

# Mercantile Investment Company Limited

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17 January 2017

The Manager  
Company Announcements  
ASX Limited

## ASX ANNOUNCEMENT

### **Bidder's Statement - Off-market bid for MHM by Mercantile OFM Pty Limited**

Further to the announcement made on 10 January 2017, I enclose, in accordance with section 647(3)(b) of the Corporations Act 2001 (Cth), a copy of the supplementary bidder's statement (**Supplementary Bidder's Statement**) issued by Mercantile OFM Pty Limited (ACN 120 221 623) (**Mercantile OFM**), a wholly owned subsidiary of Mercantile Investment Company Limited, to supplement the original bidder's statement that was sent to MHM Metals Limited (ACN 124 212 175) (**MHM**) on 10 January 2017, in relation to the off-market takeover offer to the MHM shareholders to acquire all of the ordinary shares in MHM.

The Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission and sent to MHM earlier today.



Mark Licciardo  
Company Secretary

**Supplementary Bidder's Statement for the Offer by  
Mercantile OFM Pty Ltd (ACN 120 221 623) (Mercantile OFM)  
to acquire all the ordinary shares in MHM Metals Limited (ACN 124 212 175) (MHM)**

**Introduction**

This document is a Supplementary Bidder's Statement given pursuant to Division 4 of Part 6.5 of the Corporations Act 2001 in compliance with the requirements of Section 645 of the Corporations Act (**Supplementary Bidder's Statement**).

It is the first Supplementary Bidder's Statement prepared by Mercantile OFM in relation to the Offer from Mercantile OFM to acquire all the issued shares in MHM to be undertaken under Mercantile OFM's Bidder's Statement dated 10 January 2017 (**Original Bidder's Statement**).

This Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement.

**Defined Terms**

Defined terms used in this Supplementary Bidder's Statement are capitalised and have the meaning given to them in Section 10 of the Original Bidder's Statement.

**Incorrect details in relation to MHM Securities and Consideration under the Offer**

At paragraphs 5.1, 8.1 and 10 of the Original Bidders Statement, Mercantile OFM inadvertently understated the total amount of MHM Shares on issue and the total amount of consideration that Mercantile OFM would be required to pay under the Offer.

The correct total amount of MHM Shares on issue is 136,228,616.

Accordingly, paragraph 5.1 of the Original Bidder's Statement is amended to read:

**"5.1 Consideration under the Offer**

*The total amount that Mercantile OFM would be required to pay for MHM Shares if Mercantile OFM acquires all of the MHM Shares on issue on the date of this Bidder's Statement in which it does not have a Relevant Interest is \$5,444,345."*

Accordingly, paragraph 8.1 of the Original Bidder's Statement is amended to read:

**"8.1 MHM capital structure**

*As at the date of this Bidder's Statement, there are 136,228,616 MHM Shares on issue.*

*As at the date of this Bidder's Statement, there are 750,000 MHM Options over unissued MHM shares on issue, with exercise prices between \$0.45 and \$1.35 per share and maturities between 14 February 2017 and 13 November 2017."*

Accordingly, paragraph 10 of the Original Bidder's Statement is amended to read:

**"10 Mercantile OFM's Relevant Interests**

*At the date of this Offer, there are 136,228,616 MHM Shares on issue. Immediately before this Offer was sent, Mercantile OFM had a Relevant Interest in 120,000 MHM Shares. This constitutes 0.1% of all of the MHM Shares on issue."*

**Omission of a Major MHM Shareholder**

At paragraph 3.5 of the Original Bidders Statement, a major MHM shareholder was inadvertently omitted and it is amended to read:

**"3.5 Major MHM Shareholders**

As at the date of this Bidder's Statement, substantial shareholder notices received by MHM and released to the market through ASX disclose the following substantial shareholders:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage of issued capital</b>
<i>Invia Custodian Pty Limited &lt;NJ Family A/C Share A/C&gt;</i>	14,592,325	10.71%
<i>Brazil Farming Pty Ltd</i>	11,011,717	8.08%
<i>Mr Paul Kopejtka &amp; Mrs Karen Kopejtka &lt;Kopejtka Family A/C&gt;</i>	9,651,011	7.08%
<i>Guacamaya Holdings Inc</i>	9,411,688	6.91%

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### **Incorrect details of MHM's historical financial performance**

At paragraph 3.5 of the Original Bidders Statement, some details were inadvertently misstated in the overview of MHM's historical financial performance and it is amended to read:

#### **“3.6 Overview of MHM's historical financial performance**

*A summary of the historical consolidated financial performance of MHM and its previously controlled entities since 1 July 2011 is set out below<sup>1</sup>:*

<b>A\$</b>	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>30-Jun-14</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
<i>Sales Revenue</i>	365,498	32,834	7,191,006	4,712,795	3,976,648
<i>Net loss before tax<sup>2</sup></i>	4,904,898	(1,675,246)	(9,448,487)	(7,017,641)	(7,066,521)
<i>Net loss after tax<sup>2</sup></i>	4,904,898	(3,945,600)	(6,892,234)	(7,017,641)	(6,152,728)

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### **Authorisation**

This Supplementary Bidder's Statement is dated 12 January 2017, the date it was lodged with ASIC. This Supplementary Bidder's Statement has been approved by a unanimous resolution of the Directors.

Dated: 17 January 2017

Signed for and on behalf of **Mercantile OFM Pty Ltd**



**Gabriel Radzynski**  
Director