



Announcement Summary

Entity name

MERCANTILE INVESTMENT COMPANY LTD

Announcement Type

New announcement

Date of this announcement

Thursday May 27, 2021

The Proposed issue is:

A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
MVTHA	BOND 8.00% 10-07-21 SEMI SUB	150,000

Proposed +issue date

Thursday July 1, 2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

MERCANTILE INVESTMENT COMPANY LTD

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

15121415576

1.3 ASX issuer code

MVT

1.4 The announcement is

New announcement

1.5 Date of this announcement

Thursday May 27, 2021

1.6 The Proposed issue is:

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +security code and description

MVTHA : BOND 8.00% 10-07-21 SEMI SUB

Number of +securities proposed to be issued

150,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

Yes

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 100.00000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes



Part 7C - Timetable

7C.1 Proposed +issue date

Thursday July 1, 2021

Part 7D - Listing Rule requirements

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes

7E.1a Who is the lead manager/broker?

Acacia Partners Pty Ltd

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

Acacia Partners Pty Ltd, as lead arranger, will receive a management fee of \$225,000 plus GST and 1% of the gross proceeds of allocations to wholesale, sophisticated and professional investors under the placement.

7E.2 Is the proposed issue to be underwritten?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

None, other than the lead arranger fee referred to in 7E.1b



Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

To fund potential redemptions of Notes as per the restructure proposal, working capital requirements and to fund additional investments by Mercantile and its parent company, in accordance with their respective investment mandates.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue

Under the Placement , the Company proposes to issue a minimum number of \$10,000,000 new Notes and up to a maximum of \$15,000,000 new Notes. The Placement is conditional on Noteholders approving the restructure proposal to be considered at a meeting of Noteholders to be held on or about 23 June 2021. Mercantile will despatch a Notice of Meeting in respect of this meeting.