



Murray Cod Australia Ltd

ASX:MCA

ASX ANNOUNCEMENT

18 March 2020

Acquisition of Established Murray Cod Hatchery in NSW

- **Agreement signed to acquire operating, staffed Murray Cod hatchery in a separate location**
- **Acquisition would increase fingerling production capacity by a factor of 2.5 times**
- **MCA to consolidate its position as one of the largest Murray Cod producer in the world**

Murray Cod Australia Limited (ASX:MCA) (the “Company”) is pleased to announce it has signed a binding agreement to acquire a fully operational and staffed Murray Cod hatchery & property located in New South Wales, in close proximity to the Company's existing facility.



Aerial view of Murray Darling Fisheries



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The hatchery is owned and operated by Murray Darling Fisheries Pty Ltd ("MDF"), a long established, reputable operation that has been supplying Murray cod, as well as Golden Perch and Silver Perch fingerlings to local and export markets for 22 years. MDF is owned and was established by Noel and Maria Penfold.

The MDF hatchery is located in Euberta, a farming community in the productive Riverina area of NSW, on a 75 acre property which is approximately 18 km from Wagga Wagga and 30 km from the Company's existing hatchery site. The hatchery is HQAS accredited under the NSW "Hatchery Quality Assurance Scheme". The property has access to both underground bore water and Murrumbidgee River water. The acquisition will increase the capacity of MCA to produce Murray Cod fingerlings by a factor of 2.5 times.

The Company has agreed to purchase the property at Euberta as well as all associated hatchery plant and equipment and water rights held by Noel & Maria Penfold.



Larvae boxes at Euberta hatchery



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Acquisition Terms

The Company has agreed to acquire:-

- the entire issued capital of Murray Darling Fisheries Pty Ltd; which owns the MDF hatchery and associated plant & equipment;
- farming property situated in Euberta NSW of 75 acres; and
- the water rights of 600 ML.

The acquisition is conditional upon the Company obtaining appropriate licences from the NSW Department of Primary Industries (**Licences**).



View of the fingerling pens in one of the dams



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Consideration (ex GST)

- Total purchase price is \$6.5 million made up of \$3 million for Murray Darling Fisheries Pty Ltd and \$3.5 million for freehold land and buildings and permanent water rights;
- Settlement on 30 April 2020 or earlier/later as agreed between the parties (depending on the timing of receipt of the Licences);
- Consideration payable of:-
 - \$6 million payable in cash; and
 - 4,088,533 Company shares with an aggregate value of \$500,000, with the price calculated on the volume-weighted average price over the 5 days prior to and including 16 March 2020, being \$0.122 per share. The shares are subject to a 12-month voluntary escrow from the date of issue.

Acquisition Funding

The Company intends to fund the cash consideration from existing reserves.

An Appendix 3B will follow for the proposed issue of shares, which will utilise the Company's existing LR7.1 placement capacity.

Ross Anderson, the Executive Chairman of Murray Cod Australia, commented:

Murray Cod Australia is very pleased to make this acquisition as it places the company in very strong position to execute its business plan. The skills and experience we are adding to our team will be of significant value in addition to the assets acquired. The output from this hatchery will ensure our growth plans remain on target. In line with our sustainability values, MCA will become one of the largest supplier of native fingerlings for restocking programs in NSW, VIC and SA.

This announcement was authorised for release by the Board of Murray Cod Australia Limited.

About the Company

Murray Cod Australia is a vertically integrated producer, including the breeding, growing and supply of premium "Aquna" branded Murray Cod to domestic and export markets. The production process produces a unique fish with some of the best culinary qualities in the world. Murray Cod Australia uses an innovative farming technique with market-leading bio-security techniques whilst being environmentally friendly and sustainable. The Company has developed a land-based aquaculture model, using dams and irrigation water, allowing control of the breeding, feeding, water conditions and biological inputs throughout the entire lifecycle of the fish. This provides confidence for customers in the quality and sustainability of the produce. The business is located in the Riverina region of New South Wales, Australia.



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Forward-Looking Statements

This announcement includes forward-looking statements. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.