



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

Companies Announcement Office  
Australian Stock Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

19<sup>th</sup> November 2010

### **MGM Wireless Limited AGM - Notice of Meeting**

The Directors of MGM Wireless Limited hereby advise the Notice of Meeting for the forthcoming AGM.

Chris Peirce  
Company Secretary

### ***About MGM Wireless Ltd and Messageyou, LLC***

*MGM Wireless Ltd is a public company with a market capitalisation of approximately A\$ 2.0 m listed on the Australian Securities Exchange (ASX code: MWR). The company trades as Messageyou, LLC in the United States, with its head office in Silicon Valley at Sunnyvale, Cal.*

*The company's patented School Attendance Management solutions empower schools to effectively communicate to parents and caregivers using SMS text messaging in combination with culturally sensitive communication to improve attendance, student welfare and safety. MGM Wireless is recognized in Australia and internationally as pioneers and market leaders. MGM's professional services team delivers an integrated suite of software and communications using its own infrastructure. The solutions enable schools to reduce costs, increase productivity, discharge their duty of care, engage parent involvement, and ultimately improve student learning and social outcomes. Schools in Australia, New Zealand and America use Messageyou software in their day to day operations.*

For further information contact:

### **MGM Wireless Ltd. - (ASX:MWR, MWRO)**

Phone: +61 8 8431 2300  
Email: [mfortunatow@mgmwireless.com](mailto:mfortunatow@mgmwireless.com)  
Web: [www.mgmwireless.com](http://www.mgmwireless.com)



**MGM Wireless Limited**  
ABN 93 091 351 530

***Notice of 2010 Annual General Meeting***

***Explanatory Statement***

***and***

***Proxy Form***

**A copy of the 2010 Annual Report is available on the MGM Wireless Ltd website at:**

**<http://mgmwireless.com/downloads/2010%20Annual%20Report%20Final.pdf>**

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of members of MGM Wireless Limited (**MGM** or the **Company**) will be held on **Friday, 19 November 2010 commencing at 11.00am at National Institute of Accountants, Suite 6, Ground Floor, 60 Hindmarsh Square Adelaide, South Australia.**

The enclosed Explanatory Statement accompanies and forms part of this Notice of Annual General Meeting.

### AGENDA

#### ORDINARY BUSINESS

##### **Financial Statements and Reports**

*To receive and consider the Financial Statements of the Company and of the consolidated entity for the year ended 30 June 2010 and the reports by directors and auditors thereon.*

**To consider and, if thought fit, pass the following resolutions as ordinary resolutions:**

##### **Resolution 1 - Adoption of Remuneration Report**

*“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Company’s 2010 Annual Report for the financial year ended 30 June 2010 be adopted.”*

The vote on this resolution is advisory only and does not bind the directors of the Company.

##### **Resolution 2 - Re-election of Director (Mr Mark Hurd)**

*“That Mr Mark Hurd, who retires by rotation in accordance with the Constitution of the Company and, having offered himself for re-election and being eligible, is re-elected a director of the company.”*

#### SPECIAL BUSINESS

**To consider and, if thought fit, pass the following resolutions as an ordinary resolutions:**

##### **Resolution 3 – Issue of Incentive Options to John Dawkins**

*“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 and for all other purposes, the Company approves the issue and allotment of 1,000,000 options exercisable at two (2) cents each on or before 30 April 2013, by way of remuneration, to Mr John Dawkins or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice of annual general meeting.”*

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

##### **Resolution 4 – Issue of Incentive Options to Shaun Collopy**

*“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 and for all other purposes, the Company approves the issue and allotment of 1,000,000 options exercisable at two (2) cents each on or before 30 April 2013, by way of remuneration, to Mr Shaun Collopy or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice of annual general meeting.”*

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 5 – Issue of Incentive Options to Mark Hurd**

*“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 and for all other purposes, the Company approves the issue and allotment of 3,500,000 options exercisable at two (2) cents each on or before 30 April 2013, by way of remuneration, to Mr Mark Hurd or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice of annual general meeting.”*

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 6 – Issue of Incentive Options to Mark Fortunatow**

*“That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act 2001 and for all other purposes, the Company approves the issue and allotment of 5,000,000 options exercisable at two (2) cents each on or before 30 April 2013, by way of remuneration, to Mr Mark Fortunatow or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice of annual general meeting.”*

For the purposes of Listing Rule 10.13.6, the Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of an ordinary security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 7 – Issue of Shares to Chris Peirce**

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue and allotment of 1,000,000 shares to Mr Chris Peirce or his nominee on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Annual General Meeting, is approved.”*

The Company will disregard any votes cast on this resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any associate of them. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Voting at Annual General Meeting**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 11.00am (CST) on 17 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the annual general meeting.

Proxy and Voting Entitlement Instructions are included on the Proxy Form accompanying this Notice of Meeting.

**Annual Report Online**

Shareholders who have not elected to receive a hard copy of the Annual Report can access the report on the company's website at [www.mgmwireless.com](http://www.mgmwireless.com)

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read "Mark Fortunatow", with a long horizontal stroke extending to the right.

**Mark Fortunatow**  
**Executive Chairman**  
14 October 2010

# EXPLANATORY STATEMENT

## INTRODUCTION

This Explanatory Statement has been prepared for the information of members of MGM Wireless Limited (“**MGM**” or the “**Company**”) in connection with the business to be conducted at the annual general meeting of members to be held at National Institute of Accountants, Suite 6, Ground Floor 60 Hindmarsh Square, Adelaide, South Australia on Friday, 19 November 2010 commencing at 11.00am.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of annual general meeting.

### ***ASX Listing Rule Requirements***

ASX Listing Rule 7.1 relevantly provides that the prior approval of the shareholders of MGM is required to an issue of equity securities if the securities will, when aggregated with the securities issued by MGM during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.1 provides that, where a company in general meeting approves an issue of equity securities such approval enables the company to issue further equity securities without exceeding the 15% in 12 months limitation. In addition ASX Listing Rule 7.4 provides that, where a company in general meeting ratifies an issue of equity securities the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1.

The information required by ASX Listing Rules 7.1 and 7.5 to be provided to shareholders is contained within this Explanatory Statement and the Notice of annual general meeting.

ASX Listing Rule 10.11 relevantly provides that the prior approval of shareholders of MGM is required for the issue of equity securities to a related party. If approval is given for the issue of securities under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1. ASX Listing Rule 10.13 sets out the information to be provided to shareholders in the notice of meeting. The company is seeking shareholder approval to the proposed allotments to related parties pursuant to resolutions 3, 4, 5 and 6.

### ***Corporations Act Requirements***

Chapter 2E of the Corporations Act prohibits, subject to certain exceptions, a company from giving a financial benefit to a related party of the company without prior shareholder approval.

Messrs. J Dawkins, S Collopy, M Hurd and M Fortunatow (parties to which resolutions 3, 4, 5 and 6 relate) are considered "related parties" for this purpose, whilst the issue of Options - April 2013 constitutes a "financial benefit" for this purpose.

The information required by Chapter 2E of the Corporations Act to be provided to shareholders is contained within this Explanatory Statement and the Notice of annual general meeting.

## **2. 2010 ANNUAL REPORT**

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001, the 2010 Annual Report will be tabled at the annual general meeting. There is no requirement for a formal resolution on this item.

Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

The Company's auditor, Mr Ian McDonald, will be present to take shareholders' questions and comments about the conduct of the audit and the preparation and content of the audit report.

### **3. ADOPTION OF REMUNERATION REPORT – Resolution 1**

The Company is required to include in its Directors' Report a detailed Remuneration Report relating to Directors' and executives' remuneration. Section 300A of the Corporations Act sets out the information to be included in the Remuneration Report. The Remuneration Report is set out in the Directors Report section of Company's 2010 Annual Report.

As required by section 250R(2) of the Corporations Act, a resolution that the remuneration report for the year ended 30 June 2010 be adopted is to be put to a vote. The vote on this item is advisory only and does not bind the Directors or the Company.

In accordance with section 250SA of the Corporations Act, shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. This is in addition to any questions or comments that shareholders may have in relation to the management of the Company.

### **4. RE-ELECTION OF DIRECTORS – Resolution 2**

Resolution 2 relates to the election of Directors. In accordance with the Company's Constitution, Mr Hurd will retire by rotation at the Annual General Meeting and being eligible offers himself for re-election.

A summary of the qualifications and experience of Mr Hurd is provided in the 2010 Annual Report.

### **5. ISSUE OF SECURITIES TO DIRECTORS (Resolutions 3, 4, 5 & 6)**

#### ***5.1 Purpose of Issue of Options and Shares***

The purpose of the issue is to remunerate the specified directors, or their nominees as an incentive for future services. The Directors believe that the future success of the Company will depend in large measure on the skills and motivation of the people engaged in and overseeing the management of the Company's operations. It is therefore important that the Company is able to attract and retain people of the highest calibre.

The Directors consider that the most appropriate means of achieving this is to provide the directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth.

Issue of securities as part of the remuneration packages of directors and key consultants is a well established practice of junior public listed companies and, in the case of the Company, has the benefit of conserving cash whilst properly rewarding the directors.

In determining the number of securities to be issued and the terms, consideration was given to the relevant experience and role of each of the directors, their respective overall remuneration terms, the market price and performance of the Company's shares and the terms of issue of the securities.

The securities will be issued for no cash consideration. The Options – April 2013 will be issued on the terms and conditions set out in Annexure "A".

The proposed related party participants in the issue of the securities and the number of securities to be issued are as detailed in section 5.2, 5.3, 5.4 and 5.5.

#### ***5.2 Issue of Options – April 2013 to Mr John Dawkins***

The company seeks approval for the issue of 1,000,000 Options – April 2013 to Mr John Dawkins or his nominee.

The Incentive Options proposed to be issued to Mr Dawkins or his nominee, are not listed, are non-transferable and will be issued on the terms and conditions set out in Annexure "A".

### **5.3 Issue of Options – April 2013 to Mr Shaun Collopy**

The company seeks approval for the issue of 1,000,000 Options – April 2013 to Mr Shaun Collopy or his nominee.

The Incentive Options proposed to be issued to Mr Collopy or his nominee, are not listed, are non-transferable and will be issued on the terms and conditions set out in Annexure “A”.

### **5.4 Issue of Options – April 2013 to Mr Mark Hurd**

The company seeks approval for the issue of 3,500,000 Options – April 2013 to Mr Mark Hurd or his nominee.

The Incentive Options proposed to be issued to Mr Hurd or his nominee, are not listed, are non-transferable and will be issued on the terms and conditions set out in Annexure “A”.

### **5.5 Issue of Incentive Options – April 2013 to Mr Mark Fortunatow**

The company seeks approval for the issue of 5,000,000 Options – April 2013 to Mr Mark Fortunatow or his nominee.

The Incentive Options proposed to be issued to Mr Fortunatow or his nominee, are not listed, are non-transferable and will be issued on the terms and conditions set out in Annexure “A”.

### **5.6 Other Information**

The Options – April 2013 referred to in resolutions 3, 4, 5 and 6 will be issued free of charge and within one month after the date of this meeting to the nominated Directors.

In accordance with section 219 of the Act (and, in satisfaction of the information requirements of ASX Listing Rule 10.13), the following information is provided to shareholders to allow them to assess whether or not it is in the Company's interests to pass resolutions 3, 4, 5 and 6:

- (a) Messrs. Dawkins, Collopy, Hurd and Fortunatow are the related parties to whom the proposed resolutions would permit a financial benefit to be given. They are a related party to the Company by virtue of section 228 of the Act.
- (b) The nature of the financial benefit to be given to the related parties is the grant, free of charge, of the Options – April 2013 on the terms and conditions set out in Annexure "A".

On the basis of the indicative option value, as detailed herein, the value of options proposed to be issued to the related parties, is as follows:

<b>Director</b>	<b>Type of Security</b>	<b>Number</b>	<b>Indicative Value</b>
			<b>\$</b>
John Dawkins	Option – April 2013	1,000,000	7,120
Shaun Collopy	Option – April 2013	1,000,000	7,120
Mark Hurd	Option – April 2013	3,500,000	24,920
MarkFortunatow	Option – April 2013	5,000,000	35,600

The options are unlisted and non transferable. The options must be exercised on or before their expiry date, after which date such options automatically lapse.

- (c) The current annual directors' remuneration for Messrs. Dawkins Collopy, Hurd and Fortunatow, is as follows:

<b>Director</b>	<b>Position</b>	<b>Remuneration \$</b>
John Dawkins	Non-Executive Director	54,500
Shaun Collopy	Non-Executive Director	18,000
Mark Hurd	Executive Director	111,180
Mark Fortunatow	Executive Chairman	259,621

<b>Director</b>	<b>Salary and Fees \$</b>	<b>Superannuation \$</b>	<b>Total \$</b>
John Dawkins	50,000	4,500	54,500
Shaun Collopy	18,000	0	18,000
Mark Fortunatow	250,000	9,621	259,621
Mark Hurd	102,000	9,180	111,180

- (d) Excluding any options proposed to be allotted to the related parties pursuant to proposed resolutions 3, 4, 5 and 6, Mr Dawkins, Mr Collopy, Mr Fortunatow and Mr Hurd have a relevant interest in the securities set out below:

John Dawkins

- 550,000 ordinary fully paid shares

Shaun Collopy

- 1,555,555 ordinary fully paid shares
- 2,000,000 options expiring 15/4/2012 exercisable at 2 cents each.

Mark Hurd

- 15,142,500 ordinary fully paid shares
- 2,500,000 options expiring 31 January 2011, exercisable at 22 cents each

Mark Fortunatow

- 38,585,903 ordinary fully paid shares
- 4,000,000 options expiring 31 January 2011, exercisable at 22 cents each

- (e) All Directors were available to consider resolutions 3, 4, 5 and 6 except for the director to whom the securities are proposed to be issued under each relevant resolution.
- (f) No recommendation is made by Directors in relation to resolutions 3, 4, 5 and 6 as they each have an interest in resolutions 3, 4, 5 and 6.
- (g) Mr J Dawkins does not wish to make any recommendation to members in his capacity as a director of the Company in relation to proposed resolution 3 because of his interest in the proposed grant of options the subject of resolution 3.
- (h) Mr S Collopy does not wish to make any recommendation to members in his capacity as a director of the Company in relation to proposed resolution 4 because of his interest in the proposed grant of options the subject of resolution 4.
- (i) Mr M Hurd does not wish to make any recommendation to members in his capacity as a director of the Company in relation to proposed resolution 5 because of his interest in the proposed grant of options the subject of resolution 5.
- (j) Mr M Fortunatow does not wish to make any recommendation to members in his capacity as a director of the Company in relation to proposed resolution 6 because of his interest in the proposed grant of options the subject of resolution 6.

- (k) None of the directors, other than Mr J Dawkins, has an interest in the outcome of the proposed resolution 3.
- (l) None of the directors, other than Mr S Collopy, has an interest in the outcome of the proposed resolution 4.
- (m) None of the directors, other than Mr M Hurd has an interest in the outcome of the proposed resolution 5.
- (n) None of the directors, other than Mr M Fortunatow, has an interest in the outcome of the proposed resolution 6.
- (m) Mr J Dawkins has an interest in resolution 3. Mr S Collopy has an interest in resolution 4. Mr M Hurd has an interest in resolution 5. Mr M Fortunatow has an interest in resolution 6. Details of the potential benefits and costs to the Company are listed below.
- (n) There is no other information known to the Directors or the Company that is reasonably required by shareholders to make a decision whether or not it is in the Company's interests to pass resolutions 3, 4, 5 and 6, other than as set out throughout this Explanatory Statement. The Directors believe that options (for both executive and non-executive directors) are a cost effective benefit for small companies that seek to conserve cash reserves.

### **Potential Benefits**

If the securities are issued pursuant to the proposed resolutions, the Company considers the following benefits arise:

- Messrs Dawkins, Collopy, Hurd and Fortunatow will each have a vested interest in the affairs of the Company. In respect to the Options – April 2013, as options are a performance based incentive, they will have that incentive to ensure the market price of the shares of the Company increases to create value in the options and this will benefit all shareholders.
- The issue of securities is a non-cash form of remuneration, thus conserving liquid funds.
- The exercise of the options proposed to be issued to Messrs. Dawkins, Collopy, Hurd and Fortunatow will provide working capital for the company at no significant cost. If all the options proposed to be issued pursuant to resolutions 3, 4, 5 and 6 are ultimately exercised, an amount of \$210,000 would be raised.

### **Dilution Effect and Potential Costs**

The potential cost to the Company of the issue of an aggregate of 8,500,000 options and pursuant to resolutions 3, 4, 5 and 6 is that there will be a dilution of the issued share capital if the options are exercised. Based on 220,616,768. Shares currently on issue, the exercise of the proposed options to related parties would have a dilution effect of approximately 6.4% of non-associated shareholders interest in the company.

If the other existing options on issue held by third parties were also to be exercised, the dilution effect would be reduced. There are currently on issue:

- 1,208,333 options expiring 15 November 2010, exercisable at 6 cents (Nil held by directors);
- 14,103,380 options expiring 30 November 2010, exercisable at 20 cents each (Nil held by directors);
- 5,100,000 options expiring 31 December 2010, exercisable at 20 cents each (Nil held by directors);
- 683,334 options expiring 15 November 2011, exercisable at 8 cents each (Nil held by directors); and
- 6,500,000 options expiring 31 January 2011, exercisable at 22 cents each (6,500,000 held by directors).

The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in respect of the proposed issue of shares and options other than, if the options are exercised at a time when the market price of the Company's shares is greater than the exercise price of the options, there will be a detriment insofar as the Company will be required to issue shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised.

### Indicative Value of Options

The value of options to be issued has been calculated using the Binomial Option Pricing Model ("the Model"). The value of an option calculated by the Model is a function of a number of variables. The indicative value of the options has been prepared using the following variables:

Option – April 2013	
Valuation Date	21 September 2010
Expiry Date	30 April 2013
Underlying Share Price	1.0 cents
Exercise Price	2.0 cents
Vesting Date	21 September 2010
Expected Life	2.608 years
Risk Free Rate	4.67%
Volatility	152%
Indicative Value	0.712 cents

The underlying share price of 1.0 cents is based on the closing price of the shares on 21 September 2010.

Based on the above variables the indicative value of options proposed to be issued to related parties is as detailed in (b) above.

The Company's Shares are listed for quotation on ASX. Over the last twelve months the trading history of the shares has been as follows:

	Shares	
	Date	Price
Low	12/1/2010 23/3/2010 29/06/2010	0.7c
High	24/9/2009	2.3¢
Latest Available Price	21/09/2010	1.0¢

### ASX Requirements

In compliance with the information requirements of ASX Listing Rule 10.13 members are advised of the following particulars in relation to the proposed issue of securities under resolutions 6, 7 and 8:

- (a) Maximum number of securities to be issued:  
8,500,000 Options – April 2013
- (b) Date by which the Company will issue options:  
No later than one month after the date of the meeting.
- (c) Price at which securities to be issued:  
The securities are being issued to remunerate the specified directors as an incentive for future services.
- (d) Names of the allottees:  
John Dawkins, Shaun Collopy, Mark Fortunatow and Mark Hurd (refer Section 5.2, 5.3, 5.4 and 5.5).
- (e) Terms of issue:  
The Options – April 2013 will be issued on the terms and conditions as outlined in Annexure "A".
- (f) Intended use of funds raised:  
The securities will be issued for no consideration. There are no funds being raised from the allotment as the securities will be issued as an incentive for future services.
- (g) Dates of allotment:

Allotment will occur on one date.

## **6. ISSUE OF SHARES – CHRIS PEIRCE (Resolution 7)**

Resolution 7 of the Notice of annual general meeting proposes the issue and allotment of 1,000,000 Shares to the Company's CFO and Company Secretary, Mr Chris Peirce, at nil consideration. The Shares are being issued to Mr Peirce in consideration of past and future services to be provided to the Company.

In compliance with the information requirements of ASX Listing Rule 7.3 members are advised of the following particulars in relation to the proposed issue of Shares pursuant to resolution 7:

- (a) Maximum number of securities to be issued:

1,000,000 Shares

- (b) Date by which MGM will issue securities:

No later than three months after the date of this meeting.

- (c) Price at which securities to be issued:

The Shares will be issued for nil consideration, in consequence of remuneration for past and future services.

- (d) Name of allottee:

Chris Peirce

- (e) Terms of issue:

The Shares will rank equally in all respects with the existing Shares on issue.

- (f) Intended use of funds raised:

No funds will be raised from the issue as the Shares will be issued as an incentive for future services.

- (g) Dates of allotment:

Allotment will occur on one date.

## 9. DEFINITIONS

<b>ASX</b>	means ASX Limited ABN 98 008 624 691.
<b>ASX Listing Rules</b>	means the official listing rules of ASX.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Director</b>	means a director of the Company.
<b>Explanatory Statement</b>	means this Explanatory Statement.
<b>MGM or the Company</b>	means MGM Wireless Limited (ABN 93 091 351 530).
<b>Notice</b>	means the notice of annual general meeting which forms part of this Explanatory Statement.
<b>Option – April 2013</b>	means an option to acquire a Share on the terms and conditions as specified in Annexure “A”.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company and <b>Shares</b> has a corresponding meaning.
<b>Shareholder</b>	means a holder of a Share.

## ANNEXURE "A"

### Terms and Conditions of Options – April 2013

The terms and conditions of the Options – April 2013 are as follows:

- (a) Each option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the company.
- (b) The options are exercisable at \$0.02 each.
- (c) The options will expire on 30 April 2013 (the “**Expiry Date**”).
- (d) The options are exercisable at any time on or prior to the Expiry Date by notice in writing to the directors of the company accompanied by payment of the exercise price.
- (e) The options are non transferable.
- (f) All shares issued upon exercise of the options will rank pari passu in all respects with the company’s then existing ordinary fully paid shares. The company will apply for Official Quotation by the ASX of all shares issued upon exercise of the options.
- (g) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, if from time to time on or prior to the Expiry Date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of options at least nine (9) Business Days before the record date referable to that issue. This will give Optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- (h) If from time to time on or prior to the Expiry Date the company makes an issue of shares to the holders of ordinary fully paid shares in the company by way of capitalisation of profits or reserves (a **bonus issue**), then upon exercise of their options, Optionholders will be entitled to have issued to them (in addition to the shares which would otherwise be issued to them upon such exercise) the number of shares of the class which would have been issued to them under that bonus issue (**bonus shares**) if on the record date for the bonus issue they had been registered as the holder of the number of shares of which they would have been registered as holder if, immediately prior to that date, they had duly exercised their Options and the shares the subject of such exercise had been duly allotted and issued to them. The bonus shares will be paid up by the company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.
- (i) There is no right to a change in the exercise price of the options or to the number of shares over which the Options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the Options.
- (j) In the event of any reorganisation of the issued capital of the company on or prior to the Expiry Date, the rights of an Optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.

## PROXY FORM

The Secretary  
MGM Wireless Limited  
Suite 13, The Parks  
154 Fullarton Road  
Rose Park SA 5067

I/We (full name) \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of MGM Wireless Limited, hereby appoint as my/our proxy

\_\_\_\_\_ of \_\_\_\_\_

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the annual general meeting of the Company to be held at 11.00am on Friday, 19 November 2010 and at an adjournment thereof in respect of \_\_\_\_\_% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

### RESOLUTIONS

	FOR	AGAINST	ABSTAIN
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – M Fortunatow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Grant of Options – J Dawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Options – S Collopy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Options – M Hurd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Grant of Options – M Fortunatow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Shares – C Peirce	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### ***If the member is an individual or joint holder:***

\_\_\_\_\_  
Usual Signature

\_\_\_\_\_  
Usual Signature

Dated this            day of

2010

#### ***If the member is a Company:***

Signed in accordance with the Constitution  
of the company in the presence of:

\_\_\_\_\_  
Director/Sole Director

\_\_\_\_\_  
Director/Secretary

\_\_\_\_\_  
Sole Director and Sole Secretary

Dated this            day of

2010

## **INSTRUCTIONS AS TO VOTING – RESOLUTION 6**

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect to the resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chair of the meeting other than as proxy holder will be disregarded because of that interest.

If you do not mark the box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

### **NOTES**

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.

A proxy is not entitled to vote unless the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed is either deposited at the registered office of the Company (Suite 13, The Parks, 154 Fullarton Road, Rose Park SA 5067) or sent by facsimile to that office on Fax: 08 8431 2400 to be received not less than 48 hours prior to the time of the meeting.

4. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.
5. The Chairman intends to vote all undirected proxies in favour of the resolutions.

Location Map 60 Hindmarsh Square



60 Hindmarsh Square