



Mount Magnet South NL
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ASX Release

SALE OF KIRKALOCKA GOLD PROJECT

The directors of Mount Magnet South NL (ASX: MUM) ("MMS" or "the Company") are pleased to advise the Company has entered into a conditional binding offer ("Offer") with Ozchina Enterprises Pty Ltd ("Ozchina"), whereby Ozchina has agreed to acquire the assets which collectively comprise the Kirkalocka Gold Project ("KGP") and includes the following:

- i. the mining tenements comprising the KGP as set out in the attaching Annexure;
- ii. all mining information in the possession of MMS relating in any way to the KGP and tenements being acquired;
- iii. all moveable and immovable assets owned by MMS located at the Kirkalocka operation on mining leases M59/233 and M59/234, including the processing plant, buildings and other infrastructure (including the camp and airstrip) ("Kirkalocka Plant"); and
- iv. other assets owned by MMS associated with and required for the Kirkalocka Plant and the KGP.

MMS will retain ownership of tenements E59/1778, E59/1962, E59/1361 and E59/1343 which are known to host significant iron mineralisation. All gold rights associated with these tenements being retained by the Company will be granted to Ozchina.

Ozchina's Offer is subject to a number of conditions precedent, including but not limited to:

- completion of technical, legal and financial due diligence queries within 30 business days of acceptance of the Offer by MMS;
- MMS negotiating with Newcrest Mining an agreement to defer payment of the Contingent Amount under the Equigold Pty Ltd Asset Sale Agreement ("Equigold Agreement") until commercial gold production from the KGP commences; and
- MMS obtaining shareholder approval for the sale of the assets in accordance with the requirements of Listing Rule 11.2.

The purchase price for the acquisition of the assets includes a cash payment of A\$1,700,000 (exclusive of GST) and subject to the satisfaction of the second condition precedent above, the assumption of the liability to pay the Contingent Amount arising under the Equigold Agreement as a result of the disposal of the Kirkalocka Plant being a Contingent Event under that agreement.

Under the terms of the Offer, MMS and Ozchina will in good faith negotiate a formal sale and purchase agreement for the assets.

The Company anticipates despatching notice of meeting materials seeking shareholder approval for the sale of the assets in approximately four weeks.

The Company has engaged Capital Investment Partners Pty Ltd as corporate advisor to a number of transactions including the arrangement of capital for the KGP, the divestment of the KGP or infrastructure or alternatively the merger or acquisition of the Company.

For further information contact:

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Tenement	Caveats	Notes
E58/285		
E58/441		
E59/1250		
E59/1342	St Barbara Limited	
E59/1555	St Barbara Limited	
E59/1775		
E59/1776		
E59/1881		
E59/1960		
E59/2009		
M58/61		
M58/183	Michael Terrence Leyland, Robert John Meddings & Steven Jeremy Troup Nichols	
M58/214		
M58/336	Michael Terrence Leyland & Terrance Harold Little	
M58/359		Awaiting conversion to P58/1281
M59/232	St Barbara Limited	
M59/233	St Barbara Limited	
M59/234	St Barbara Limited	
M59/261	St Barbara Limited	
L59/127		
P58/1281		Awaiting conversion from M58/359
P58/1326		Awaiting conversion to P58/1621
P58/1346		
P58/1348	St Barbara Limited	
P58/1349		
P58/1351		
P58/1503		
P58/1590		
P58/1591		
P58/1592		
P58/1593		
P58/1594		
P58/1595		
P58/1596		
P58/1597		
P58/1598		
P58/1599		
P58/1600		
P58/1601		
P58/1602		
P58/1603		

P58/1604		
P58/1605		
P58/1606		
P58/1607		
P58/1608		
P58/1621		Awaiting conversion from P58/1326
P58/1623		
P58/1651		
E59/1343	Rio Tinto & St Barbara Limited	Gold rights will be transferred to Ozchina
E59/1361		Gold rights will be transferred to Ozchina
E59/1778		Gold rights will be transferred to Ozchina
E59/1962		Gold rights will be transferred to Ozchina