

20 July 2015

Company Announcements Office
ASX Limited

By E-Lodgement



Whole New Home transaction receives shareholder approval; \$7m secured in funding commitments

- Shareholder approval attained on Whole New Home (“WNH”) transaction
- Strong demand for participation in capital raise, with the maximum \$7m funds committed
- Provides strong validation from investors regarding WNH offering and investment opportunity
- Acquisition on track to complete during August 2015
- WNH positioned for full-scale platform launch and commercialisation in Q3 2015, with the establishment of a world class Design Studio and Dream room in Vancouver, Canada
- WNH well-funded and strategically positioned to grow customers and expand platform, product and service offerings

Magnolia Resources Limited (ASX: MGB) (“Company”) is pleased to provide an update on the Whole New Home business, following its proposed agreement with PDT Technologies Inc. (“PDT”) to acquire 100 per cent equity interest in Whole New Home. PDT Technologies Inc. operates under the Whole New Home trading name.

On 20 July 2015 the Company held a General Meeting and received shareholder approval, regarding the acquisition of Whole New Home via PDT Technologies. The acquisition is still subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules, completion of the capital raising and completion of settlement documentation. The transaction is expected to complete during August 2015.

Following the recent lodgement of the WNH prospectus on 9 July 2015, which proposed a capital raise of minimum \$5m as part of the transaction to acquire WNH, the Company is pleased to announce it has received commitments for \$7m, the maximum raising allowed under the prospectus. Strong interest has been received from sophisticated and strategic investors with the issue being significantly oversubscribed.

Pursuant to the reinstatement of listing on the ASX, the Company’s primary focus will be to develop the business of WNH in line with its business model. Funds will be used to invest into software and technology development, working capital to accelerate business expansion, as well as business development, sales and marketing.

BOARD & MANAGEMENT

Mr Tony King
EXECUTIVE CHAIRMAN

Mr Travis Schwertfeger
NON-EXECUTIVE DIRECTOR

Mr Cameron Pearce
NON-EXECUTIVE DIRECTOR

Mr Aaron Bertolatti
COMPANY SECRETARY

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ASX CODE

MGB

WNH has had early success in the expansion of their e-commerce omni-channel business model. Its integrated e-commerce homewares and furnishing platform was soft launched in January 2015; successfully connecting interior designers, decorators and home stylists (Home Designers) with homeowners. To date, the Omni channel retail experience has over 40,000 home décor products and 255 Home Designers generating approximately 3,700 unique visitors each month.

In Q3 2015, WNH will launch a complete omni-channel service on the integrated platform and is targeting over 500,000 products to be rolled out by 2016.

As previously announced, the Company rebrand will take effect in conjunction with the launch of the Design Studio, integrated Dream Room and upgraded web platform and mobile application release.

Neil Patel, Managing Director, commented:

"We are pleased by the overwhelming interest in our business with the transaction being strongly subscribed to. Strong shareholder support provides strategic and financial validation of the WNH's e-commerce platform, strategy and business growth opportunities.

We have reached a pivotal stage in the development of our business and have seen solid growth not only in customers but also from further manufacturers, suppliers and Home Designers.

Our recently announced partnership agreement with H+ will create North America's first omni-channel holographic retail user experience. This Design Studio and virtual 3D technology, strategically positions WNH to become a leading innovative technology platform to the retail home furnishing industry."

The Company is finalising the advance of a loan to PDT for \$750,000 as agreed under the Share Sale Agreement. These funds will be used by PDT to continue the acceleration of business development whilst the transaction is completing.

For further information please contact:

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ABOUT

Whole New Home

Whole New Home is a North American based e-commerce Software as a Service (SaaS) platform which connects Home Designers directly with home owners and tenants, aiming to create the world's first true omni-channel retail experience in the home space. The three key business model differentiation versus a bricks and mortar stores and online retailers are 1) Establishment of free 'Inspiration Boards' created in partnership with design professionals and the customer; and 2) 'Design Studios' where home designers and customers can create a 3D holographic images of each room in their house, with the ability to decorate and walk around the product and interact with it; and 3) social responsibility as a core brand value through supporting the Better Homes For Everyone Foundation and their work in helping people who struggle with homelessness.

The company was founded in 2014, soft launched its integrated e-commerce platform in January 2015 and is on track for full-scale commercialization in US and Canada by Q3 2015.

Completion of this omni-channel service will taking existing product range from 40,000 to 500,000 products in 2016.

<https://www.wholenewhome.com/>