

ASX Announcement

24 June 2019

Sandon enters into agreements to acquire Mercantile options

The independent non-executive directors of Sandon Capital Investments Limited (ASX:SNC) (**Sandon**), Peter Velez and Melinda Snowden, provide the following update in relation to Sandon's takeover offer for shares in Mercantile Investment Company Limited (ASX: MVT) (**Mercantile**) announced on 3 June 2019 (**Offer**).

Sandon has today entered into agreements to acquire the 50,000,000 unlisted options in Mercantile currently on issue (**Options**). The consideration is a cash payment of \$337,895 and the issue of 601,457 ordinary shares in Sandon at an issue price of \$0.9507 per share, a premium of 15.2% to the closing price of Sandon shares on Friday 21 June 2019 of \$0.825. This issue price is the pre-tax NTA of Sandon shares as at 31 May 2019 as announced on 14 June 2019. This consideration was determined on the basis of an independent valuation of the Options prepared for the independent directors of Sandon.

Completion of the acquisitions of the Options is conditional on the following:

1. the conditions to the Offer have been satisfied or Sandon has declared the Offer unconditional;
2. Mercantile provides its written approval for the transfer of the Options to Sandon; and
3. in the case of the 33,250,000 Options held by an entity controlled by Gabriel Radzynski, shareholders of Sandon approving the issue of the consideration shares for the purposes of the ASX Listing Rules.

Sandon may waive conditions 1 and 2. It may not waive condition 3. Sandon will propose a resolution seeking shareholder approval for this share issue at the extraordinary general meeting it is convening in relation to the Offer.

Bidder's statement and notice of meeting

Sandon is continuing to prepare the bidder's statement for the Offer and a notice of meeting to be sent to its shareholders to seek the required approvals for the Offer to proceed. It is anticipated that these documents will be issued in the course of July 2019 and Sandon will keep shareholders updated on their status.

Contact

Enquiries regarding the Offer should be directed to Melinda Snowden, independent non-executive director who can be reached at 02 8014 1188. If you have any questions regarding Sandon or its investments, please call Gabriel Radzynski on 02 8014 1188. If you have questions regarding your shareholding, please contact Link, whose details appear below.

Further information:

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Share registry:

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