



Mount Magnet South NL
ABN 93 096 635 246

Ground Floor 10 Outram St,
West Perth, WA 6005

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F + 61 8 9421 2100
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4 November 2015

ASX Release

LESS THAN MARKETABLE PARCEL SHARE SALE FACILITY

The directors of Mount Magnet South NL (**ASX: MUM**) ("**MMS**" or "**the Company**") are pleased to announce the establishment of a share sale facility ("**Facility**") for holders of less than a marketable parcel (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) ("**Less Than Marketable Parcel**") of the Company's shares. Of the Company's approximately 1,186 shareholders, 865 hold Less Than Marketable Parcels.

A Less Than Marketable Parcel of MMS shares will be any registered shareholding of 333,333 shares or less on the Record Date. The Record Date for the purposes of establishing holders of Less Than Marketable Parcels has been set at 5pm on 4 November 2015.

The Company is providing the Facility to holders of Less Than Marketable Parcels to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomic. In addition, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings.

The sale price will be equal to \$0.0015 being the issue price of the last share placement completed by the Company to sophisticated investors. Each shareholder will receive the sale proceeds via direct credit for their shares sold through the Facility on or around 15 January 2016.

A summary of the key dates in relation to the Facility is as follows:

Unmarketable Parcels Record Date – 4 November 2015 at 5.00pm (Perth time)

Unmarketable Parcels Announcement to ASX – 4 November 2015

Letters sent to shareholders holding Unmarketable Parcels – 9 November 2015

Closing Date for receipt of Share Retention Forms – 22 December 2015 at 5.00pm (Perth time)

Unmarketable Parcels Payment date – expected to be on or about 15 January 2016

Attached is a copy of the Notice of Intention to Sell, the Share Retention Form and Direct Credit Instruction Form which will be sent to all shareholders holding Less Than Marketable Parcel of shares on the Record Date.

For further information contact:

Alec Pismiris
Chairman
P: 08 9322 8381
M: 0402 212 532
E: alec@cipartners.com.au

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4 November 2015

Dear Mount Magnet South Shareholder,

Notice of Intention to Sell Shares of Less Than Marketable Parcel

The directors of Mount Magnet South NL ("**MMS**" or "**Company**") are pleased to announce the Company will commence the process for the sale of ordinary shares ("**shares**") for holders who hold less than a "marketable parcel" (defined in the ASX Listing Rules as a parcel of securities of not less than \$500 in value) ("**Less Than Marketable Parcel**") ("**Less Than Marketable Parcel Sale**").

This offer applies to shareholders who at 5:00pm (WST) on 4 November 2015 ("**Record Date**") were holders of shares in MMS valued at less than \$500 based on a price of \$0.0015 per share. Our records show that you are the holder of less than a marketable parcel as at Record Date and accordingly your shareholding is eligible to participate in this share sale facility.

MMS is offering this facility as it provides the following benefits:

- Holders of less than a marketable parcel have the opportunity to sell their shares without incurring any brokerage or handling costs which, in proportion to the value of their holding, may otherwise render a sale unattractive or uneconomical; and
- The expense and administration involved in maintaining shareholders with less than a marketable parcel is reduced.

The Company has approximately 1,186 shareholders of which approximately 865 hold less than a marketable parcel of shares that in aggregate represent approximately 4.50% of all issued shares.

You may choose to sell all of your holding or retain your existing holding as explained below.

1. Sell all of your Less Than Marketable Parcel

If you wish to sell your shares without incurring brokerage or handling costs, you do not need to take any action other than completing a Direct Credit Facility Form (enclosed). MMS is authorised under Clause 2.1 of its Constitution to sell your shares following the Closing Date of 22 December 2015 ("**Closing Date**"). Your shares will be pooled with other shares under this facility and sold as soon as practicable after the Closing Date.

MMS has appointed Capital Investment Partner Pty Ltd to act as the sale broker on behalf of shareholders to effect any sales under this facility.

The price you receive for each share sold through this facility will be equal to \$0.0015 being the issue price of the last share placement completed by the Company to sophisticated investors.

Australian residents will only be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian Financial Institution. You must complete and return the enclosed Direct Credit Facility Form.

Non-resident holders who do not have an account with an Australian Financial Institution will be paid in Australian dollars by cheque.

All costs associated with the sale of your Shares will be borne by the Company. No brokerage will be payable by you.

If your shares are held in a CHESS holding, MMS may, after the Closing Date initiate a holding adjustment to move your shares to the issuer sponsored sub-register for the purpose of this facility.

Any tax consequences arising from the sale or buy-back of your shares will be your responsibility.

2. Retain your existing holding

If you wish to retain your existing holding then you must either:

- correctly complete, sign and return the enclosed Share Retention Form so that it is received by 5.00pm WST on 22 December 2015, being the Closing Date of this facility; or
- arrange to have multiple holdings consolidated into the one holding which has 333,333 or more shares on the Closing Date; or
- make your own arrangements outside this facility to purchase additional shares so that you are the registered holder of 33,333 or more shares on the Closing Date.

If you successfully take one of these steps, MMS will not be entitled to sell your shares.

Important information

MMS reserves the right to vary, delay or terminate this sale facility by notice to the ASX.

MMS is not bound to sell any or all of the shares that may be available for it to sell under this facility, and there is no guarantee that MMS will be able to sell your shares. In addition, the sale proceeds may differ from the market value of your shares on the Record Date, depending on movements in the market price of the shares and on the Company appointed brokers' ability to procure purchasers.

The Company will determine whether a shareholder has a less than marketable parcel as at the Record Date. The Company will not have any reference to any increase in the price of shares after the Record Date in determining whose shares may be sold or bought back pursuant to this facility.

If you have a less than marketable parcel as at the Record Date, then unless you take one of the steps outlined in section 2 of this letter, MMS will be entitled to sell your shares under this facility.

Neither MMS or any other person involved in the facility shall be liable for failure to sell the shares or at a particular price. The price of MMS shares is subject to change and an up-to-date price can be obtained from the ASX website (www.asx.com.au) under the code "MUM".

MMS does not make any recommendation or provide any advice to you regarding whether to sell your holding under this facility or retain your existing holding.

If you require advice as to whether to sell your shares, please consult your legal, financial or taxation adviser.

For further information, please contact the Company on +61 8 9322 8381 between the hours of 8.30am and 5.00pm WST Monday to Friday.

Yours faithfully,

On behalf of the Board of Mount Magnet South NL
Alec Pismiris
Director

MOUNT MAGNET SOUTH NL

ACN: 096 635 246

NOTICE OF RETENTION OF SHARES

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Record Date: 4th November 2015

HIN/SRN: «Holder_type»«Holder_number»
Unmarketable Holding: «**Securities_1_**»

The Directors

IMPORTANT NOTICE

Please complete this form if you do not wish your Shares in MOUNT MAGNET SOUTH NL to be sold. If you do not understand this notice you should immediately consult your financial advisor.

I/we wish to retain my/our shareholding in the Company and hereby advise the Company that the provisions of clause 2.12 of the Constitution are not to apply to my/our shares.

Signatures(s)

Individual/Security holder 1

Security holder 2

Security holder 3

Sole Director & Sole Company Secretary

Director/Company Secretary

Director

Dated:/...../

Daytime Telephone Number

PLEASE RETURN THIS NOTICE TO THE COMPANY'S SHARE REGISTRY:

SECURITY TRANSFER REGISTRARS PTY LTD

Delivery:

Post:

**770 Canning Highway
APPLECROSS WA 6153**

**PO BOX 535
APPLECROSS WA 6953**

**Facsimile: (08) 9315 2233
Telephone: (08) 9315 2333**

Notes:

1. For full details, please read the Elimination Notice accompanying this notice.
2. If you wish to retain your shareholding in the Company, please sign this notice in the space provided and return it to the Company's share registry **by 5:00pm WST 22nd December 2015.**
3. Notice in respect of a corporation must be executed in accordance with the constitution of that corporation.
4. Notices signed under power of attorney or by the executor of an estate must be accompanied by a copy of that power or letters of administration, as the case may be, unless previously lodged for noting.
5. In the case of holdings held by two or more persons, all holders must sign.
6. Please provide your daytime telephone number so we can contact you if there are any problems with your Notice of Retention.

**THIS NOTICE OF RETENTION MUST BE RECEIVED BY THE COMPANY'S SHARE REGISTRY
BY NO LATER THAN 5.00PM WST ON 22nd December 2015**



MOUNT MAGNET SOUTH NL

ACN: 096 635 246

All Correspondence to:
Security Transfer Registrars Pty Ltd
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

« REF No. »

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

MUM

Holder Number:

«HOLDER_No.»

If you wish to sell your shares without incurring brokerage or handling costs, you do not need to take any action other than completing and returning this Direct Credit Instruction Form.

Securely update your details online - 24 HOURS A DAY, 7 DAYS A WEEK! visit www.securitytransfer.com.au
Direct Credit Facility: Bank Account Details

BANK ACCOUNT DETAILS

This must be an Australian account. If you change your bank account details you will need to notify Security Transfer Registrars.

* If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

Account name in which account is held (e.g. John Smith):

BSB Number

–

Account number

CONTACT DETAILS

My/Our contact details in case of enquiries are:

Name

Phone (

Email address

@

SECURITY HOLDER(S) SIGNATURE(S) - This section must be signed for your instructions to be executed.

I/we authorise you to act in accordance with my/our instructions set out above. I/we acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash, but do not override any previous Reinvestment Plan instructions.

Individual/Security Holder 1

Sole Director & Company Secretary

Individual/Security Holder 2

Director/Company Secretary

Individual/Security Holder 3

Director

Individual/Joint Holding: This form must be signed by all securityholders. **Power of Attorney:** To sign as power of attorney, you must have already lodged it with the registry. Alternatively, attach a certified copy of the power of attorney to this form. **Companies:** This form must be signed in accordance with the company's constitution and the Corporations Act 2001 and attested by two directors (or a director and a secretary) or by a sole director/company secretary. Please indicate the office held by signing in the appropriate space.

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

