MGM Wireless Ltd.
ASX:MWR ABN 93 091 351 530
The Parks, Suite 13
154 Fullarton Road
ROSE PARK SA 5067
AUSTRALIA
Phone: (08) 8104 9555
Facsimile: (08) 8431 2400
www.mgmwireless.com

31 August 2017

The Manager
ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Letter to non-resident Shareholders

Please find attached for release to the market a letter to non-resident shareholders in relation to the non-renounceable Entitlement Offer for MGM Wireless Limited.

The letter has been sent to all non-resident shareholders.

Yours faithfully,

Justin Nelson
Company Secretary

KLL Doc: 1663819

31 August 2017

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Dear Shareholder

Notice to Non Resident Shareholders

On Wednesday, 30 August 2017, MGM Wireless Limited (**Company**) announced a 1 for 8 non-renounceable entitlement offer of ordinary shares in the Company (**New Shares**) at an issue price of $0.35 (35 cents) per share (**Entitlement Offer**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter.**

The Entitlement Offer and use of proceeds

The Company is making a non-renounceable Entitlement Offer of approximately 1.1 million New Shares to eligible shareholders at an issue price of $0.35 (35 cents) per New Share to raise approximately $380,000.

The Entitlement Offer is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Act**), meaning that no prospectus needs to be prepared.

An offer booklet was lodged with the ASX on Wednesday, 30 August 2017 and will be mailed to eligible shareholders on or around Thursday, 7 September 2017.

Use of funds

The proceeds of the Entitlement Offer will be used to increase the funds currently available for launch related activities to promote sales of the first manufacturing run of the 'Spacetalk' children's 3G GPS smartwatch/phones, which the Company has developed for sale with its AllMyTribe family locator, child safety app and server platform.

The Company has sufficient working capital to meet the costs of the initial manufacturing run and therefore proceeds of this raising will not be required for this purpose.

Furthermore, in the build-up up to the upcoming peak Christmas and back to school retail sales periods, the Company believes it's highly prudent that the launch expenditure be increased now to maximise sales opportunities during this period.

Eligibility Criteria

Only shareholders of the Company with an address on the Company's register in Australia or New Zealand at 7.00pm (AEST) on Monday, 4 September 2017 (**Record Date**) will be eligible to participate in the Entitlement Offer (**Eligible Shareholder**).

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The Company has determined, in accordance with ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Act, that it would be unreasonable to make the Entitlement Offer to shareholders whose registered addresses are outside of Australia and New Zealand (Non Resident Shareholders) having regard to the number of Non Resident Shareholders in each country other than Australia or New Zealand, the number and value of the entitlements that would be offered to them and the cost of complying with the legal requirements in those places.

According to our records you are a Non Resident Shareholder and as such you do not satisfy the eligibility criteria for participation in the Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent documents relating to the Entitlement Offer.

You are not required to do anything in response to this letter.

If you have any questions, you should contact your stockbroker, accountant or professional adviser.

On behalf of the Board of the Company, thank you for your continued support.



Mark Fortunatow
Chairman

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