

ASX ANNOUNCEMENT

ASX Code: MMX

8 May 2014

**Court approves release of Scheme Booklet and  
convening of Scheme Meeting**

Murchison Metals Limited (**Murchison**) (ASX: MMX) announces that the Supreme Court of New South Wales has today (8 May 2014) approved the release of the Scheme Booklet for the proposed merger via a scheme of arrangement (**Scheme**) of Murchison with Mercantile Investment Company Limited (**Mercantile**) (ASX: MVT). The Supreme Court of New South Wales has ordered that a meeting of Murchison shareholders participating in the Scheme (**Scheme Participants**) be convened to consider the Scheme.

The Scheme Meeting will be held at 10:00am (Sydney time) on Thursday 19 June 2014 at the Vintage Room Royal Automobile Club, 89 Macquarie Street, Sydney, New South Wales.

If the Scheme is implemented, Scheme Participants will be able to elect either:

- to receive cash consideration for up to 100% of their MMX shares (Cash Consideration);
- to receive scrip consideration in the form of MVT shares for up to 100% of their MMX shares (Scrip Consideration); or
- a 50/50 combination of the above.

The Cash Consideration is expected to deliver a premium to MMX's recent and historic share price prior to the announcement of the Scheme. The value of the Scrip Consideration is expected to be approximately equal to MMX's recent share price.

The Scheme Booklet contains a report by the Independent Expert, Grant Thornton Corporate Finance Pty Ltd. The Independent Expert has concluded that:

- the Cash Consideration is fair and reasonable;
- the 50/50 combination of Cash Consideration and Scrip Consideration is fair and reasonable; and
- the Scrip Consideration is not fair and not reasonable.

Overall, the Independent Expert has concluded that while the Scrip Consideration is not fair and not reasonable, in the absence of a superior proposal, the Scheme is in the best interests of MMX shareholders.

**The Independent Directors of Murchison unanimously recommend that Scheme Participants vote in favour of the Scheme at the Scheme Meeting, in the absence of a superior proposal. Reasons for the Independent Directors' recommendation are set out in detail in the Scheme Booklet.**



Copies of the Scheme Booklet, including the Independent Expert's Report, will be despatched to Scheme Participants following registration of the Scheme Booklet with ASIC and lodgement of the Scheme Booklet with ASX. A further announcement attaching the Scheme Booklet will be released by Murchison following its registration with ASIC.

**Further Information:**

For further information, please contact Link Market Services Limited on 1300 306 230 (within Australia) or +61 1300 306 230 (outside Australia) between the hours of 8:30am and 5:30pm (Sydney time) Monday to Friday.

**Paul Jensen**  
**Lead Independent Director**  
**Murchison Metals Ltd**