

ASX Announcement

20 June 2019

Siblow indicates intention to accept Mercantile takeover offer

The independent non-executive directors of Sandon Capital Investments Limited (ASX:SNC) (**Sandon**), Peter Velez and Melinda Snowden, provide the following update in relation to Sandon's takeover offer for shares in Mercantile Investment Company Limited (ASX: MVT) (**Mercantile**) announced on 3 June 2019 (**Offer**).

Siblow intention

Siblow Pty Limited (**Siblow**), an entity controlled by Sir Ron Brierley, has today provided Sandon with written notice of its intention to accept the Offer, within 21 days of the Offer opening, in respect of all shares in Mercantile held by it or on its behalf at that time, in the absence of a superior offer. A copy of the notice from Siblow is attached.

Siblow is currently the beneficial owner of 69,430,338 shares in Mercantile¹, representing 24.73% of the issued capital of Mercantile.

Bidder's statement and notice of meeting

Sandon is continuing to prepare the bidder's statement for the Offer and a notice of meeting to its shareholders to seek the required approvals for the Offer to proceed and will keep shareholders updated on these.

Contact

Enquiries regarding the Offer should be directed to Peter Velez, independent non-executive director who can be reached at 02 8014 1188.

If you have any questions regarding Sandon or its investments, please call Gabriel Radzynski on 02 8014 1188.

If you have questions regarding your shareholding, please contact Link, whose details appear below.

Further information:

Sandon Capital Investments Limited
Tel: 02 8014 1188
Fax: 02 8084 9918
Website: www.sandoncapital.com.au

Share registry:
Link Market Services
Tel: 1300 554 474 (toll free within Australia)
Email: registrars@linkmarketservices.com.au
Fax: +61 2 9287 0303
Postal Locked Bag A14, Sydney
Address: South NSW 1235

¹ Siblow is the registered holder of 50,783,852 Mercantile Shares, representing 18.09% of the issued capital of Mercantile. McNeil Nominees Pty Ltd (ACN 003 207 592) is registered holder 18,646,486 Mercantile shares, representing 6.64% of the issued capital of Mercantile, and holds these Mercantile shares on behalf of Siblow.

Siblow Pty. Limited
c/- BDO
Level 11, 1 Margaret Street
Sydney NSW 2000

20 June 2019

Sandon Capital Investments Limited
Level 5, 139 Macquarie Street
Sydney NSW 2000

Dear Sirs

Intention to accept proposed takeover offer

On 3 June 2019, Sandon Capital Investments Limited (**Sandon**) publicly announced its intention to make an offer to acquire all of the shares in Mercantile Investment Company Limited (ACN 121 415 576) (**Mercantile**) that it does not own under an off-market takeover bid pursuant to Chapter 6 of the *Corporations Act 2001* (**Offer**).

At the date of this statement, Siblow Pty. Limited (ACN 003 602 417) (**Siblow**) is the beneficial owner of, and has a relevant interest in, 69,430,338 fully paid ordinary shares in Mercantile (**Mercantile Shares**), representing 24.73% of the issued capital of Mercantile.¹

Should Sandon make the Offer within 2 months after its announcement of 3 June 2019, Siblow intends to accept or procure the acceptance of the Offer, within 21 days of the Offer opening, in respect of all Mercantile Shares held by it or in its behalf at that time, in the absence of a superior offer.

Siblow consents to Sandon disclosing this letter and Siblow's intention as outlined in this letter in the bidder's statement (and any supplementary bidder's statement) to be issued by Sandon in connection with the Offer, ASX announcements relating to the Offer and otherwise.

For avoidance of doubt, nothing in this letter restricts in any way Siblow's power to exercise, or control the exercise of, voting rights attached to Mercantile Shares held by it or on its behalf or to dispose of, or control the exercise of a power to dispose of, Mercantile Shares held by it or on its behalf in its absolute discretion.

This letter is not legally binding and creates no legally enforceable rights or obligations on any party.

Yours faithfully
Siblow Pty. Limited



Sir Ron Brierley

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