

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Norwood Systems Limited (formerly Monteray Mining Group Ltd)

ACN

062 959 540

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | a) Ordinary shares – issued pursuant to the Replacement Prospectus Public Offer
b) Ordinary shares – issued pursuant to the Replacement Prospectus Norwood Vendor Offer
c) Class A performance shares – issued pursuant to the Replacement Prospectus Norwood Vendor Offer
d) Class B performance shares – issued pursuant to the Replacement Prospectus Norwood Vendor Offer
e) Unlisted share options – issued pursuant to the Replacement Prospectus Option Offer
f) Unlisted share options – as approved by shareholders at general meeting on 4 May 2015 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 275,000,000 Ordinary shares
b) 368,058,888 Ordinary shares
c) 78,869,761 Class A performance shares
d) 78,869,761 Class B performance shares
e) 1,970,401 Unlisted share options
f) 15,000,000 Unlisted share options |

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>a) Fully paid ordinary shares b) Fully paid ordinary shares c) Performance shares subject to milestones, convertible 1:1 into fully paid ordinary shares – refer to attached extract from explanatory memorandum of notice of general meeting on 4 May 2015 following this Appendix 3B for details of terms and conditions including conversion milestones d) Performance shares subject to milestones, convertible 1:1 into fully paid ordinary shares - refer to attached extract from explanatory memorandum of notice of general meeting on 4 May 2015 following this Appendix 3B for details of terms and conditions including conversion milestones e) Unlisted share options exercisable at \$0.02 on or before 3 years from the date of grant f) Unlisted share options exercisable at \$0.02 on or before 3 years from the date of grant</p>
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes – shares</p> <p>Performance shares and options will rank equally if converted to shares</p>
<p>5 Issue price or consideration</p>	<p>a) \$0.02 per share b) – e) nil cash consideration, issued pursuant to the Norwood Vendor Offer and Option Offer in the Replacement Prospectus dated 22 April 2015 f) nil cash consideration, issued as advisory and professional services fee</p>

+ See chapter 19 for defined terms.

6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Pursuant to the Replacement Prospectus dated 22 April 2015, the purpose of the Public Offer and Norwood Vendor Offer were to:-</p> <ul style="list-style-type: none"> - complete the acquisition of Norwood Systems Pty Ltd; - meet the requirements of the ASX and satisfy Chapters 1 & 2 of the ASX Listing Rules; and - Provide funds to develop the business of Norwood Systems Pty Ltd
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
6b	<p>The date the security holder resolution under rule 7.1A was passed</p>	<p>26 November 2014</p>
6c	<p>Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>
6d	<p>Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>Nil</p>
6e	<p>Number of ⁺securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>All securities the subject of this Appendix 3B were issued with security holder approval at general meeting on 4 May 2015</p>
6f	<p>Number of securities issued under an exception in rule 7.2</p>	<p>N/A</p>
6g	<p>If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.</p>	<p>N/A</p>
6h	<p>If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements</p>	<p>N/A</p>

6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 116,078,940 Rule 7.1A – 77,385,960																			
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	9 June 2015																			
8	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="703 618 995 651">Number</th> <th data-bbox="995 618 1294 651">Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 651 995 875">773,859,598</td> <td data-bbox="995 651 1294 875">Ordinary shares</td> </tr> </tbody> </table>	Number	Class	773,859,598	Ordinary shares															
Number	Class																				
773,859,598	Ordinary shares																				
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in section 2 if applicable)	<table border="1"> <thead> <tr> <th data-bbox="703 909 995 943">Number</th> <th data-bbox="995 909 1294 943">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="703 943 995 1032">78,869,761</td> <td data-bbox="995 943 1294 1032">Class A Performance shares</td> </tr> <tr> <td data-bbox="703 1032 995 1122">78,869,761</td> <td data-bbox="995 1032 1294 1122">Class B Performance shares</td> </tr> <tr> <td data-bbox="703 1122 995 1211">16,970,401</td> <td data-bbox="995 1122 1294 1211">Unlisted options, exercisable at \$0.02 to 9 June 2018</td> </tr> <tr> <td data-bbox="703 1211 995 1301">2,000,000</td> <td data-bbox="995 1211 1294 1301">Unlisted options, exercisable at \$0.25 to 30 November 2015</td> </tr> <tr> <td data-bbox="703 1301 995 1391">5,000,000</td> <td data-bbox="995 1301 1294 1391">Unlisted options, exercisable at \$0.25 to 30 November 2016</td> </tr> <tr> <td data-bbox="703 1391 995 1480">1,000,000</td> <td data-bbox="995 1391 1294 1480">Unlisted options, exercisable at \$0.30 to 8 October 2015</td> </tr> <tr> <td data-bbox="703 1480 995 1570">1,000,000</td> <td data-bbox="995 1480 1294 1570">Unlisted options, exercisable at \$0.40 to 8 October 2016</td> </tr> <tr> <td data-bbox="703 1570 995 1906">2,000,000</td> <td data-bbox="995 1570 1294 1906">Performance shares</td> </tr> </tbody> </table>	Number	+Class	78,869,761	Class A Performance shares	78,869,761	Class B Performance shares	16,970,401	Unlisted options, exercisable at \$0.02 to 9 June 2018	2,000,000	Unlisted options, exercisable at \$0.25 to 30 November 2015	5,000,000	Unlisted options, exercisable at \$0.25 to 30 November 2016	1,000,000	Unlisted options, exercisable at \$0.30 to 8 October 2015	1,000,000	Unlisted options, exercisable at \$0.40 to 8 October 2016	2,000,000	Performance shares	
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+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
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12	Is the issue renounceable or non-renounceable?	N/A
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13	Ratio in which the ⁺ securities will be offered	N/A
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14	⁺ Class of ⁺ securities to which the offer relates	N/A
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15	⁺ Record date to determine entitlements	N/A
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
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17	Policy for deciding entitlements in relation to fractions	N/A
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18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
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19	Closing date for receipt of acceptances or renunciations	N/A
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20	Names of any underwriters	N/A
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21	Amount of any underwriting fee or commission	N/A
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22	Names of any brokers to the issue	N/A
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23	Fee or commission payable to the broker to the issue	N/A
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- | | | |
|----|---|-----|
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | N/A |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | N/A |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | N/A |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do +security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Despatch date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1

+ See chapter 19 for defined terms.

- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
 - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
-

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and ⁺class of all ⁺securities quoted on ASX (*including* the securities in clause 38)

Number	⁺ Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
(Company Secretary)

Date: 09/06/2015

Print name:

Brett Tucker== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for + eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	65,400,355
Add the following: <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<div style="margin-bottom: 10px;">65,400,355</div> <div style="margin-bottom: 10px;">643,058,888</div> <div>Nil</div>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	773,859,598

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	116,078,940
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	116,078,940
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	116,078,940 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	773,859,598
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	77,385,960
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	77,385,960
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	77,385,960 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Schedule 1 – Terms and Conditions of Performance Shares

For the purpose of these terms and conditions:

ASX means ASX Limited ACN 008 624 691 or, as the context permits, the securities exchange operated by that entity.

Change of Control Event means:

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
 - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement.

Company means Monteray Mining Group Pty Ltd ACN 062 959 540.

Completion means completion of the sale and purchase of all of the issued capital in Norwood pursuant to the share sale agreement between the Company, Norwood, Mr Paul Ostergaard and the Ostergaard Family Trust and the sale agreements between the Company and each of the other shareholders of Norwood other than the Ostergaard Family Trust.

Expiry Date means the A Expiry Date and the B Expiry Date (as relevant).

Holder means a holder of a Performance Share.

Listing Rules means the Listing Rules of the ASX.

Norwood means Norwood Systems Pty Ltd ACN 149 094 039.

Performance Shares means a Norwood Class A Performance Share and/or a Norwood Class B Performance Share (as applicable).

Share means a fully paid ordinary share in the Company.

The Performance Shares will be subject to the standard terms and conditions applied to performance shares by the ASX.

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. **Conversion and expiry of Norwood Class A Performance Shares and Norwood Class B Performance Shares**

- (a) **(Conversion on achievement of A Milestone)** Upon Norwood generating gross revenue of at least \$200,000 from two separate third party contracts in any 12 month period (which may be the same 12 month period or different 12 month periods for each contract) **(A Milestone)**, each Norwood Class A Performance Share will convert into a Share on a one for one basis.
- (b) **(A Expiry)** The A Milestone must be achieved on or before 5.00pm (WST) on the date which is 30 months after the date of Completion **(Expiry Date)**.
- (c) **(Conversion on achievement of B Milestone)** Upon Norwood generating gross revenue for any 12 month consecutive period of at least \$3,000,000 **(B Milestone)**, each Norwood Class B Performance Share will convert into a Share on a one for one basis.
- (d) **(B Expiry)** The B Milestone must be achieved on or before 5.00pm (WST) on the date which is 36 months after the date of Completion **(Expiry Date)**.
- (e) **(No conversion)** To the extent that:
 - (i) Norwood Class A Performance Shares have not converted into Shares on or before the A Expiry Date, then all such unconverted Norwood Class A Performance Shares held by each holder will automatically consolidate into one Norwood Class A Performance Share and will then convert into one Share; and
 - (ii) Norwood Class B Performance Shares have not converted into Shares on or before the B Expiry Date, then all such unconverted Norwood Class B Performance Shares held by each holder will automatically consolidate into one Norwood Class B Performance Share and will then convert into one Share.
- (f) **(Conversion procedure)** The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Share.
- (g) **(Ranking of shares)** Each Share into which the Performance Share will convert will upon issue:
 - (i) rank equally in all respects (including, without limitation, rights relating to dividends) with other issued Shares;
 - (ii) be issued credited as fully paid;
 - (iii) be duly authorised and issued by all necessary corporate action; and
 - (iv) be issued free from all liens, charges and encumbrances whether known about or not including statutory and other pre-emptive rights and any transfer restrictions.

2. **Conversion on change of control**

- (a) If there is a Change of Control Event in relation to the Company prior to the conversion of the Performance Shares, then:

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

- (i) the A Milestone and the B Milestone will be deemed to have been achieved; and
- (ii) each Performance Share will automatically and immediately convert into Shares,

however, if the number of Shares to be issued as a result of the conversion of all Norwood Class A Performance Shares, together with the number of Shares to be issued as a result of the conversion of all Norwood Class B Performance Shares, due to a Change in Control Event in relation to the Company is in excess of 10% of the total fully diluted share capital of the Company at the time of the conversion, then the number of Norwood Class A Performance Shares and Norwood Class B Performance Shares to be converted will be prorated so that the aggregate number of Shares issued upon conversion of the Norwood Class A Performance Shares and all Norwood Class B Performance Shares is equal to 10% of the entire fully diluted share capital of the Company.

3. Rights attaching to Performance Shares

- (a) **(Share capital)** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings)** Each Performance Share confers on a Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to shareholders. A Holder has the right to attend general meetings of shareholders of the Company.
- (c) **(No Voting rights)** A Performance Share does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (d) **(No dividend rights)** A Performance Share does not entitle a Holder to any dividends.
- (e) **(Rights on winding up)** Each Performance Share entitles a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company, but only to the extent of \$0.0001 per Performance Share.
- (f) **(Not transferable)** A Performance Share is not transferable.
- (g) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (h) **(Quotation of shares on conversion)** An application will be made by the Company to ASX Limited for official quotation of the Shares issued upon the conversion of each Performance Share within the time period required by the Listing Rules.
- (i) **(Participation in entitlements and bonus issues)** A Performance Share does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (j) **(No other rights)** A Performance Share does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.