

**July 31 2014.**

## **IMI ASX Announcement**

### **Appendix 4C Quarter ended 30 June 2014**

#### **Transition to the Data Centre Sector**

**IM Medical Limited ("IMI" or the "Company")** continues to finalise the key elements of its proposed transition into the data centre sector. As previously announced the Company's strategy is to become a specialist data centre management company.

The terms of the proposed acquisition of White Data Limited are under review, and the Company is working with key stakeholders to restructure the transaction to accommodate the acquisition of a second property to be managed by the data centre trust, in addition to the proposed Brisbane data centre site announced previously. The second property is suitable for conversion into a major data centre, and is expected to provide a more rapid entry into the provision of data centre services. If concluded, the second property acquisition is expected to substantially accelerate the implementation of the Company's data centre management strategy.

This process has taken longer than anticipated, with the timing of some aspects, including obtaining independent valuations of the properties, being outside the Company's control. IMI expects to be able to announce further details regarding finalisation of the acquisition terms in the near future.

#### **Equity Finance Facility**

The Company has entered into a standby convertible loan agreement under which certain investors have agreed to provide up to \$200,000 in funds to the Company. The convertible loan will accrue interest at 10% per annum. Subject to shareholder approval, the loan funds will be convertible into IMI shares at 0.2 cents per share. The investors are parties associated with the promoters of the data centre investment opportunity. The funds may be drawn down by the Company on seven days notice, subject to not more than \$100,000 being drawn in any 30 day period.

Funds raised under the facility will be used to support the Company's working capital requirements until completion of the proposed equity capital raising previously announced in connection with the Company's change of business into the data centre sector (Equity Raising).

Conversion of the loan funds into equity is subject to shareholder approval. Following shareholder approval, the investors may request conversion of the securities into equity at 0.2 cents per share at any time, and the conversion will be automatic if the funds advanced are not repaid by 31 December 2014. If not converted prior, the Company intends to repay the funds advanced using proceeds from the proposed Equity Raising.

Richard Wadley  
Director/Company Secretary

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

**IM Medical Limited**

ABN

**47 009 436 908**

Quarter ended ("current quarter")

**30 June 2014**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$'000	YTD \$'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	-	-
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) Administrative	(11)	<b>(146)</b>
(f) Corporate	(36)	<b>(237)</b>
(g) Other	-	
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net operating cash flows</b>	<b>(47)</b>	<b>(383)</b>

+ See chapter 19 for defined terms.

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	Current quarter \$'000	YTD \$'000
1.8 Net operating cash flows (carried forward)	(47)	<b>(383)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	(3)	<b>(24)</b>
1.12 Loans repaid by other entities	-	<b>21</b>
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(3)</b>	<b>(3)</b>
<b>01.14 Total operating and investing cash flows</b>	<b>(50)</b>	<b>(386)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	<b>248</b>
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (Capital raising costs)	-	<b>(15)</b>
<b>Net financing cash flows</b>	<b>-</b>	<b>233</b>
<b>Net increase (decrease) in cash held</b>	<b>(50)</b>	<b>(153)</b>
1.21 Cash at beginning of quarter/year to date	130	233
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>80</b>	<b>80</b>

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**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$'000
1.24	Aggregate amount of payments to the parties included in item 1.2	25
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

		Amount available \$'000	Amount used \$'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements		

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$'000	Previous quarter \$'000
4.1 Cash on hand and at bank	80	130
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>80</b>	<b>130</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~ <sup>not</sup> (delete one) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 July 2014  
 (Director/Company Secretary)

Print name: Richard Wadley

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**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
  - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
  - 9.2 - itemised disclosure relating to acquisitions
  - 9.4 - itemised disclosure relating to disposals
  - 12.1(a) - policy for classification of cash items
  - 12.3 - disclosure of restrictions on use of cash
  - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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