



Mount Magnet South Limited
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20 January 2016

December 2015 Quarterly Activities Report

Highlights:

- **Completion of the sale of the Kirkalocka Gold Project under the Tenement Sale Agreement, Kirkalocka Plant Sale Agreement and Mineral Rights Agreement**
- **Receipt of research and development (R&D) tax incentive relating to expenditure associated with minimisation of dust generation from the Kirkalocka Tailings Storage Facility**
- **Continued focus on identification of new investment opportunities**

The Directors of Mount Magnet South Limited ("MMS" or "the Company") are pleased to provide the Company's December 2015 Quarterly Activities Report.

Kirkalocka Gold Project (KGP)

Activities at the KGP during the period up to completion focussed on:

- Maintaining the KGP asset and ensuring compliance with all licence and regulatory requirements whilst minimising expenditure where appropriate.
- Continuation of site monitoring through agreement with the Kirkalocka Station owners with support for the MMS office staff. No significant security issues occurred during the quarter. Data gathered in security monitoring activities is assisting the station owner in feral pest management in the area.
- Implementing transfer of KGP and associated assets to Minjar Gold Pty Ltd ("Minjar").

On 17 November 2015 the Company announced the sale of the KGP to Minjar had been completed, with the Company receiving funds of \$1,861,825 (inclusive of GST) as settlement of the sale. The settlement amount included reimbursement of tenement rents paid by MMS in accordance with the terms of the Tenement Sale Agreement. An amount of \$50,000 was deducted from the settlement amount and held in escrow to meet any costs associated with keeping the tenements encompassed by the Tenement Sale Agreement in good standing.

Minjar also paid the Contingent Amount to Newcrest Mining Limited in accordance with the terms of the Equigold Agreement as a result of the disposal of the Kirkalocka Plant being a Contingent Event under that agreement.

The Company retains ownership of tenements E59/1361, E59/1778, E59/1962 and E59/2145 (pending application) which are known to host significant iron mineralisation. All gold rights associated with these tenements have been granted to Minjar. The Company intends to undertake a review of all historical data for these tenements and formulate a future exploration program (for iron).

Corporate Activities

During the September 2015 quarter the Company lodged of a research and development (R&D) tax incentive submission for the 2014/15 income year relating to activities to minimise generation of dust from the Kirkalocka Tailings Storage Facility. The submission was accepted by the Department of Industry and Finance and a refund was received during October 2015.

The Company continued its efforts to identify new project opportunities. The Company has been focused on potential acquisitions that are drill-ready exploration projects through to advanced projects with existing resources and upside potential. As a consequence of a significant deterioration in investor sentiment, the Company broadened its investment parameters to include industries outside the resource sector.

Several opportunities have been presented to the Company and one of these is currently under review.

Share Sale Facility

During the quarter the Company established a share sale facility ("**Facility**") for holders of less than a marketable parcel as defined in the ASX Listing Rules. The Closing Date for the Facility was 22 December 2015.

A registered shareholding of 333,333 shares or less held on the 4 November 2015 (the Record Date) qualified for the Facility.

The Facility was implemented so that holders of less than a marketable parcel could sell their shares without incurring any costs that would otherwise make a sale of their shares uneconomic. The Company will benefit from the future reduction in administrative costs associated with maintaining a large number of small shareholdings.

The sale price under the Facility was \$0.0015 per share being the volume weighted average sale price of the Company's shares quoted on the ASX for the five consecutive trading days preceding the Record Date and rounded to the nearest half cent.

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Mining Tenements held at 31st December 2015

Reference	Project	Holder	Status	Interest
E59/1962	Kirkalocka Iron	Mount Magnet South Limited	Granted	100%
E59/1778	Kirkalocka Iron	Mount Magnet South Limited	Granted	100%
E59/1361	Kirkalocka Iron	Mount Magnet South Limited	Granted	100%
E59/2145	Kirkalocka Iron	Mount Magnet South Limited	Application	100%

Changes during the Quarter

Location	Tenement ID	Location	Tenement ID
Jumbulyer	P58/1608	Jumbulyer	P58/1651
Jumbulyer	P58/1607	Jumbulyer	P58/1623
Jumbulyer	P58/1606	Jumbulyer	M58/359
Jumbulyer	P58/1605	Kirkalocka	M59/0261
Jumbulyer West	P58/1604	Kirkalocka	M59/0234
Jumbulyer West	P58/1603	Kirkalocka	M59/0233
Jumbulyer West	P58/1602	Kirkalocka	M59/0232
Jumbulyer West	P58/1601	Jumbulyer	M58/0336
Jumbulyer West	P58/1600	Jumbulyer	M58/0214
Jumbulyer West	P58/1599	Jumbulyer	M58/0183
Jumbulyer	P58/1598	Jumbulyer	M58/0061
Jumbulyer	P58/1597	Kirkalocka	L59/0127
Jumbulyer	P58/1596	Kirkalocka	E59/1960
Jumbulyer	P58/1595	Kirkalocka	P59/1960
Jumbulyer	P58/1594	Kirkalocka	E59/1881
Jumbulyer	P58/1593	Kirkalocka	E59/1776
Jumbulyer	P58/1592	Kirkalocka	E59/1775
Jumbulyer	P58/1591	Jumbulyer	E58/0441
Jumbulyer	P58/1590	Kirkalocka	E59/1250
Jumbulyer	P58/1503	Kirkalocka	E59/2009
Mount Magnet	P58/1351	Kirkalocka	E59/2146
Mount Magnet	P58/1346	Kirkalocka	E59/2147
Mount Magnet	P58/1621		
Mount Magnet	E58/0285		
Mount Magnet	P58/1679		