

4 August 2016

Converting Loan Funding

IM Medical Limited (ASX: IMI, IMIO, IMIOA) (“IMI” or “the Company”) is pleased to announce that, as foreshadowed in the Company’s ASX announcement dated 19 July 2016, the Company has raised \$330,000 before costs from the issue of a Converting Loan to sophisticated investors introduced by Patersons Securities Limited. The funds raised under the Converting Loan will be used to fund transaction documentation costs and provide working capital.

The Company intends to repay the Convertible Notes from the proceeds of the proposed Equity Capital Raising announced on 19 July 2016. Subject to IMI shareholder approval, if not repaid by 31 December 2016, the Convertible Notes will convert into ordinary shares in IMI at 0.06666667 cents per share. IMI will issue 165 million shares (pre-consolidation) to investors in the Convertible Note in lieu of interest.

The Company will provide further details on the acquisition and proposed equity capital raising in due course.

For and on behalf of the IMI Board

Richard Wadley
Director