ASX Release
30 August 2017

Notice under section 708AA(2)(f) of the Corporations Act

Adelaide, 30 August 2017: MGM Wireless (ASX:MWR) (**MGM Wireless** or **Company**), provides this notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**).

An offer booklet and Appendix 3B were lodged with ASX Market Announcements today in relation to a partially underwritten one (1) for eight (8) non-renounceable rights issue priced at $0.35 per new share (**Rights Issue** or **Offer**).

Each MGM Wireless shareholder with a registered address in Australia or New Zealand, who is registered as the holder of shares as at 5.00pm AEST on 30 August 2017, is entitled to participate in the Offer to the extent of the number of shares registered in their name (**Eligible Shareholder**).

In relation to the Rights Issue, as detailed further in the entitlement offer booklet lodged with ASX Market Announcements today, the Company advises that:

1. the securities offered under the Rights Issue will be offered for issue without disclosure to investors under Part 6D.2 of the Act;

2. as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 674 of the Act;

3. as at the date of this notice there is no information that is excluded information under section 708AA(8) and (9) of the Act that has not already been disclosed to investors generally or in the entitlement offer booklet and Appendix 3B lodged today;

4. the potential effect the Rights Issue will have on the control of the Company is as follows (based on the issued share capital of the Company as at the date of this notice):

    (a) If all shareholders take up their entitlements under the Rights Issue, the Rights Issue will have no effect on the control of the Company.

    (b) Any eligible shareholders not taking up their full entitlements in the Rights Issue will have their interest in the Company diluted.

    (c) The proportional interests of shareholders with a registered address outside Australia and New Zealand will be diluted because such shareholders are not entitled to participate in the Rights Issue.

    (d) The Rights Issue is partially underwritten by I-Holdings Pty Ltd as trustee for the Fortunatow Family Super Fund (**Underwriter**) to a maximum of 350,000 shares (32.2% of the Rights Issue).

    (e) The Underwriter is an existing shareholder of the Company. The Underwriter is also an entity associated with Mr Mark Fortunatow, the Executive Chairman of the Company. The extent to which shares are issued pursuant to the underwriting agreement will increase the voting power in the Company of the Underwriter.

As a consequence of the underwriting, there is the potential that the Underwriter may acquire an interest in 5% or more (but not exceeding 20%) of the Company's shares on issue. This is because the Underwriter will subscribe for up to 350,000 shares that are not taken up by Eligible Shareholders pursuant to their entitlement. The actual effect of the Offer on the voting power in the Company of the Underwriter will depend on the level of subscription by Eligible Shareholders pursuant to the Offer.

The Underwriters' voting power immediately before the Offer is as follows:

Name of entity	Number of shares held	Voting power pre Offer (%)
I-Holdings Pty Ltd as trustee for the Fortunatow Family Super Fund	178,660	2.06%

The table below illustrates the potential effect of the Offer on the voting power of Mr Fortunatow and his associated entities in scenarios where the Offer is 50%, 75% and fully subscribed and in the unlikely event that no other shareholders take up their entitlement under the Offer. With the exception of the Offer being fully subscribed scenario, these scenarios are based on the assumption that Mr Fortunatow and his associated entities take up their full entitlement and the Underwriter is required to subscribe for the maximum number of underwritten shares under the Offer. For example, the reference to the Offer being 50% subscribed refers to 50% of the rights being subscribed inclusive of Mr Fortunatow or his associated entities taking up their rights in full. The actual effect of the Offer on the voting power in the Company of Mr Fortunatow and his associated entities will depend on the level of subscription by Eligible Shareholders to the Offer.

Event	Shares held by Mr Fortunatow and his associates at completion of the Offer	Total shares on issue at completion of the Offer	Number of Shortfall Shares to be taken up by the Underwriter	Voting power of Mr Fortunatow and his associates at completion of the Offer
Offer fully subscribed with no shortfall	1,468,438	9,777,868	0	15.01%
Offer 75% subscribed	1,740,046	9,777,868	78,393	17.79%
Offer 50% subscribed	1,818,438	9,584,653	350,000	18.97%
No other Shareholders take up their Entitlement	1,818,438	9,204,609	350,000	19.75%

As the above table illustrates, there is the potential that Mr Fortunatow and his associated entities may increase their voting power from 15.01% to 19.75% of the

shares on issue. The actual effect of the Offer on the voting power in the Company of Mr Fortunatow will depend on the level of subscription by Eligible Shareholders pursuant to the Offer.

(f) The substantial shareholders in the Company as at the date of this notice, as well as their respective entitlements, are set out below:

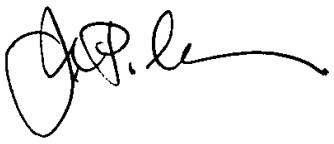
Name	Number of shares held	Percentage of issued shares pre Offer	Entitlement
Mark Fortunatow and associated entities*	1,305,267	15.01%	163,171
Mark Hurd and associated entities**	626,528	7.21%	78,316

In addition to the entitlement of Mr Fortunatow and his associated entities, I-Holdings Pty Ltd as trustee for the Fortunatow Family Super Fund (an entity associated with Mr Fortunatow) has agreed to underwrite up to a maximum of 350,000 shares (32.2% of the Offer). The potential effect that the issue of shares to Mr Fortunatow under the Offer and the underwriting agreement will have on the control of the Company is set out in paragraph (e) above.

In respect of Mr Hurd, if Mr Hurd and his associated entities take up their entitlement in full, this will have no effect on the control of the Company.

(g) The consequences of the potential effect on the control of MGM Wireless referred to in paragraphs 4(e) and 4(f) above will be an increase in the voting power of the parties referred to in those paragraphs by an amount equal to the percentage increase in their control of MGM Wireless' undiluted share capital. Given the maximum control that any of the parties will have post the Offer is 19.75% (based on the issued share capital of MGM Wireless as at the date of this notice), the Board is of the view that none of the parties will control MGM Wireless within the meaning of section 50AA(1) of the Corporations Act.

Yours faithfully



Justin Nelson
Company Secretary