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Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

COMPANY ANNOUNCEMENT
For immediate release

**INDICATIVE TERMS SHEET
MNEMON LIMITED TO ACQUIRE
DEALSDIRECT GROUP PTY LIMITED**

The Directors of Mnemon Limited (**MNZ**) are pleased to announce that MNZ has entered into a non-binding, indicative Terms Sheet with DealsDirect Group Pty Limited (**DealsDirect**) under which the parties will seek to reach final agreement for the acquisition by MNZ of DealsDirect.

About DealsDirect

Founded in 2003, DealsDirect is one of Australia's leading online retailers having received Canstar's only 5 star rating for online department stores in 2012 and 2013. With turnover in excess of \$60 million in each of the last 3 financial years, more than 10,000 items listed at www.dealsdirect.com.au and more than 1 million subscribers, DealsDirect is well positioned and recognised by customers Australia-wide. The emergence of online retail in Australia continues to disrupt traditional retail channels and in DealsDirect there is significant scale and the opportunity to leverage strong ecommerce capabilities and create value through industry consolidation.

Acquisition Terms

At this time MNZ has not entered into a binding commitment to acquire DealsDirect. If and at the time it does so full details will be provided to MNZ shareholders and the market. To proceed towards binding transaction documentation a number of steps need to occur including but not limited to the following:

- Completion of mutual due diligence reviews of the respective MNZ and DealsDirect businesses.
- Finalisation of agreed valuations for each business and the number of shares to be issued by MNZ as consideration for the DealsDirect shares.
- Negotiation and documentation of final terms and conditions of a comprehensive sale and purchase agreement between MNZ and DealsDirect

General Meeting to be held

It is proposed that MNZ acquire DealsDirect for shares in MNZ. Due to the size of the proposed transaction and potential change in nature of the MNZ business, a general meeting of MNZ shareholders is required and MNZ will be required to satisfy the listing conditions of the ASX. The main consequence is the requirement for additional capital and the achievement of spread.

As stated above, if the transaction is committed to and agreed, more details regarding the transaction and proposed resolutions will be provided to MNZ shareholders. Included in the meeting materials to be provided to MNZ shareholders will be an Independent Expert's Report to enable the current MNZ shareholders to make an informed decision in relation to the proposed transaction.

For further information regarding this announcement please contact Alexander Beard on +61 2 9087 8000.

Ends.
John Hunter
Company Secretary