

ASX Announcement

2 September 2019

Mercantile Investment Company Takeover Offer – Status of Defeating Conditions

We enclose, by way of services pursuant to section 630(5)(b) of the *Corporations Act 2001* (Cth), the notice of status of the defeating conditions to the offers required by section 630(3) of the *Corporations Act 2001* (Cth).

The takeover offers are scheduled to close at 7.00pm (Sydney time) on Monday, 9 September 2019.

Further information:

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Section 630(3) Corporations Act 2001

Notice of Status of Defeating Conditions

Sandon Capital Investments Limited ACN 107 772 467 (**Sandon**) refers to its offers under an off-market takeover bid for all the ordinary shares in Mercantile Investment Company Limited ACN 121 415 576 (**Mercantile**) that it does not already own (**Offers**). The Offers are contained in a bidder's statement dated 18 July 2019 (**Bidder's Statement**).

Sandon gives notice under section 630(3) of the *Corporations Act 2001*(Cth) that:

1. as announced on 27 August 2019, the defeating condition in section 13.8(a)(ii) (minimum acceptance condition) was fulfilled on 26 August 2019;
2. as announced on 27 August 2019, it has freed the Offers from the defeating conditions in the following sections of the Bidder's Statement:
 - section 13.8(a)(iv) (no early redemption of Mercantile Notes);
 - section 13.8(a)(v) (no change in management arrangements);
 - section 13.8(a)(vi) (no fall in Announced NTA);
 - section 13.8(a)(vii) (no change in NTA calculation methodology);
 - section 13.8(a)(viii) (no regulatory intervention); and
 - section 13.8(a)(ix) (no prescribed occurrences);
3. as announced on 12 August 2019, the defeating condition in section 13.8(a)(i) (SNC Shareholder approval) was fulfilled at the extraordinary general meeting of Sandon held on 12 August 2019;
4. as announced on 2 August 2019:
 - the defeating condition in section 13.8(a)(iii) (repayment of revolving credit facility) was fulfilled on 16 July 2019 following Mercantile's ASX announcement on that date; and
 - the defeating condition in section 13.8(a)(x) (no prescribed occurrences between Announcement Date and date of Bidder's Statement) was fulfilled as at the date the Bidder's Statement was given to Mercantile, being 18 July 2019;
5. accordingly, the Offers are wholly unconditional; and
6. its voting power in Mercantile is 90.69%.

Dated 2 September 2019



Peter Velez
Independent Director

For and on behalf of Sandon Capital Investments Limited