

17 January 2014

Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

COMPANY ANNOUNCEMENT
For immediate release

Confirmation of acquisition of DealsDirect, escrow of certain securities and requirements for re-quotation on ASX

The Board of Mnemon Limited (**Company** or **MNZ**) is pleased to confirm that the acquisition by the Company of DealsDirect Group Pty Limited (**Acquisition**) successfully completed on 17 January 2014, following the approval by MNZ shareholders of all the resolutions considered at the general meeting held on 18 December 2013 and all other conditions precedent being satisfied.

The Company is now well positioned and well capitalised to grow and develop the DealsDirect business and consider participation in the possible industry consolidation of online retailing enterprises.

As foreshadowed in previous announcements, on completion of the Acquisition, the Company allotted:

- 12,500,000 ordinary shares to the vendors of DealsDirect Group Pty Limited, as consideration for the Acquisition;
- 833,333 options to subscribe for ordinary shares; and
- 5,000,090 ordinary shares pursuant to a public offer and a placement to sophisticated and professional investors, at \$1.20 per share, raising \$6 million before expenses, pursuant to the Company's Prospectus dated 18 November 2013.

Set out in Annexure A is an updated pro forma statement of financial position for the combined MNZ / DealsDirect group, which has been updated to reflect the actual amounts raised pursuant to the placement and the public offer.

Also as foreshadowed in the Prospectus, the Company has received the ASX's finalised written decision as to whether any of the shares issued to the vendors of DealsDirect Group Pty Limited or options referred to above should be classified as "restricted securities" for the purposes of the ASX Listing Rules.

In accordance with that decision, the following allottees entered into Restriction Agreements in relation to certain of the securities allotted to them, and the following escrow periods will apply in respect of those particular securities (if an escrow period applies, the affected securities cannot be traded or sold during that period):

Allottee	Securities escrowed	Escrow period
CVC Limited (ACN 002 700 361)	187,688 fully paid ordinary shares. 312,500 options to subscribe for ordinary shares.	From date of issue until the date which is 24 months from reinstatement of MNZ's securities to official quotation following the Acquisition.
CVC Private Equity Limited (ACN 059 092 198)	187,688 fully paid ordinary shares. 312,500 options to subscribe for ordinary shares.	From date of issue until the date which is 24 months from reinstatement of MNZ's securities to official quotation following the Acquisition.
Mensa Investments Pty Ltd (ACN 113 972 133) as trustee for The Mensa Trust	47,962 fully paid ordinary shares.	From date of issue until the date which is 24 months from reinstatement of MNZ's securities to official quotation following the Acquisition.
Grootemaat Holdings Pty Ltd (ACN 129 586 821)	208,333 options to subscribe for ordinary shares.	From date of issue until the date which is 24 months from reinstatement of MNZ's securities to official quotation following the Acquisition.
Sun Hung Kai Strategic Capital Limited	1,229,041	From date of issue until 18 June 2014.
Michael Rosenbaum Investments Pty Ltd (ACN 113 929 534) as trustee for The M. Rosenbaum Family Trust	356,667	From date of issue until 18 June 2014.
Fei Wu Wang	178,334	From date of issue until 18 June 2014.
Jana Lin	178,334	From date of issue until 18 June 2014.

The Company confirms that it is in compliance with the ASX Listing Rules and in particular ASX Listing Rule 3.1.

The ASX has advised the Company of its residual requirements to re-commence quotation of and trading in the Company's shares on the ASX. The Company expects to satisfy those requirements in the last week in January as foreshadowed in the Prospectus. A further announcement in this regard will be made at the appropriate time.

Yours faithfully
Mnemon Limited

Mark Tayler
Company Secretary

Annexure A

Updated pro-forma statement of financial position

An updated pro-forma statement of financial position based on the actual amount of funds raised is set out below.

Pro forma statement of financial position

\$'000	As at 30 June 2013			
	MNZ Audited	DDG Audited	Pro forma adjustments	Pro forma
Current assets				
Cash and cash equivalents	270	1,079	6,813	8,162
Trade and other receivables	37	1,446	817	2,300
Inventories	-	6,275	-	6,275
Other current assets	-	112	-	112
Total current assets	307	8,912	7,630	16,849
Non-current assets				
Property, plant & equipment	-	646	-	646
Intangible assets	-	93	-	93
Deferred tax assets	-	1,551	-	1,551
Total non-current assets	-	2,290	-	2,290
Total assets	307	11,202	7,630	19,139
Current liabilities				
Trade and other payables	(185)	(11,071)	-	(11,256)
Provisions - current	-	(840)	-	(840)
Tax and interest liabilities	(18)	(23)	-	(41)
Convertible notes	-	(2,000)	2,000	-
Total current liabilities	(203)	(13,934)	2,000	(12,137)
Non-current liabilities				
Interest bearing loans and liabilities	-	(5)	-	(5)
Provisions - non current	-	(26)	-	(26)
Total non-current liabilities	-	(31)	-	(31)
Total liabilities	(203)	(13,965)	2,000	(12,168)
Net assets	104	(2,763)	9,630	6,971
Equity				
Share capital	4,694	15,907	4,526	25,127
Reserves	-	-	1,663	1,663
Accumulated losses	(4,590)	(18,670)	3,441	(19,819)
Total equity	104	(2,763)	9,630	6,971

Pro Forma Cash and Cash equivalents

The pro forma cash and cash equivalents as at 30 June 2013 reflects the net proceeds of the offer and acquisition of DDG as set out below:

Cash and cash equivalents

	\$'000
Cash and cash equivalents at 30 June 2013	270
Subsequent events:	
Capital raising	150
Pro forma transactions:	
DDG cash and cash equivalents	2,482
Capital raised per offer	6,000
Offer costs	(740)
Pro forma cash and cash equivalents	8,162

Pro forma Trade Receivables

The pro forma trade and other receivables as at 30 June 2013 reflects the recognition of the contingent receivables and the GST portion of the offer costs:

Trade and other receivables

	\$'000
Trade and other receivables at 30 June 2013	37
Subsequent events:	
Recognition of contingent receivable	750
	787
Pro forma transaction:	
DDG trade and other receivables	1,446
GST receivable on the offer costs	67
Pro forma trade and other receivables	2,300

Pro Forma Share Capital

The pro forma share capital and issued capital as at 30 June 2013 reflects the issue of shares pre offer, the share consolidation, issue of shares to acquire DDG and the offer as set out below:

Share capital

	Number of shares	\$'000
Share capital at 30 June 2013	208,788,584	4,694
Subsequent events:		
Capital raised	25,000,000	150
Share capital prior to offer	233,788,584	4,844
Issue after share consolidation	1,170,012	4,844
Pro forma transactions:		
DDG acquisition value - shared issued	12,500,000	15,000
DDG share capital	-	19,447
Reverse acquisition - Elimination of pro forma MNZ shares	-	(19,844)
Capital raised	5,000,090	6,000
Capital raising costs	-	(320)
Pro forma share capital	18,670,102	25,127

Pro Forma Reserve

The pro forma reserve as at 30 June 2013 reflects the reverse accounting treatment and the options issued to acquire DDG as set out below:

Reserves

	\$'000
Reserve at 30 June 2013	-
Pro forma transactions:	
Reverse acquisition	1,350
Options issued	313
Pro forma reserve	1,663

Pro forma Accumulated Losses

The pro forma accumulated losses as at 30 June 2013 reflects the recognition of contingent receivables, capitalised interest costs in relation to convertible notes, reverse acquisition accounting and offer costs allocated to accumulated losses as set out below:

Accumulated losses

	\$'000
Accumulated losses at 30 June 2013	(4,590)
Subsequent events:	
Recognition of contingent receivable	750
Interest on convertible notes	(136)
	(3,976)
Pro forma transactions:	
DDG accumulated losses	(18,670)
Reverse acquisition	3,494
Offer costs expensed	(667)
Pro forma accumulated losses	(19,819)