After issue of Shares to the Underwriter assuming 100% Shortfall taken up by Underwriter	41,294,551	46.51%
After issue of Shares to the Underwriter assuming 75% Shortfall taken up by Underwriter	32,416,747	36.51%
After issue of Shares to the Underwriter assuming 50% Shortfall taken up by Underwriter	23,538,942	26.51%
After issue of Shares to the Underwriter assuming 25% Shortfall taken up by Underwriter	14,661,138	16.51%

The information in the table above shows the potential effect of the underwriting of the Offer by Verona Capital. However, it is unlikely that no Shareholders will take up their Entitlement under the Offer. Verona Capital's underwriting obligation, and therefore voting power, will reduce by a corresponding amount for the amount of Entitlements taken up by other Shareholders. In addition, the future pattern of shareholding of the Company will change depending on the take up of Entitlements of the other Shareholders.

7.4 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

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

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce them to become, or to qualify them as, a Director or otherwise

for services rendered by them or by the firm in connection with the formation or promotion of the Company or Offer pursuant to this Prospectus.

Directors' interests in the Company's securities as at the date of this Prospectus are:

Name	Shares	Options	Entitlement	Remuneration (\$)
Jason Davis	1,920,000	Nil	1,280,000	20,000
Ken Lee	19,718,602	4,340,300	13,145,735 ¹	40,000
Matthew Abrahams	50,000	17,500	33,334	20,000
Anthony Ince	Nil	Nil	Nil	20,000

Note: As discussed in Section 7.2 above, it is a condition of the Underwriting Agreement that Ken Lee agrees not to subscribe for his Entitlement.

The Company's Constitution provides that the non-executive Directors may be paid for their services as non-executive Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

The Company paid to the Directors a total of \$265,883 for the year ended 30 June 2009 and has paid the Directors \$242,916 for the year to date.

In addition to the above, the Directors have been paid fees totalling \$242,917 from the end of the previous financial year until the date of this Prospectus.

Directors, companies associated with the directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.5 Interests and consents of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the Company's formation or promotion; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of Shares pursuant to this Prospectus; or
- (c) the Offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by

that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Offer pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, Verona Capital has given and has not withdrawn its consent to being named as Underwriter to the Offer in the Corporate Directory of this Prospectus in the form and context in which it is named. Verona Capital has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus. Verona Capital (through its associate, Mr Craig Burton (a director of Verona Capital)) currently has a relevant interest in 3,470,000 Shares.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as Solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as solicitors to the Company. Steinepreis Paganin will be paid approximately \$5,000 for services in relation to this Prospectus. In the past two years, Steinepreis Paganin have not received any fees from the Company for professional services.

7.6 Legal proceedings

The Company's wholly owned subsidiary, Health Information Pharmacy Franchising Pty Ltd (**HIPF**) has commenced a claim in the Federal Court of Australia against four former franchisees claiming (among other things) damages for breach of contract and orders for specific performance. The respondents are defending the claim and have commenced a defensive cross-claim against HIPF.

On 10 May 2010, the Federal Court awarded the respondents security for costs in the amount of \$150,780 on condition that the respondents given an undertaking to the Court not to prosecute their cross-claim against HIPF should HIPF's proceeding be stayed for failure to provide security and to withdraw their cross-claim should the principal proceeding be dismissed for failure to provide security. The respondents have stated that they are prepared to give this undertaking to the Court.

Other than the proceedings discussed above, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.7 Estimated expenses of Offer

The estimated expenses of the Offer are as follows:

Expense	(\$)
ASIC fees	2,010
ASX fees	2,500
Legal expenses	5,000
Printing and other expenses	2,500
Total	12,010

7.8 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.032 on 7 May 2010

Lowest: \$0.03 on 11 June 2010

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.03 on 23 June 2010.

7.9 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

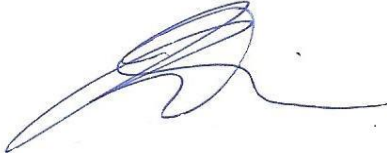
The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary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

8. AUTHORITY OF DIRECTORS

Each of the Directors of Health Corporation Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act

Dated the 29th day of June 2010.

Signed for and on behalf of
Health Corporation Limited



JASON DAVIS
NON-EXECUTIVE CHAIRMAN

9. DEFINITIONS

Applicant means a Shareholder or Underwriter or other party instructed by the Underwriter who applies for Shares pursuant to the Offer.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, where the context permits.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer as set out in the timetable in Section 1.1 of this Prospectus.

Company or **HEA** means Health Corporation Limited (ACN 116 800 269).

Constitution means the Company's Constitution as at the date of this Prospectus.

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

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Issue means the issue of Shares offered by this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of the ASX.

Offer means the offer pursuant to the Prospectus of 2 new Shares for every 3 Shares held by a Shareholder on the Record Date to raise \$266,334 before costs.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Record Date means the Record Date as set out in the timetable in Section 1.1 of this Prospectus.

Related Corporation has the meaning given to that term in the Corporations Act.

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

Share Registry means Registries Limited (ACN 003 209 836).

Shareholder means a shareholder of the Company.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Underwriter means Verona Capital.

Verona Capital means Verona Capital Pty Ltd (ACN 081 627 830)

WST means Western Standard Time as observed in Perth, Western Australia.

[APPLICATION FORM]