ASX Announcement

MGM Wireless Limited (ASX:MWR)

9 August 2019

CONVERTIBLE NOTE FACILITY UPDATE

9 August 2019 – Technology company **MGM Wireless Limited (ASX:MWR)** ('MGM' or 'the Company') is pleased to announce that further to the Convertible Note Facility $250,000 drawdown request announced on 4 July 2019, the Company has now received the requested funds and issued Unsecured Convertible Notes with a face value of $250,000 to investors. The facility is now drawn to $1.5 million.

The funds will be used to manufacture additional inventory of the Company's SPACETALK children's phone+watch required for future and existing distribution arrangements.

Attached is an Appendix 3B and notice in accordance with sub-section 708A(12D) of the Corporations Act as modified by ASIC Instrument 2016/82, in respect of the issue.

ABOUT MGM Wireless

MGM Wireless Limited is a technology company designing, developing and commercialising a smartphone + watch wearables device for children, and software for school communication and student absence management. The Company's AllMyTribe division has developed a children's all-in-one smartphone, watch and GPS device called SPACETALK, which allows two-way 3G phone calls and SMS messaging to a parent-controlled list of contacts. Other features include GPS tracking to alert parents whenever children leave designated safe spaces, such as school or the home.

Importantly – a key safety feature of SPACETALK is that it doesn't give children access to social media, apps, open internet, YouTube or other such services dangerous to young children. In addition, during school hours, the device can operate in 'School Mode' whereby all communication features are disabled to ensure children won't be distracted.

MGM Wireless built its track record with school communication solutions after discovering in 2002 the application of SMS communication in schools. The Company went on to create the world's first SMS based Automated Student Absence Notification Solution and many other innovations since then. It is recognised as a global leader and pioneer in socially responsible and technology-enabled school communication.

MGM Wireless products include student absence notifications 'messageyou', absence analytics software 'Watchlists', school news and messaging app 'School Star', a content management and messaging platform for mobile school communication called Outreach+, and student attendance management solution 'RollMarker'.

Used by over 1400 schools and 1.7 million parents, the Company's school communication solutions empower schools to effectively communicate and engage parents and caregivers through SMS, mobile in-app and other means to improve student attendance and safety, help schools reduce operating costs and increase parent engagement. To learn more please visit: www.mgmwireless.com

www.mgmwireless.com

For more information please contact:

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MGM Wireless Limited

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MGM WIRELESS LIMITED

ABN

93 091 351 530

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Convertible Notes (unquoted)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Convertible Notes with a face value of $250,000
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Convertible Notes principal terms as per 3 October 2018 announcement

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	No – Convertible Notes
5	Issue price or consideration	$250,000
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds will be used to manufacture additional inventory of the Company's SPACETALK children's phone+watch required for future and existing distribution arrangements.
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	16 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	Convertible Notes with a face value of $250,000
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	Nil
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity under rule 7.1 – 1,486,660 Capacity under rule 7.1A – 1,248,250
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	9 August 2019

	Number	+Class
8	12,514,500	Ordinary Shares

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the +securities in section 2 if applicable)	240,000	Options exercisable at $1.40, expiring on 30 April 2020.
		550,000	Options exercisable at $4.00, expiring on 29 November 2020.
		36	Convertible Notes with an aggregate face value of $1,500,000.
		38,000	Retention Rights
		210,000	Options exercisable at $6.00, expiring on 30 April 2022.
		150,000	Options exercisable at $8.00, expiring on 30 April 2022.
		150,000	Options exercisable at $10.00, expiring on 30 April 2022.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Convertible Notes from the date of conversion and options from the date of exercise carry the right to participate in dividends.	

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A

+ See chapter 19 for defined terms.

15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements *in full* through a broker?	N/A
31	How do security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A

32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(*tick one*)

(a) ☐ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A
39	+Class of +securities for which quotation is sought	N/A
40	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another +security, clearly identify that other +security)	N/A

42	Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)	Number	+Class
		N/A	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

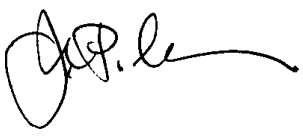
2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 9 August 2019

(~~Director~~/Company secretary)

Print name: Justin Nelson

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	11,847,500
Add the following: • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	30,000 (28 August 2018), 80,000 (7 September 2018), 50,000 (7 November 2018), 50,000 (13 November 2018), 10,000 (11 December 2018), 135,000 (8 March 2019), 15,000 (20 March 2019), 15,000 (17 June 2019), 250,000 (19 June 2019)
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
"A"	12,482,500

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	1,872,375
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	 56,000 Retention Rights (3 December 2018) 22,000 Shares (3 December 2018) 10,000 Shares (11 December 2018) Convertible Notes with a face value of $500,000 (equates to 142,857 shares assuming $3.50 conversion price (28 February 2019) 12,000 Retention Rights (17 June 2019) Convertible Notes with a face value of $250,000 (equates to 71,429 shares assuming $3.50 conversion price (28 June 2019) Convertible Notes with a face value of $250,000 (equates to 71,429 shares assuming $3.50 conversion price (9 August 2019)
"C"	385,715
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	1,872,375
Subtract "C" *Note: number must be same as shown in Step 3*	385,715

+ See chapter 19 for defined terms.

Total ["A" x 0.15] – "C"	1,486,660 *[Note: this is the remaining placement capacity under rule 7.1]*

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	12,482,500
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	1,248,250
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	Nil
"E"	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	1,248,250
Subtract "E" *Note: number must be same as shown in Step 3*	Nil
Total ["A" x 0.10] – "E"	1,248,250 *Note: this is the remaining placement capacity under rule 7.1A*

+ See chapter 19 for defined terms.

Manager
ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Release
MGM Wireless Ltd

9 August 2019

708A (12D) CLEANSING NOTICE

MGM Wireless Limited (MGM or the Company) (ASX: MWR) submits the attached notice under section 708A(12D) of the Corporations Act, as modified by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82, in relation to the terms of the Unsecured Convertible Notes with a face value of A$250,000 issued by MGM to Investors on 9 August 2019.

ABOUT MGM Wireless

MGM Wireless Limited is a technology company designing, developing and commercialising a smartphone + watch wearables device for children, and software for school communication and student absence management. The Company's AllMyTribe division has developed a children's all-in-one smartphone, watch and GPS device called SPACETALK, which allows two-way 3G phone calls and SMS messaging to a parent-controlled list of contacts. Other features include GPS tracking to alert parents whenever children leave designated safe spaces, such as school or the home.

Importantly – a key safety feature of SPACETALK is that it doesn't give children access to social media, apps, open internet, YouTube or other such services dangerous to young children. In addition, during school hours, the device can operate in 'School Mode' whereby all communication features are disabled to ensure children won't be distracted.

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Used by over 1400 schools and 1.7 million parents, the Company's school communication solutions empower schools to effectively communicate and engage parents and caregivers through SMS, mobile in-app and other means to improve student attendance and safety, help schools reduce operating costs and increase parent engagement. To learn more please visit: www.mgmwireless.com

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For more information please contact:

MGM Wireless Limited

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-Ends-

MGM Wireless Ltd
Corporations Act
Section 708(12D) Notice

MGM Wireless Ltd – section 708A(12D) notice

This is a notice under section 708A(12D) of the Corporations Act, as modified by ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Notes) Instrument 2016/82, in relation to the terms of the Unsecured Convertible Notes with a face value of $250,000 issued by MGM to Investors on 9 August 2019.

The effect of the offer and issue of the convertible notes on the Company will be that the Company will raise $250,000 before costs. The proceeds from the issue of the convertible notes will be used to manufacture additional inventory of the Company's SPACETALK children's phone+watch required for future and existing distribution arrangements.

Unless otherwise defined, capitalised items used in this notice have the same meaning as in the Unsecured Convertible Note Deed dated 3 October 2018 (**Note Deed**).

1. **Rights and liabilities of convertible notes**

   (a) **Maturity Date:** 3 October 2020

   (b) **Coupon:** 7% per annum on the outstanding Principal Amounts of issued Convertible Notes, payable on 31 March, 30 June, 30 September and 31 December in each year and on the Maturity Date.

   (c) **Convertible Note Redemption:** The Company agrees to redeem each Convertible Note on the Maturity Date, to the extent it has not been converted into Shares or a relevant Investor has not delivered a Conversion Notice in respect of them on or before the Maturity Date, by paying to the Investors in their proportions an amount equal to the outstanding Principal Amount plus accrued but unpaid interest, in full, in immediately available funds, without withholding or deduction, in Australian Dollars.

   (d) **Conversion:** Convertible into Shares at the Investor's option at any time up and including the Maturity Date, at the Conversion Price.

   (e) **Number of Shares on conversion:** The Convertible Notes are convertible into shares at the election of an investor in accordance with the following formula:

      a. Number of shares = Principal Amount/Conversion Price

      b. Conversion Price means the lower of:

         i. a 20% discount to the lowest price at which shares have been issued after the date of the Convertible Note Deed; or

         ii. $3.50 (the Floor Price).

2. **Rights and liabilities of ordinary shares of Company**

The rights and liabilities of ordinary shares of the Company (which the Convertible Notes convert into) can be summarised as follows.

The rights and liabilities attaching to ownership of Shares arise from a combination of the constitution of the Company, statute, the ASX Listing Rules and general law.

3. Further information

The Company is a disclosing entity for the purposes of the Corporations Act. As a disclosing entity, it is subject to regular reporting and disclosure obligations. Broadly, these obligations require the Company to prepare both yearly and half yearly financial statements, a report on the operations of the Company during the relevant accounting period together with an audit or review report by the Company's auditor.

Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office and on the Company's website at https://mgmwireless.com.

The Company must ensure that ASX is continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to investors on ASX.

The Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning it of which it becomes aware, which a reasonable person would expect to have a material effect on the price of value of its quoted securities.

The Company, as a disclosing entity under the Corporations Act, states that:

- it is subject to regular reporting and disclosure obligations;
- copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC;
- it will provide a copy of each of the following documents, free of charge, to any person on request:
    - financial report for the half year ended 31 December 2018 being the last financial statements lodged with ASIC before this notice;
    - the annual financial statements for the Company for the financial year ended 30 June 2018; and
    - any continuous disclosure documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial statements referred to above until the issue of this notice in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act.

ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX during normal business hours or from www.asx.com.au.

Information about the Company may also be obtained from its website at https://mgmwireless.com.

Justin Nelson
Company Secretary