



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

28 October 2009

Companies Announcement Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

***NOTICE OF ANNUAL GENERAL MEETING AND ANNUAL REPORT***

Please find attached the company's Notice of Annual General Meeting to be held on Friday, 27 November 2009 at 11.00am.

The company advises that the Annual Report comprises only the documents previously lodged with ASX.

Yours faithfully

Mark Fortunatow  
Director

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

*MGM Wireless Ltd is a public company with a market capitalisation of approximately A\$ 5.0 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  
Web: www.mgmwireless.com



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

***Notice of Annual General Meeting***

***Explanatory Statement***

***and***

***Proxy Form***

## **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, 27 November 2009 commencing at 11.00am at Aviva, Suite 5, 154 Fullarton Road, Rose Park, 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 2009 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 2009 Annual Report for the financial year ended 30 June 2009 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 John Dawkins)**

*“That Mr John Dawkins, 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.”*

##### **Resolution 3 – Re-election of Director (Mr Shaun Collopy)**

*“That Mr Shaun Collopy, being a Director of the Company who was appointed by the Company’s Board of Directors on 15 July 2009 to fill a casual vacancy and who retires in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a director of the Company.”*

#### **SPECIAL BUSINESS**

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

##### **Resolution 4 – Change of Auditors**

*“That, subject to the consent of the Australian Securities & Investments Commission to the current auditor resigning, Ian McDonald, having been duly nominated in accordance with Section 328B(1) of the Corporations Act 2001, be appointed as Auditor of the Company.”*

## **Resolution 5 – Ratification of Placement on 2 July 2009**

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue and allotment of 16,555,563 fully paid ordinary shares in the capital of the Company at an issue price of \$0.009 each to the parties listed in the Explanatory Statement accompanying this Notice of annual general meeting and otherwise on the basis set out therein, is ratified and approved.”*

The Company will disregard any votes cast on this resolution by the parties who participated in the issue as listed in the Explanatory Statement 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 Shares and 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 Shares and 2,000,000 options exercisable at 2 cents each on or before 15 April 2012, 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 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 500,000 Shares to Mr Chris Peirce 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 25 November 2009. 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**

**Mark Fortunatow**  
**Executive Chairman**  
19 October 2009

# EXPLANATORY STATEMENT

## 1. 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 Aviva, Suite 5, 154 Fullarton Road, Rose Park, Adelaide, South Australia on Friday, 27 November 2009 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 company is seeking shareholder approval to the prior issue of securities pursuant to resolution 5 and the issue of securities pursuant to resolution 7.

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 the related party pursuant to resolution 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.

Mr S Collopy (the party to which resolution 6 relates) is considered "a related party" for this purpose, whilst the issue of Shares and Options - April 2012 to him 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. 2009 ANNUAL REPORT

In accordance with the requirements of the Company's Constitution and the Corporations Act 2001, the 2009 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.

Representatives from the Company's auditors, RSM Bird Cameron, 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 2009 Annual Report.

As required by section 250R(2) of the Corporations Act, a resolution that the remuneration report for the year ended 30 June 2009 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 – Resolutions 2 and 3**

Resolutions 2 and 3 relate to the election of Directors. In accordance with the Company's Constitution, Mr Dawkins will retire by rotation at the Annual General Meeting and being eligible offers himself for re-election. Mr Collopy was appointed as a Director by the Board since the last annual general meeting and in accordance with ASX Listing Rule 14.4 and the Company's Constitution, he retires and offers himself for re-election.

A summary of the qualifications and experience of each director is provided in the 2009 Annual Report.

### **5. CHANGE OF AUDITOR – Resolution 4**

Resolution 4 seeks shareholder approval to change the Company's auditor from RSM Bird Cameron to Ian McDonald. The Directors have resolved to appoint Ian McDonald as they believe Ian McDonald best suits the needs of the Company. To this end, Ian McDonald has consented to act as the Company's auditor.

A member of the Company has nominated Ian McDonald to act as the Company's auditors. A copy of this nomination is enclosed.

### **6. RATIFICATION OF PLACEMENT ON 2 JULY 2009 – Resolution 5**

Resolution 5 of the Notice of Annual General Meeting proposes the ratification for the issue and allotment of 16,555,563 Shares on 2 July 2009, thereby satisfying the requirements of ASX Listing Rule 7.4.

In compliance with the information requirements of ASX Listing Rule 7.5 members are advised of the following particulars in relation to the placement:

(a) Number of securities allotted:

16,555,563 Shares

(b) Price at which the securities were issued:

\$0.009 per Share

(c) Terms of the securities:

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

(d) Names of the allottees:

The Shares were issued to clients of Hanumans Private Wealth who are sophisticated and/or professional investors pursuant to section 708 of the Corporations Act.

No related party participated in the allotment of Shares.

(e) Intended use of funds raised:

The purpose of the issue was to provide funds to be used primarily for working capital purposes and to assist in the marketing and sales of the Company's products to schools.

## **7. ISSUE OF SECURITIES TO DIRECTOR (Resolution 6)**

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

The purpose of the issue is to remunerate the specified director, or his nominee 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 Mr Collopy, his 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 2012 will be issued on the terms and conditions set out in Annexure "A". The Shares to be issued to Mr Collopy will rank equally with the existing Shares on issue, with the exception that the Shares will be subject to a period of voluntary escrow until 15 July 2010.

The proposed related party participant in the issue of the securities and the number of securities to be issued are as detailed in section 7.2.

### **7.2 Issue of Shares and Options – April 2012 to Mr Shaun Collopy**

The company seeks approval for the issue of 1,000,000 Shares and 2,000,000 Options – April 2012 to Mr Shaun Collopy or his nominee.

The Shares proposed to be issued to Mr Collopy will rank equally with existing Shares on issue, with the exception that the Shares will be subject to a period of voluntary escrow until 15 July 2010, and the Options – April 2012 will be issued on the terms and conditions set out in Annexure "A".

### **7.3 Other Information**

The Shares and Options – April 2012 referred to in resolution 6 will be issued free of charge and within one month after the date of this meeting to the nominated Director.

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 resolution 6:

- (a) Mr Collopy is the related party to whom the proposed resolution would permit a financial benefit to be given. He is 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 party is the allotment of Shares issued on the basis outlined herein and the grant, free of charge, of the Options – April 2012 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 party and the market value of Shares to be issued, is as follows:

<b>Director</b>	<b>Type of Security</b>	<b>Number</b>	<b>Indicative Value</b> <b>\$</b>
Shaun Collopy	Shares	1,000,000	21,000
Shaun Collopy	Options – April 2012	2,000,000	31,200

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 director remuneration for Mr Collopy is as follows:

<b>Director</b>	<b>Position</b>	<b>Remuneration</b> <b>\$</b>
Shaun Collopy	Non-Executive Director	18,000

Mr Collopy was appointed as a director on 15 July 2009.

- (d) Excluding any Shares and options proposed to be allotted to the related party pursuant to proposed resolution 6, Mr Collopy has a relevant interest in the 555,555 ordinary fully paid shares.
- (e) All Directors were available to consider resolution 6 except for the director to whom the securities are proposed to be issued.
- (f) Messrs Fortunatow, Hurd and Dawkins (who do not have interest in resolution 6) recommend to members that they vote in favour of resolution 6 for the reasons set out in this Explanatory Statement.
- (g) 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 6 because of his interest in the proposed issue of Shares and grant of options the subject of resolution 6.
- (h) None of the directors, other than Mr S Collopy, has an interest in the outcome of proposed resolution 6. Details of the potential benefits and costs to the Company are listed below.
- (i) 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 resolution 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 resolution, the Company considers the following benefits arise:

- Mr Collopy will have a vested interest in the affairs of the Company. In respect to the Options – April 2012, as options are a performance based incentive, he 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 Mr Collopy will provide working capital for the company at no significant cost. If all the options proposed to be issued pursuant to resolution 6 are ultimately exercised, an amount of \$40,000 would be raised.

## Dilution Effect and Potential Costs

The potential cost to the Company of the issue of an aggregate of 2,000,000 options and 1,000,000 Shares pursuant to resolution 6 is that there will be a dilution of the issued share capital as a result of the issue of Shares and further dilution if the options are exercised. Based on 219,116,768 Shares currently on issue, the issue of Shares and subsequent exercise of the proposed options to the related party would have a dilution effect of approximately 1.3% 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:

- 2,283,333 options expiring 15 November 2009, exercisable at 4.5 cents each (Nil held by directors);
- 4,257,143 options expiring 31 January 2010, exercisable at 7 cents each (1,857,143 held by directors);
- 3,000,000 options expiring 31 January 2010, exercisable at 9 cents each (3,000,000 held by directors);
- 1,783,333 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);
- 933,334 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:

	<b>Option – April 2012</b>
<b>Valuation Date</b>	19 October 2009
<b>Expiry Date</b>	15 April 2012
<b>Underlying Share Price</b>	2.1 cents
<b>Exercise Price</b>	2 cents
<b>Vesting Date</b>	15 July 2010
<b>Expected Life</b>	2.49 years
<b>Risk Free Rate</b>	4.48%
<b>Volatility</b>	137%
<b>Indicative Value</b>	1.56 cents

The underlying share price of 2.1 cents is based on the closing price of the shares on 16 October 2009.

Based on the above variables the indicative value of options proposed to be issued to related parties is as detailed in (b) above. Shares to be issued have been valued at the closing price of the shares on 16 October 2009.

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
<b>Low</b>	5/3/2009 9/3/2009 18/3/2009	0.6¢
<b>High</b>	24/9/2009	3.0¢
<b>Latest Available Price</b>	19/10/2009	2.1¢

### 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 resolution 6:

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

2,000,000 Options – April 2012  
1,000,000 Shares

- (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 director as an incentive for future services.

- (d) Name of the allottee:

Shaun Collopy (refer Section 7.2).

- (e) Terms of issue:

The Options – April 2012 will be issued on the terms and conditions as outlined in Annexure "A".

The Shares will rank equally with Shares currently on issue.

- (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.

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

Resolution 7 of the Notice of annual general meeting proposes the issue and allotment of 500,000 Shares to the Company's CFO, Mr Chris Peirce, at nil consideration. The Shares are being issued to Mr Peirce in consideration of 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:

500,000 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 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 2012</b>	means an option to acquire a Share on the terms and conditions as specified in Annexure "A".

**Share** means a fully paid ordinary share in the capital of the Company and **Shares** has a corresponding meaning.

**Shareholder** means a holder of a Share.

## ANNEXURE "A"

### Terms and Conditions of Options – April 2012

The terms and conditions of the Options – April 2012 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 15 April 2012 (the "**Expiry Date**").
- (d) Subject to condition (g), 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) Should the option holder cease to be a director of the Company for whatever reason during the vesting period then the Options will automatically be extinguished and the option holder will have no further rights in relation to the Options.
- (g) An option that has not lapsed may be exercised at any time after 15 July 2010. If the Company is the subject of change of control (being a trade sale, a takeover or merger) then the Options will automatically vest, and the option holder will then have 14 days in which to subscribe for and to be allotted one share in the capital of the Company upon exercise of each Option and payment to the Company of the Exercise Price.
- (h) 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.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.

**MGM WIRELESS LIMITED**  
**ABN 93 091 351 530**

**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, 27 November 2009 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**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – J Dawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – S Collopy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of Placement – 2 July 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Shares and Options – S Collopy	<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

2009

***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

2009

# MGM WIRELESS LIMITED

ABN 93 091 351 530

## 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.