



REINSTATEMENT DISCLOSURE

As announced on 26 August 2015, Whole New Home Ltd (ASX: **WNH**) (formerly Magnolia Resources Limited ASX: MGB) (the **Company**) completed the acquisition of PDT Technologies Inc. (**PDT Technologies**), operator of the Whole New Home business (**Whole New Home**). The acquisition has been completed together with the \$7,060,000 capital raising under the prospectus dated 9 July 2015 (**Prospectus**), and the issue of additional securities in connection with the acquisition of PDT Technologies.

The Company provides the following disclosures in connection with the reinstatement of its securities to quotation in accordance with the ASX Listing Rules.

- 1) The conditions precedent under the agreements for the acquisition of 100% of the issued capital of PDT Technologies (**Acquisition Agreements**) have been satisfied, and the acquisition has been completed.
- 2) Pursuant to completion occurring under the Acquisition Agreements, the Company has issued:
 - a. 42,634,366 Shares and 36,130,492 Performance Shares to the PDT Vendors (or their nominees); and
 - b. 15,523,810 Shares in satisfaction of convertible notes issued by the Company to a syndicate of sophisticated and professional investors (8,857,143 Shares at a conversion price of \$0.07 per Share and 6,666,667 Shares at a conversion price of \$0.12 per Shares).
- 3) The Company has also issued 666,666 Shares and 1,333,334 Performance Shares to new directors, Nathan Sellyn and Nik Ajagu.
- 4) The conditions to the Public Offer under the Prospectus have been satisfied and the following securities have been issued under the Public Offer and Option Offer:
 - 35,000,000 fully paid ordinary shares (**Shares**) under the Public Offer; and
 - 12,000,000 options under the Option Offer. With each option exercisable at \$0.30 per option on or before 25 August 2018.
- 5) As part of completion of the transaction and announced in the prospectus, Mr Neil Patel has been appointed as Managing Director and Executive Director of the Company. Furthermore, Mr Nathan Sellyn and Mr Nik Ajagu have been appointed as Non-Executive Directors of the Company. These three appoints join the Board with Mr Tony King, who remains as Executive Chairman and Cameron Pearce, a non-executive director. Mr Travis Schwertfeger has stepped down from the Board.

- 6) The Company has now changed its name to Whole New Home Ltd and will be reinstated to quotation under the new ASX code “WNH”.

- 7) **Update on trademark dispute** - As disclosed in the Prospectus, on 23 June 2015, PDT Technologies received a letter from legal counsel to Sears Canada Inc. (Sears), alleging that PDT Technologies’ use of the “Whole New Home” trademark infringes on certain registered trademarks owned by Sears and requiring PDT Technologies to, among other things, undertake to cease and desist from using the “Whole New Home” mark in connection with its business. PDT Technologies has retained external legal counsel to advise it in regard to this matter.

PDT Technologies is currently in discussions with Sears, which may lead to a settlement in which PDT would be granted a transition period in which to phase out the Whole New Home brand, which is being replaced by a new brand. For further details regarding the rebranding strategy, see below.

Regardless of whether or not a settlement with Sears is reached, the Company believes that it will be in a position to mitigate the risk associated with this potential litigation as a result of its decision to rebrand the business and adopt a new business name and trademark. The Company will update the market as further information is received.

- 8) **Update on Whole New Home rebranding strategy** - As disclosed in the Prospectus, Whole New Home is in the process of rebranding the business in order to adopt a new business name and trademark, to replace “Whole New Home”. The goal is to develop a stronger, more distinctive brand that better communicates Whole New Home’s unique technology offering and compelling omni-channel customer experience. Management also believes that a new brand will better represent the broad scope of Whole New Home’s business, which has the potential to reach beyond the home into other retail industry segments. Management believes that Whole New Home is on track for the new brand to be used in order to launch the Platform in the third quarter of 2015.
- 9) **Existing Assets** –The Board has resolved to dispose of the Company’s current mineral exploration assets. No prospective buyer or terms of sale or other disposal have been ascertained. However, the Company in its full year accounts to 30 June 2015 has classified the project as an asset held for resale.
- 10) There have been no material subsequent events to alter the Company’s consolidated statement of financial position as detailed in Section 10 of the Prospectus.
- 11) On 25 June 2015, PDT Technologies entered into the Working Capital Facility Agreement with Wimalex Pty Ltd, J & J Bandy Nominees Pty Ltd and Seefeld Investments Pty Ltd (together, the Lender), pursuant to which the Lender provided PDT Technologies with a working capital loan of \$600,000. All amounts drawn down by PDT Technologies and associated fees under this facility have been repaid to the Lender.

12) Updated Use of Funds (Statement of Commitments)

Set out below is an updated statement as to the use of funds (statement of commitments) based on the amount of funds actually raised under the Prospectus (being \$7,060,000):

Cash on hand of the Company and PDT Technologies ¹	\$3,240,000
Funds raised under the Public Offer	\$7,000,000
Funds raised under the Option Offer	\$60,000
Total Funds Available	\$10,300,000
Use of Funds	
Corporate overheads	\$1,506,000
Business development, sales and marketing expenses	\$2,307,000
Software and technology development	\$2,479,000
Working Capital	\$2,657,000
Repayment of Property Beacon Loan	\$86,000
Repayment of Working Capital Loan	\$680,000
Costs of the offer	\$585,000
Total	\$10,300,000

¹ As outlined in the Investigating Accountant's Report in Section 10 of the Prospectus, as at 31 March 2015 Magnolia had adjusted consolidated cash assets of approximately \$3,240,000.

13) Capital Structure

The Capital Structure of the Company is as follows:

	Number
Shares	129,825,842
Options	
Listed Options (exercisable @ \$0.30, expiry date 25 August 2018)	12,000,000
Performance Shares	
Class A Performance Shares	9,699,289
Class B Performance Shares	9,699,291
Class C Performance Shares	9,032,623
Class D Performance Shares	9,032,623
Total Performance Shares	37,463,826

14) In respect of the 37,463,826 Performance Shares on issue, the Company will disclose the following in each annual report, annual audited accounts, half-yearly report and quarterly cashflow report issued by the Company in respect of any period during which any of the Performance Shares remain on issue or were converted or cancelled:

- The number of Performance Shares on issue during the relevant period.
- A summary of the terms and conditions of the Performance Shares, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones that must be satisfied.
- Whether any of the Performance Shares were converted or cancelled during that period.
- Whether any performance milestones were met during the period.

The Company will disclose the following in item 9 of each Appendix 3B lodged by the Company while any of the Performance Shares remain on issue:

- The number of Performance Shares on issue at the time of lodgement of the Appendix 3B.
- The conversion ratio of the Performance Shares into ordinary shares upon achievement of a relevant Performance Milestone.

15) The Company is not aware of any legal, regulatory, or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.

16) The Company confirms that it is in compliance with the ASX Listing Rules and in particular Listing Rule 3.1.

17) Refer to the Appendix 4G released by the Company on 26 August 2015 for the Company's Corporate Governance Statement.

18) Escrowed Securities

The following securities are subject to ASX escrow restrictions and will not be quoted for the periods set out below:

	Number	Escrow period
Shares	25,207,546	24 months from reinstatement
Performance Shares	28,459,066	24 months from reinstatement
Shares	1,857,143	Until 12 March 2016
Shares	3,900,003	Until 14 April 2016
Shares	2,666,666	Until 2 July 2016
Shares	18,093,486	Until 25 August 2016
Performance Shares	9,004,760	Until 25 August 2016