



Mount Magnet South NL
ABN 93 096 635 246

Ground Floor, 10 Outram Street,
West Perth, WA 6005

T + 61 8 9322 8381
F + 61 8 9421 2100
admin@mountmagnet.com.au
www.mountmagnet.com.au

6 August 2015

ASX Release

AGREEMENT TO RESTRUCTURE TERMS OF CONVERTIBLE NOTE

The directors of Mount Magnet South NL (ASX: MUM) ("the Company") are pleased to confirm the Company has reached agreement with the holder of 66,666,667 unsecured convertible notes with an aggregate face value of \$1.0 million ("Convertible Notes") to vary certain terms of the Convertible Notes.

The Company has previously advised (refer to September 2014 Quarterly Activities Report) the holder of the Convertible Notes had agreed to vary certain terms of the Convertible Notes. Following further negotiations with the noteholder, the Company has agreed to redeem 40,000,000 of the existing Convertible Notes (with the aggregate face value of \$600,000) upon completion of the disposal of the Kirkalocka Tenement Interest and the Kirkalocka Plant. The terms of the remaining 26,666,667 Convertible Notes will be varied as follows:

- **Extension of the maturity date:** The maturity date to be extended by two years to 31 July 2017 which means that the date by which the Company must redeem any Convertible Notes that have not been redeemed or converted by 31 July 2017 and the Noteholder would have until that date to elect to convert the Convertible Notes.
- **Resetting of the conversion price:** The conversion price to be varied to \$0.006 per Share. This variation was intended to ensure that the price for the extended conversion period would be broadly consistent with the commercial principles on which the current conversion price was set.
- **Conversion:** The Convertible Notes will be convertible (in whole or in part) into 66,666,667 Shares at any time on or before the redemption date at the election of the noteholder or the Company into Shares at the new conversion price of \$0.006 per Share by delivering a conversion notice to the Company or the Noteholder (as applicable). One Convertible Note is therefore convertible into approximately 2.5 shares.

The remaining key terms of the Convertible Notes remain unchanged.

The Company will seek shareholder approval for the amendments to the Convertible Notes at a general meeting expected to be held in September 2015.

For further information contact:

Alec Pismiris

Chairman

P: 08 9322 8381

M: 0402 212 532

E: alec@cipartners.com.au

Mount Magnet South NL

ABN 93 096 635 246

Ground Floor, 10 Outram Street,

West Perth, WA 6005

P: 08 9322 8381

F: 08 9421 2100

E: admin@mountmagnet.com.au

W: www.mountmagnet.com.au