



ASX ANNOUNCEMENT

11 June 2015

Exalt Resources Limited to acquire MedAdvisor International Pty Ltd

- **MedAdvisor is Australia's leading 'virtual pharmacist' software platform and app for personal medication management**
- **Just 50-60% of medication prescribed in Australia is taken correctly, leading to poor health outcomes and significant preventable costs to the health system**
- **MedAdvisor has established partnerships with industry leaders including Bupa and Guildlink, and**
- **Contracts with four major pharmaceutical clients – GSK, AstraZeneca, Actavis and UCB – to deliver training and adherence services**

Sydney, Australia, 11 June 2015: Exalt Resources Limited (ASX:ERD) (**Exalt** or **Company**), an Australian-based resource and energy exploration company, announces it has entered into a Heads of Agreement to acquire 100% of market-leading cloud based e-health software company, MedAdvisor International Pty Ltd (**MedAdvisor**) (**Acquisition**).

MedAdvisor has developed a world-class software platform that assists individuals in correctly using medication via a 'virtual pharmacist', dramatically improving health outcomes through improved medication adherence. The software uses a cloud computing approach, in conjunction with optimised user experience on mobile and web devices.

MedAdvisor's platform and app have achieved early success with pharmacies and consumers. The app is free for consumers and is actively being used by 70,000+ Australians; 20 per cent of Australian pharmacies are paid subscribers, and it has been the most downloaded medication-related app in Australian Apple and Android stores in 2014 and 2015.

Mr Peter Bennetto, Chairman of Exalt Resources, said: "We are delighted to announce our planned acquisition of 100% of MedAdvisor, which will facilitate its public listing, and add value for our existing shareholders."

Mr Josh Swinnerton, Managing Director of MedAdvisor, said: "We are very pleased to announce our agreement with Exalt Resources as we pursue near term opportunities with the national General Practitioner community, and international expansion.



“Poor medication adherence has been identified as one of the most significant and costly problems faced by governments and major healthcare providers in developed nations. This contributes to poor health, including unnecessary hospitalisations, as well as significant missed revenue for industry.

“We’ve created a platform that helps individuals to monitor their medication use. Our app connects to pharmacy dispensing systems, automatically retrieving medication records and activating an intelligent training, information and reminder system to ensure correct and reliable medication use.”

Following its listing on the ASX (through the completion of the acquisition of MedAdvisor by the Company), the Company will look to meet the challenge of rapidly deploying its system to pharmacies and numerous end users.

MedAdvisor has established important partnerships with industry-leading organisations including Bupa and the Pharmacy Guild of Australia’s Guildlink, and has contracts with four major pharmaceutical clients – GSK, AstraZeneca, Actavis and UCB – to deliver training and adherence services through the MedAdvisor platform.

Key Acquisition Terms

Set out below is a summary of the material terms and conditions of the HOA:

- a) **(Consideration)**: the consideration payable to the shareholders of MAI by the Company in respect of the Acquisition is:
 - i. 380,064,105 fully paid ordinary shares in the capital of the Company (**Shares**) to the shareholders of MAI proportion to the number of MAI shares held; and
 - ii. 195,000,000 performance shares to the founders of MAI, which shall convert into Shares upon satisfaction of the following milestones:
 - A. 50% of the Performance Shares shall convert upon the “Medadvisor Platform” being activated at 2,500 pharmacies within a period of 2 years from the issue of the Performance Shares; and
 - B. 50% of the Performance Shares shall convert upon the Company receiving annualised revenue (calculated over two consecutive calendar quarters) of no less than \$5,000,000, within a period of 3 years from the issue of the Performance Shares, (**Performance Shares**);
- b) **(Conditions Precedent)**: settlement of the Acquisition is conditional upon the satisfaction or waiver of the following conditions precedent:

- i. completion of due diligence by the Company and MAI in respect of one another's business and operations;
- ii. the Company and MAI entering into agreements with the holders of notes convertible into MAI shares (**MAI Noteholders**) (on terms reasonably acceptable to the parties) pursuant to which the Company agrees to issue Shares to the MAI Noteholders in place of MAI shares and the MAI Noteholders agree to receive Shares at Settlement in satisfaction of MAI's obligations under the convertible notes;
- iii. the Company and MAI entering into an agreement with MacMillanGold & Associates Pty Ltd (**MMG**) under which the Company agrees to issue 55,000,000 performance shares to MMG, which shall convert into Shares upon satisfaction of the following milestones:
 - A. 5,000,000 of the performance shares will convert upon satisfaction of each of the following milestones:
 - a. the Company completing a pilot study for the commercial and operational viability of its "Home Medication Review Platform"; and
 - b. MMG assisting MAI to raise at least \$750,000 from MAI Noteholders by way of an issue of notes convertible into MAI shares (which milestone is expected to be satisfied prior to settlement of the Acquisition),
 - B. 10,000,000 of the MMG Performance Shares will convert upon MedAdvisor receiving gross revenue in respect of the home medication review program being developed with MMG (**HMR Program**) of \$1,000,000 within 2 years of the HMR Program commencing;
 - C. 10,000,000 of the MMG Performance Shares will convert upon MedAdvisor receiving gross revenue in respect of the HMR Program of \$2,000,000 within 2 years of the HMR Program commencing;
 - D. 12,500,000 of the MMG Performance Shares will convert upon MedAdvisor receiving gross revenue in respect of the HMR Program of \$4,000,000 within 2 years of the HMR Program commencing; and
 - E. 17,500,000 of the MMG Performance Shares will convert upon MedAdvisor receiving gross revenue in respect of the HMR Program of \$7,000,000 within 2 years of the HMR Program commencing;

(**MMG Performance Shares**) and MMG agrees to accept the MMG Performance Shares in satisfaction of MAI's obligations to issue MAI shares to MMG;

- iv. ASX approving the terms of the Performance Shares and MMG Performance Shares under ASX Listing Rules 6.1 and 6.2;
 - v. ASX granting a waiver of the ASX Listing Rules to permit the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules to occur despite the price of Shares being less than \$0.20 per Share (being a price of no less than \$0.02 per Share);
 - vi. the conditional approval by ASX to reinstate the Company's securities to trading on ASX (after the Company re-complies with Chapters 1 and 2 of the ASX Listing Rules) and those conditions being to the reasonable satisfaction of the Company and MAI; and
 - vii. the Company undertaking a capital raising to raise not less than \$3,000,000; and
 - viii. the Company and MAI receiving all shareholder and regulatory approvals required to complete the Acquisition; and
- c) (**Board Changes**): upon settlement of the Acquisition, two existing directors of the Company will retire and three nominees of MAI will be appointed to the board of the Company.

The HOA otherwise contains terms, conditions and restrictions which are customary for an agreement of its nature.

Listing Rule Re-Compliance and Placement

Since the Acquisition will result in a significant change to the nature and scale of the Company's activities, it will require the shareholder approval under ASX Listing Rule 11.1.2 and will also require the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Subject to the receipt of shareholder approval, the Company will also undertake a placement to raise at least \$3,000,000 (**Placement**) at a price not less than \$0.02 per share, to be completed under a prospectus with all funds raised to be applied toward:

Item	Amount \$
Product development	700,000
Marketing campaigns	500,000
Marketing & sales staff	450,000
Office fit out	200,000
International expansion	250,000
Governance & admin	200,000
Listing & legal costs	300,000
Working capital	400,000
TOTAL	3,000,000

Indicative Capital Structure

The following table illustrates the change in the Company's capital structure following the Acquisition:

	Shares	Options	Performance Shares
Current	85,250,406	16,008,568	-
Consideration for Acquisition	380,064,105	-	195,000,000
MMG Performance Shares	-	-	55,000,000
TOTAL	465,314,511	16,008,568	250,000,000

1. In addition, the Company will be raising a minimum of \$3,000,000 through issue of shares at not less than \$0.02 each.
2. Listed options exercisable at \$0.20 each and expiring 31 December 2015.
3. A total of 195,000,000 Performance Share on the terms and conditions as detailed in in the Key Acquisition Terms above.

Pro-Forma Balance Sheet

Set out in Annexure A is a pro-forma balance sheet showing the effect of the Acquisition and Placement.

Indicative Timetable

The indicative timetable for completion of the transaction and the Company's re-compliance with the ASX listing rules is outlined below:

Event	Date
Execute heads of agreement for Acquisition	10 June 2015
Due diligence completion	10 July 2015
Despatch notice of meeting seeking approval for the Acquisition	15 July 2015
Lodgement of Placement prospectus with ASIC	7 August 2015
General meeting of shareholders to approve the Acquisition	14 August 2015
Closing date of Placement under the prospectus	28 August 2015
Despatch holding statements for Placement and Acquisition	4 September 2015
Re-quotations of Shares on ASX	11 September 2015

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About MedAdvisor

Melbourne-based software systems developer, MedAdvisor International Pty Ltd (MedAdvisor), was founded in 2012 to address gaps in medical self-care. MedAdvisor's free app connects to pharmacy dispensing systems to automatically retrieve medication records and from this drives an intelligent training, information and reminder system to ensure correct and reliable medication use. Poor medication adherence has been identified as one of the most significant and costly problems faced by governments and major healthcare providers across many developed nations.

"MedAdvisor" was the most downloaded pharmacy or medication-related app in Apple and Android stores in Australia in 2014 and 2015, and more than a quarter of all Australian pharmacies subscribe to the platform. MedAdvisor has formed important sales and marketing partnerships with Bupa and the Pharmacy Guild of Australia's Guildlink, and has training and service contracts with a number of top tier global pharmaceutical companies.



MedAdvisor is currently developing new systems that will support GPs in improving patient medication adherence, as well as assessing opportunities in the hospital, aged care and nursing home sectors. The company has also commenced work identifying international markets where MedAdvisor can be deployed.

MedAdvisor is backed by a strong executive team with a successful track record in management and extensive experience in developing major electronic health (e-health) and mobile health (m-health) software systems for Australian and US clients.

For more information

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ANNEXURE A – PRO FORMA BALANCE SHEET AS AT 30 APRIL 2015

The unaudited pro-forma Balance Sheet has been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company 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.

Balance Sheet and Pro Forma Balance Sheet as at 30 April 2015

	MAI 30/04/2015 Unaudited A\$	ERD 30/04/2015 Unaudited A\$	Pro-forma adjustment – MAI acquisition A\$	Pro-forma adjustment – Consolidation Adjustments A\$	30/04/2015 Consolidated Pro-forma A\$
Current Assets					
Cash and cash equivalents	277,592	118,769	2,700,000		3,096,361
Receivables	34,578	1,291	-	-	35,869
Other assets	52,085	-	-	-	52,085
Total Current Assets	364,255	120,060	2,700,000		3,184,315
Non-Current Assets					
Other assets	-	20,000	-	-	20,000
Investments	-	-	7,601,282	(7,601,282)	-
Intangible assets	80,240	-	-	7,586,805	7,667,045
Plant & Equipment	7,822	1,116	-	-	8,938
Exploration expenditure	-	304,308	(304,308)	-	-
Total Non-Current Assets	88,062	325,424	7,296,974	(14,477)	7,695,983
Total Assets	452,317	445,484	9,996,974	(14,477)	10,880,298
Current Liabilities					
Payables	379,147	126,699	-	-	505,846
Provisions	52,543	-	-	-	52,543
Total Current Liabilities	431,690	126,699	-	-	558,389
Total Liabilities	431,690	126,699	-	-	558,389
Net Assets	20,627	318,785	9,996,974	(14,477)	10,321,909
Equity					
Issued Capital	1,622,436	11,940,407	10,301,282	(11,940,407)	11,923,718
Reserves	-	178,470	-	(178,470)	-
Accumulated losses	(1,601,809)	(11,800,092)	(304,308)	12,104,400	(1,601,809)
Total Equity	20,627	318,785	9,996,974	(14,477)	10,321,909

Notes:

1. MAI shareholders to receive 380,064,105 fully paid ordinary shares in the capital of ERD at a deemed value of \$0.02.
2. No value has been attributed to the 195,000,000 Performance Shares to be issued as part of the consideration to MAI shareholders or to the 55,000,000 MMG Performance Shares to be issued to MMG.
3. Capital raise of \$3,000,000 to be completed less estimated capital raising costs of \$300,000.
4. Capitalised exploration expenditure associated with tenements held by ERD to be written off.