

GENESIS BIOMEDICAL LIMITED

ABN 48 083 274 024

PLACEMENT PROSPECTUS

For the offer of 40,000,000 Shares at an issue price of \$0.021 per Share together with 20,000,000 free attaching Options (on the basis of one Option for every two shares subscribed for) with each Option exercisable at \$0.03 on or before 30 November 2010, to raise a total of \$840,000 before deducting the costs of the Offer.

The Issue is fully underwritten by:

SA CAPITAL PTY LTD
ABN 74 065 412 820

See Section 7.2 for further details

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The securities offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1.	SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES	1
2.	CORPORATE DIRECTORY	3
3.	DETAILS OF THE OFFER	4
4.	PURPOSE AND EFFECT OF THE OFFER	7
5.	RIGHTS AND LIABILITIES ATTACHING TO THE SECURITIES	10
6.	RISK FACTORS	13
7.	ADDITIONAL INFORMATION	18
8.	AUTHORITY OF DIRECTORS	25
9.	DEFINITIONS	26

1. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

TIMETABLE AND IMPORTANT DATES

Lodgement of Prospectus with ASIC	4 December 2007
Opening Date of Offer	4 December 2007
Closing Date of Offer	18 December 2007
Despatch date / Shares and Options entered into shareholders security holdings	21 December 2007

* These dates are determined based upon the current expectations of the Directors and may be changed without notice.

IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 4 December 2007 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 3 January 2009 (**Expiry Date**). No securities will be allotted or issued on the basis of this Prospectus after the Expiry Date.

Applications for Securities offered pursuant to this Prospectus can only be submitted on the original Application Forms which accompany this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

2. CORPORATE DIRECTORY

Directors

Rodger Johnston (Non Executive Chairman)
Don Valentino (Managing Director)
Roger Smith (Non Executive Director)

Company Secretary

David Semmens

Registered Office

Level 1
248 Hay Street
SUBIACO WA 6008

Telephone (08) 9381 6922
Facsimile (08) 9381 6060

Auditor*

K Westaway & Associates
Suite 7
29 Hood Street
SUBIACO WA 6008

Share Registry*

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St. Georges Terrace
PERTH WA 6000
Telephone (08) 9323 2000
Facsimile (08) 9323 2033
Investor enquiries 1300 557 010

Underwriter

SA Capital Pty Ltd
35A Woottona Terrace
ST GEORGES SA 5064

Solicitors*

Steinepreis Paganin
Lawyers and Consultants
Level 4
16 Milligan Street
PERTH WA 6000

* These parties are included for information purposes only. They have not been involved in the preparation of this Prospectus.

3. DETAILS OF THE OFFER

3.1 Offer of Shares and Options

By this Prospectus, the Company offers for subscription the 40,000,000 Shares at an issue price of \$0.021 per Share together with 20,000,000 free attaching Options (on the basis of one Option for every two shares subscribed for) with each Option exercisable at \$0.03 on or before 30 November 2010.

The Offer will raise a total of \$840,000 before deducting the costs of the Offer.

The Offer is fully underwritten by SA Capital Pty Ltd (ACN 114 959 803). Please refer to Section 7.2 for further details.

3.2 Minimum Subscription

The minimum subscription under the Offer is \$840,000. In the event the minimum subscription is not achieved within four (4) months of the date of lodgement of the Prospectus with the ASIC, no Securities will be issued to any of the Applicants and all applications will be dealt with in accordance with the Corporations Act.

3.3 Oversubscriptions

Oversubscriptions will not be accepted.

3.4 Applications for Shares and Options

Applications for Shares and Options must be made using the appropriate Application Form accompanying this Prospectus.

Payment for the Shares and Options must be made in full at the issue price of \$0.021 cents per Share. Applications for Shares must be for a minimum of 100,000 and thereafter in multiples of 100,000 Shares.

Completed Application Forms and accompanying cheques must be mailed or delivered to:

Genesis Biomedical Limited
Level 1
248 Hay Street
Subiaco WA 6008

Cheques should be made payable to "Genesis Biomedical Limited – Share Issue Account" and crossed "Not Negotiable". Completed Application Forms must reach the address set out above by no later than the Closing Date.

3.5 ASX Listing

Application for official quotation by ASX for the Shares and Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of the Prospectus, (or such period as varied by the ASIC), the company will not issue any Shares and Options and will repay all application moneys for this Shares and Options within in the time prescribed under the Corporations Act, without interest. The fact that ASX may grant official quotation to the Shares and Options it is not to be taken in any way as an

indication of the merits of the Company or the Shares and Options now offered for subscription.

3.6 Allotment of Shares and Options

Shares and Options issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. Where the number of Shares and Options issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares and Options or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

3.7 Overseas Investors

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares and Options the subject of this Prospectus or otherwise permit a public offering of the Shares and Options the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of applicants outside Australia to obtain all necessary approvals for the allotment and issue of the Shares and Options pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

3.8 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Shares and Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Shares and Options offered pursuant to this Prospectus.

3.9 Privacy Act

If you complete an application for Shares and Options, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder or Optionholder, facilitate distribution payments and corporate communications to you as a Share and / or Option holder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares and Options, the Company may not be able to accept or process your application.

3.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**), a wholly owned subsidiary of ASX, in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, the Company will not issue certificates to investors. Instead, subscribers will receive a statement of their holdings in the Company. If an investor is broker sponsored, ASTC will send a CHESS statement to the investor.

3.11 Risk Factors

Prospective investors in the Company should be aware that subscribing for the Shares the subject of this Prospectus involves a number of risks. Refer to Section 6 of this Prospectus for an outline of the risks applicable to the Company.

3.12 Enquiries

If you have any questions concerning the Offer, please contact David Semmens from the Company on (08) 9381 6922.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$840,000. The proceeds of the Offer are planned to be used in accordance with the table set out below¹:

Proceeds of the Offer	\$
Existing projects ²	212,000
Evaluation and acquisition of new opportunities	300,000
Corporate and administrative activities	140,000
Working capital	125,000
Costs of the Issue	63,000
Total	840,000

1. Refer to Section 7.6 of this Prospectus for further details relating to the expenses of the Offer
2. As announced to ASX on 16 November 2007, the exploration will include a series of RC drill programmes at the Unaly Hill Project located in the midwest of Western Australia. Please see the material contract summaries in Section 7.2 for further details.

4.2 Effect of the Offer and Pro Forma Statement of Financial Position

The principal effect of the Issue will be to:

- (a) increase the cash reserves by approximately \$777,000 immediately after completion of the Issue after deducting the estimated expenses of the Issue;
- (b) increase the number of Shares on issue from 167,158,361 Shares as at the date of this Prospectus, to 207,158,361 Shares, on the basis that the Offer is fully subscribed and none of the Options currently on issue are exercised prior to the close of the Offer;
- (c) increase the number of Options on issue from 96,750,000 Options as at the date of this Prospectus, to 116,750,000 Options, on the basis that the Offer is fully subscribed and none of the Options currently on issue are exercised prior to the close of the Offer; and

4.3 Balance Sheet

The unaudited Balance Sheet as at 31 October 2007 and the unaudited Proforma Balance Sheet as at 31 October 2007 shown on the following page have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares and Options pursuant to this

Prospectus are issued.

Pro forma Consolidated Statement of Financial Position			
	Unaudited Consolidated 31 October 2007 \$	Capital Raising \$	Pro forma Consolidated 31 October 2007 \$
Current Assets			
Cash and cash equivalents	1,222,169	777,000	1,999,169
Trade and other receivables	57,409		57,409
			-
Total Current Assets	1,279,578		2,056,578
Non-Current Assets			
Other financial assets	-		-
Property, plant and equipment	145,680		145,680
Total Non-Current Assets	145,680		145,680
Total Assets	1,425,258		2,202,258
Current Liabilities			
Trade and other payables	123,028		123,028
Short-term provisions	30,074		30,074
Total Current Liabilities	153,102		153,102
Non-Current Liabilities			
Long-term provisions	-		-
Total Non-Current Liabilities	-		-
Total Liabilities	153,102		153,102
Net Assets	1,272,156		2,049,156
Equity			
Issued capital	15,531,985	777,000	16,308,985
Reserves	216,590		216,590
Accumulated losses	(14,476,419)		(14,476,419)
Total Equity	1,272,156		2,049,156

Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offer is set out below, assuming that the Offer is fully subscribed.

Upon completion of the Offer the capital structure of the Company will be:

Shares	Number
Shares on issue at the date of this Prospectus	167,158,361
Shares to be issued pursuant to this Prospectus	<u>40,000,000</u>
Total Issued Shares	<u>207,158,361</u>
Options	Number
Options (exercisable at 4 cents and expiring on 31 December 2007)	1,700,000
Options (exercisable at 4 cents and expiring on 30 June 2009)	1,700,000
Options (exercisable at 4 cents and expiring on 31 December 2010)	1,700,000
Options (exercisable at 10 cents and expiring on 31 December 2011)	10,500,000
Listed Options (exercisable at 3 cents and expiring on 30 November 2010)	81,150,000
Listed Options (exercisable at 3 cents and expiring on 30 November 2010) to be issued pursuant to this Prospectus	<u>20,000,000</u>
Total Issued Options	<u>116,750,000</u>

5. RIGHTS AND LIABILITIES ATTACHING TO THE SHARES AND OPTIONS

5.1 Terms and Conditions of Options

Each Option will entitle the holder to subscribe for one Share in the Company on the following terms:

- (a) the Options may be exercised at any time prior to 5:00pm (WST) 30 November 2010;
- (b) the Options are exercisable at \$0.03 cents each;
- (c) the Options shall only be exercisable wholly in part by executing and forwarding to the Company an exercise form;
- (d) there are no participating rights, or entitlement inherent in the Options to participate in any new issue or bonus issue of securities which may be offered to members of the Company from time to time prior to or on 30 November 2010;
- (e) Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issue to the then Shareholders of the Company made during the currency of the Options. In this regard, holders of the Options shall be given at least 10 Business Days notice, before the determination of entitlements to any issue, to exercise their options;
- (f) in the even of any reconstruction (including consolidation, sub-division, reduction or return of the issued capital of the Company, the Options will be re-organised in accordance with the Listing Rules applicable at the time of the re-organisation;
- (g) application for official quotation of the Shares allotted and issued pursuant to the exercise of the Options will be made by the Company within three (3) business days after the date of allotment of such Shares; Application for official quotation of the Options allotted and issued pursuant to the Prospectus will be made by the Company within three (3) business days after the date of allotment of such Options;
- (h) Shares allotted and issued pursuant to the exercise of the Options will be allotted and issued no more than 7 days after the receipt of a properly executed exercise notice and receipt of the application moneys; and
- (i) a statement will be issued for the Options. Attached to the statement there will be a form that must be executed and forwarded to the Company when exercising the Options. If there is more than one Option on a statement, and prior to 30 November 2010 those Options are exercised in part, the Company will issue another statement for the balance of the Options held and not yet exercised.

5.2 Rights Attaching to Shares upon Conversion of Options

The rights attaching to Shares in the Company are set out in the Constitution of the Company, a copy of which is available for inspection during normal business hours at the registered business office of the Company.

The following is a summary of the more significant rights and liabilities attaching to Shares upon conversion of Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held.

Dividend Rights

The Directors may from time to time declare and pay or credit a dividend in accordance with the Corporations Act. Subject to any special right as to dividends attaching to a share, all dividends will be declared and paid according to the proportion which the amount paid is of the total amount paid and payable in respect of the Shares is paid (but any amount paid during the period in respect of which a dividend is declared only entitles the Shareholder to an apportioned amount of that dividend as from the date of payment). The Directors may from time to time pay or credit to the Shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

The Directors may from time to time grant to Shareholders or any class of shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. The Directors may, at their discretion, resolve in respect of any dividend which it is proposed to pay or to declare on any Shares of the Company, that holders of such Shares may elect to forgo their right to the whole

or part of the proposed dividend and to receive instead an issue of Shares credited as fully paid to the extent and on the terms and conditions of the Constitution. The Directors may set aside out of the profits of the Company such amounts as they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

Future Increase In Capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

Variation of Rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6. RISK FACTORS

There are many factors, a number of which are outside the control of the Company and the Directors, which may have an impact upon the operating and financial performance of the Company. There can be no guarantee that the Company will achieve its stated goals, or that any anticipated events will occur.

The section below describes some, but not all, of the risks which may be associated with an investment in the Company. Each of the risks described below could have a materially adverse impact on the performance of the Company and the market price of its Securities.

Before making a decision to subscribe for Shares and Options investors should read this Prospectus in its entirety. Potential investors should consider risks described below and should consider the impact of any variation in the assumptions underlying the Company's business and financial models. Consideration should be given to these factors in the context of individual financial circumstances.

If any uncertainty exists as to the meaning of any term, the interpretation of any statement, or the impact of any of the assumptions or risk factors described in this Prospectus, please consult a professional financial advisor.

6.1 Specific Risks

The following risks are specific to the Company.

(a) Mineral Exploration Risks

The Company has entered into a Farm-in Agreement in regards to the exploration of the Unaly Hill tenement. Various risks pertaining to the resources industry therefore need to be considered when making an investment in the Company, including but not limited to:

- (i) fluctuations in the price of commodities including but not limited to iron ore, base and precious metals;
- (ii) exploration and mining by its nature contains elements of significant risk in that success depends on discovery and delineation of recoverable and economic ore reserves, design of suitable processes for recovery of minerals and construction of an efficient operation at a remote location. There is also the aspect of obtaining long term markets for any mineral product;
- (iii) the Company's success in obtaining the renewal of its existing mineral licences from time to time, and in having applications for new mineral licences granted by relevant government departments in the countries where the Company operates or may decide to operate;
- (iv) it is possible that there will exist on the Company's tenement areas containing sacred sites or sites of significance to indigenous people. As a result land within the mining tenements may be subject to exploration, mining or other restrictions as a result of claims of heritage sites or indigenous title; and

- (v) possible risks including but not limited to social or political upheaval, indigenous peoples claims, and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rules of exchange and controlled land and water use and mine safety.

(b) Key Personnel

The Company relies on a number of key employees and consultants. There is a risk that the Company may fail to attract, retain or develop key employees or consultants and this would have the effect upon the development of the Company. The loss of any of these individuals could have an adverse impact on the business of the Company and its subsidiaries. The Company has in place service contracts with select employees and provides appropriate employment conditions to assist in the retention of key personnel.

6.2 General Risks

In addition to the risks outlined above, investors in the Company should note the following additional risks set out below.

(a) Economic Factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including the level of inflation, interest rates, exchange rates, and Government fiscal, monetary and regulatory policy. A deterioration in general economic conditions could have a materially adverse impact on the Company's financial performance.

(b) Share Market Risk

There are a number of risks associated with stock market investments. The market price of the Company's Securities is subject to general movements in local and international stock exchanges, economic conditions and interest rates. The Shares and may trade at a price below the issue price depending on a range of factors, including the performance of the market generally, market perceptions of the Company and the performance of the Company generally.

(c) Additional Capital

While the directors believe that Genesis has sufficient funds to fund its activities, Genesis is operating in dynamic and rapidly growing industries. There can be no assurance that Genesis will not seek to exploit business opportunities of a kind which will require it to raise additional capital from equity or debt sources. There can also be no assurance that Genesis will be able to raise such capital on favourable terms or at all. If the Company is unable to obtain additional funding as needed it may be required to reduce the scope of its operations and reduce its expansion programs as the case may be.

Any additional equity raising may dilute the interest of Genesis' shareholders, and any debt financing, if available, may involve financial covenants which limit Genesis' operations. If Genesis is unable to obtain

such additional capital, Genesis may be required to reduce the scope of any expansion, which could adversely affect its business, operating results and financial condition.

(d) Market Fluctuations

The market value of tradeable securities are subject to market fluctuations. Typically, biotechnology projects are of a high-risk nature and any adverse technology outcomes will significantly impact on the price of securities. General economic conditions and stock market fluctuations may also impact the ability to procure the requisite project funding.

(e) Acquiring New Businesses and Investments

The Company may, from time to time, acquire more businesses or expand its capital generally in order to generate additional revenues, attract more consumers and respond to competition. In this respect, the Company proposes to actively seek businesses and or projects that will add value to the Company. There can be no guarantee that these new businesses or investments will eventuate or be successful. However, the Company will exercise due diligence on any proposed acquisition and undertake a thorough review of projects to ensure that any acquisition or project will benefit the Company and its Shareholders.

(f) No Profit to Date and Uncertainty of Future Profitability

The Company has incurred losses and it is therefore not possible to evaluate the future prospects based on past performance.

The Company's ability to operate profitably in the future will depend on its ability to advance its projects. There is no certainty therefore that the Company can successfully commercialise its existing projects or potential acquisitions.

Other facts that will determine the Company's profitability are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability is uncertain. Moreover, the level of such profitability cannot be predicted and may vary significantly from quarter to quarter.

(g) Research and Development

The Company can make no representations that any research and development that it has or will in the future will be successful or that it will be successful in developing products that are commercially exploitable.

There are many risks inherent in the development of novel medical devices and associated technologies, particularly where they are in an early stage of development. Projects can be delayed or fail or research may cease to be viable for a range of unexpected scientific and commercial reasons.

(h) Risk and Product Liability & Uninsured Risks

The Company's business exposes it to potential product liability risks that are inherent in the research and development, marketing and use of its medical products. It will be necessary for the Company to secure sufficient levels of insurance to cover various product liability risks in the course of maintaining its business.

However, there can be no assurance that adequate or necessary insurance coverage will be available at an acceptable cost of insufficient amounts, if at all, or that product liability or other claims would not materially and adversely affect the business or financial condition of the Company.

(i) Tax

Any change to the current rate of company income tax in the jurisdictions where the Company operates will impact on financial performance and cash flows, the ability to pay dividends and the price of securities which could impact investor returns. Any changes to the current rates of income tax applying to individuals will similarly impact on investor returns. In addition, any change in tax arrangements between Australia and other jurisdictions could have an adverse impact on any future net profit after tax and net operating cash flows.

7. ADDITIONAL INFORMATION

7.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 3 months prior to the issue of this Prospectus. The Options when exercised shall be in the same class of shares that have been quoted on the Official List of ASX during 3 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2007 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of the annual financial report and before the lodgement of a copy of this Prospectus with ASIC; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

For details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report refer to the table set out below.

Date	Details
19 November 2007	Results of Annual General Meeting
16 November 2007	Farm-in Agreement
15 November 2007	Appendix 4C – Four Month Commitment Report

23 October 2007	Notice of Annual General Meeting / Proxy Form
23 October 2007	Annual Report 2007

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 Material Contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

Underwriting Agreement

By an agreement between SA Capital Pty Ltd (**Underwriter**) and the Company (**Underwriting Agreement**), the Underwriter agreed to fully underwrite the Offer of:

- (a) 40,000,000 Shares at an issue price of \$0.021 each per Offer Share to raise \$840,000; and
- (b) 20,000,000 free attaching Options (on the basis of one option for every two shares subscribed for) with each option exercisable at \$0.03 on or before 30 November 2010.

In return for underwriting the Offer, the Underwriter will be paid an underwriting fee of 6% of the funds raised from the Offer (\$50,400) plus GST.

The obligations of the Underwriter to underwrite the Offer is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (c) any announcement is made by any government of Australia or any state of Australia or any governmental authority or the Reserve Bank of Australia which in the reasonable opinion of the Underwriter could materially adversely affect the success of the Offer as a consequence of proposed or promulgated legislation or regulations which would materially adversely affect the operations of the Company or any industry in which the Company operates;
- (d) there is in the reasonable opinion of the Underwriter any material adverse change in relation to any of the interests held by the Company or in any of its projects or businesses;
- (e) the Company is in default under any of the terms and conditions of this Underwriting Agreement or any of the provisions binding on it under the Underwriting Agreement;
- (f) the Company withdraws the Offer;
- (g) the occurrence of any event set out in Section 652C of the Corporations Act in relation to the Company as though the Company were a target other than any allotment of securities, and any grant of securities;

- (h) the Company or Underwriter does not comply with the relevant provisions of the Corporations Act;
- (i) ASX refuses, does not grant on terms acceptable to the Underwriter, or withdraws approval for the granting of official quotation for the Shares and Options offered pursuant to the Offer or ASX makes a statement to that affect to the Company, the Underwriter or any other person;
- (j) there is an outbreak of hostilities (where the war has been declared or not) involving any one or more of Australia, the United Kingdom, the United States of America, the Philippines, the Peoples Republic of China, Russia, Africa, Indonesia and/or Japan;
- (k) if a resolution is passed by the Company for its voluntary liquidation or an order is made for its winding up or the Company enters into a scheme of arrangement with its creditors under the Corporations Act or any liquidator, receiver, or official manager is appointed in respect of the Company or if the Company becomes insolvent;
- (l) there is in the reasonable opinion of the Underwriter a material adverse change in the state of domestic and/or overseas security markets that jeopardises the effect of the Offer; or
- (m) there is in the opinion of the Underwriter any material adverse change in the financial position or prospects of the Company.

Farmin Agreement

Genesis Biomedical Ltd (**GBL**) has entered into a farm in agreement with Plato Mining Pty Ltd (**Plato**) for the exploration rights on the Unaly Hill Tenement (**Agreement**).

Under the terms of the agreement GBL have exploration rights for 18 months with a further two year option. GBL also has the option to acquire 100% of the tenement.

The farm in is structured in 2 phases.

Phase One

GBL pays \$100,000 to Plato (exclusive of GST), as partial reimbursement of Plato's prior expenditure, intellectual property and investigative work in relation to the Application.

Phase Two

Plato grants GBL the option to earn a 100% interest in the Unaly Hill Tenement (Tenement) by completing the following farm in steps:

- (a) Within 18 months from Ministerial approval being granted, GBL must:
 - (i) incur Expenditure to establish a minimum 30 million tonne JORC compliant resource. The commodities being iron ore, vanadium, U308 and/or gold; and

- (ii) pay Plato \$200,000 in order to enter into the further period of time to earn an interest under clause 2.
- (b) Within the further period of two years, complete a pre-feasibility study programme;
- (c) Within 30 days of satisfaction of the conditions set out in paragraph (a), above, pay non-refundable advances against royalties as follows:
- (d) in respect to resources of vanadium and iron ore, GBL must pay Plato:
 - (i) inferred resource - \$0.02 per tonne of ore;
 - (ii) indicated resource - \$0.04 per tonne of ore; and
 - (iii) measured resource - \$0.06 per tonne of ore.
- (e) in respect to U308, GBL must pay Plato:
 - (i) inferred resource - \$0.05 per tonne of ore;
 - (ii) indicated resource - \$0.08 per tonne of ore; and
 - (iii) measured resource - \$0.10 per tonne of ore.
- (f) in respect to gold, GBL must pay Plato:
 - (i) inferred resource - \$0.20 per tonne of ore;
 - (ii) indicated resource - \$0.30 per tonne of ore; and
 - (iii) measured resource - \$0.50 per tonne of ore.
- (g) Pay a royalty of 2.25% of Gross Revenue following commencement of production

7.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus;

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company.

Directors' interests in securities of the Company at the date of this Prospectus are:

	DIRECT		INDIRECT	
	Ordinary Shares	Options	Ordinary Shares	Options
D Valentino	-	5,100,000	4,798,267	4,498,267
R Johnston	-	3,000,000	-	-
R Smith	-	3,000,000	6,140,523	1,000,000

The Directors received shareholder approval at the Annual General Meeting of the company held on Monday 19th November 2007 to participate in the Placement as detailed in the table below. As the Directors are related parties of the Company, Section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11 required the Company to obtain shareholder approval for them to participate in the Placement.

The approval was sought for the purposes of:

- (a) Chapter 2E of the Corporations Act 2001, which governs the giving of financial benefits to directors and other "related parties" of a company; and
- (b) ASX Listing Rule 10.11 which provides that, subject to certain exceptions, a company listed on ASX cannot issue or grant securities to a director without shareholder approval.

Name	Position	Maximum Number of Shares	Maximum Number of options
Don Valentino	Managing Director	5,000,000	2,500,000
Rodger Johnston	Director	1,000,000	500,000
Roger Smith	Director	750,000	375,000

The Directors will participate in the placement for up to a total of 6,750,000 shares and 3,375,000 Options. As at the date of this Prospectus, the Company had on issue 167,158,361 ordinary shares, 80,150,000 listed options and 15,600,000 unlisted options.

Remuneration

The Constitution of the Company provide that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting.

In the last two years, \$780,774 (\$214,760 in 2006 and \$566,014 in 2007) has been paid by the Company by way of remuneration for services provided by the Directors. For the period from 1 July 2007 to the date of this Prospectus \$123,000 has been paid or is payable by the Company by way of remuneration for services provided by all Directors (executive and non-executive), companies associated with the Directors or their associates in their capacity as directors, consultants or advisers. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited

to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

7.4 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer of securities pursuant to this Prospectus; or
- (c) the Offer of securities pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or to any firm in which any such expert is a partner, either to induce him to become, or to qualify him as, a expert or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

SA Capital Pty Ltd has given its written consent to being named the Underwriter in this Prospectus and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

7.5 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

7.6 Estimated Expenses of Offer

In the event that the Offer is fully subscribed, the estimated expenses of the Offer are as follows:

	\$
ASIC fees	2,010
Underwriting Fees	50,400
Listing fees	4,300
Printing and other expenses	6,290
Total	<u>63,000</u>

7.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: 3.1 cents on 13 November 2007

Lowest: 2.5 cents on 23 November 2007

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was xx cents on 3 December 2007.

7.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act 2001 to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please phone the Company on (08) 9381 6922 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8. AUTHORITY OF DIRECTORS

Directors' Consent

Each of the Directors of Genesis Biomedical Limited has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.

Dated the 4th day of December 2007.

Don Valentino
For and on behalf of
Genesis Biomedical Limited

DEFINITIONS

Applicant means a Shareholder or Underwriter who applies for Shares and Options pursuant to the Offer.

Application Form means the Share and Option Application Form attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASTC Settlement Rules means the settlement rules of the securities clearing house which operates CHESS.

ASX means the ASX Limited (ACN 008 624 691).

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5pm (WST) on 18 December 2007 (unless extended).

Company means Genesis Biomedical Limited (ABN 48 083 274 024).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Issue means the issue of Shares and Options offered by this Prospectus.

Offer means 40,000,000 Offer Shares at an issue price of 2.1 cents (\$0.021) each per Offer Share to raise \$840,000 together with a free attaching option on the basis of one option for every two shares subscribed for (20,000,000 options) to acquire a fully paid ordinary share in the Company with an exercise price of 3 cents (\$0.03) expiring on 30 November 2010

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Official List means the official list of ASX.

Option means an option to acquire a Share.

Option Holders means those parties holding options to acquire Shares.

Prospectus means this prospectus.

Quotation and **Official Quotation** means official quotation on ASX.

Related Corporation has the meaning given to that term in the Corporations Act.

Securities means each of the Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Underwriter means SA Capital Pty Ltd (ACN 114 959 083).

Underwriting Agreement means the underwriting agreement entered into by the Directors.

WST means Western Standard Time.

This Application Form relates to the Offer of 40,000,000 Shares and 20,000 000 free attaching Options on the basis of one Option for every two Shares subscribed for in Genesis Biomedical Limited pursuant to the Prospectus dated 4 December 2007.

APPLICATION FORMS

Applications must be made on the application form attached to this Prospectus. Please complete all parts of the application form using BLOCK LETTERS.

Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate.

No notice of acceptance of the application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the application.

Please provide us with a telephone contact number (including the person responsible in the case of an application by a company) so that we can contact you promptly if there is an irregularity in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final.

PAYMENT

Applications for Shares must be accompanied by the application money of \$0.021 per Share (in Australian currency). Cheques should be made payable to "Genesis Biomedical Limited – Share Issue Account" and crossed "Not Negotiable".

BROKER SPONSORED APPLICANTS

The Company is an Issuer Sponsored participant in the ASX CHES System. This enables a holder to receive a statement of holding rather than a certificate. If you are already a Broker Sponsored participant in this system, you may complete this section or forward a signed Application Form to your sponsoring broker for completion prior to lodgement. Otherwise, leave this box blank and your Shares will automatically be Issuer Sponsored on allotment.

TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the application with one or more joint applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Genesis Biomedical Limited. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRABLE TITLE	INCORRECT FORM OF REGISTRABLE TITLE
Individual <i>Use given names, not initials</i>	John Alfred Brown	JA Brown
Company <i>Use Company title, not abbreviations</i>	ABC Pty Ltd	ABC P/L ABC Co
Trusts <i>Use trustee(s) personal name(s). Do not use the name of the trust</i>	Sue Brown <Sue Brown Family A/C>	Sue Brown Family Trust
Deceased Estates <i>Use executor(s) personal name(s)</i>	Jane Brown <Est John Brown A/C>	Estate of late John Brown
Partnerships <i>Use partners' personal names, do not use the name of the partnership</i>	John Brown and Michael Brown <John Brown and Son A/C>	John Brown and Son
Clubs/Incorporated Bodies/Business Names <i>Use office bearer(s) personal name(s), Do not use the names of the clubs etc.</i>	Michael Brown <ABC Cricket Association A/C>	ABC Cricket Association
Superannuation Funds <i>Use of name of trustee of fund, do not use the name of the fund.</i>	Jane Brown Pty Ltd <Super Fund A/C>	Jane Brown Pty Ltd Superannuation Fund