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ASX Announcement

## **PROPOSED DIAGNOSTIC TECHNOLOGY ACQUISITION**

The Directors of Acuvax Ltd (“Acuvax” or the “Company”) are pleased to advise that, subject to a satisfactory outcome on due diligence, the Company has negotiated an acquisition of a sophisticated non-invasive early detection diagnostic technology (the “Technology”). The Technology has been developed over many years by an Israel-based company and is designed to diagnose more than 200 illnesses, disorders and diseases in humans. Several clinical trials have been completed to date and the medical device product is now ready for full commercialisation.

The medical device is safe, painless, non-invasive, portable, economical and clinical trials to date across numerous areas of patient health have demonstrated a compelling level of accuracy. The Technology can be used as a point-of-care first-stage screening tool able to identify specific pathologies in the general population, prior to advancing patients to appropriate confirmative diagnostic tests. It can provide immediate feedback at the general practitioner level and has the potential for use in the medical industry to increase population health by alerting medical practitioners to problems earlier and before major surgery is required, thus helping address the current crisis in many countries by reducing the burden on hospitals and national health systems. There is also the potential to develop derivative screening devices for the alternative medical sectors.

Revenues from the Technology are able to be generated from both upfront device purchases and ongoing ‘per use’ patient tests. Acuvax is poised to benefit from consolidating and controlling all aspects of the Technology including: research and development (incorporating clinical trials), intellectual property (“IP”) protection, manufacture, market positioning and pricing model flexibility.

Acuvax will also negotiate distribution arrangements with parties already in talks for device orders for South Africa, Australia and parts of Asia. It is the Company’s aim to open up new markets by sourcing, vetting and securing either strategic alliances or distribution arrangements with groups that have the infrastructure, expertise, and financial and human resources necessary to maximise sales of devices and ongoing tests in their respective countries; whilst supporting those business partners and distributors with high quality production, continued product R&D and an ongoing peer-reviewed clinical trial program.

The structure in which Acuvax shall execute the arrangement and progress the business opportunity the Technology presents, is through the incorporation of a 100%-owned subsidiary. The subsidiary will pay USD20,000 for an option fee that under the terms of the acquisition allows for a 90 day due diligence period. Subject to a satisfactory outcome on due diligence a further US\$240,000 is to be paid by Acuvax through the subsidiary to the Israel-based company for all of the assets in relation to the Technology. The Acuvax subsidiary (the

operating entity) will also pay a royalty stream to the Israel-based company representing less than 5% of revenue and up to a maximum total of \$US2,000,000.

Acuvax shall provide funding as appropriate to implement business plans and strategies to maximise the commercial opportunities the Technology provides, in line with key performance indicators and milestones being achieved by the operating entity.

This latest acquisition proposal reflects Acuvax's work in seeking out strategic and opportunistic positions in Small to Medium Enterprises (SME's) to build a portfolio of controlled subsidiaries with leading-edge healthcare/medical products across non-competing sectors that have the ability to generate immediate revenue streams. As such these subsidiaries are able to run product-to-market and proof-of-efficacy programs concurrently and potentially deliver a compounding effect to IP values and revenues for the benefit of Acuvax Shareholders.

Ian Murie  
**Chairman**