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14 August 2017

Company Announcements Office
ASX Limited

Receipt of Notice under section 249D of the Corporations Act

EZA Corporation Limited (**Company**) advises that on 11 August 2017 it received a request under section 249D of the *Corporations Act 2001* (Cth) (**Corporations Act**) to call a general meeting of the Company (**Meeting**) for the purpose of appointing liquidators for the purpose of winding up the Company. Details of the proposed resolution is attached.

The request was made by:

- One Managed Investment Funds Limited (ABN 47 117 400 987) as custodian for Mercantile Investment Company Limited only in respect of 2,870,575 shares held in the Company as at 9 August 2017; and
- Mercantile OFM Pty Ltd (ACN 120 221 623) only in respect of 5,130,655 shares held as at 9 August 2017,

(together, **MVT** or **Mercantile**).

Together, Mercantile holds in excess of 5% of the votes that may be cast at a general meeting of the Company.

If the Company is required to convene a general meeting pursuant to the request, the Corporations Act requires the Board to call the Meeting within 21 days after the date on which the notice was received, and to convene the Meeting within 2 months from that date of receipt.

MVT's meeting request also included comments on the history of the Company and its current direction. EZA's response to MVT's statement are attached to this announcement.

The Board is considering the request and will provide an update to shareholders in due course.

Mark Jones
Chairman

Mobile: +61 419 919 250

Attachment. Proposed Resolutions:

1. To be considered and if thought fit, passed as a special resolution:

"That in accordance with section 491 of the Corporations Act the Company be voluntarily wound up."

2. To be considered and if thought fit, passed as a ordinary resolution:

"That subject to the passage of resolution 1, in accordance with section 495 of the Corporations Act that Peter Krejci of BRI Ferrier (NSW) Pty Ltd be immediately appointed liquidators of the Company for the purpose of such winding up."

EZA Corporation Ltd (EZA.ASX) response to Mercantile Investment Company Ltd

Prudent sale of the ATM business

The ATM business was sold in 2014 after a rigorous cost cutting and rationalisation program by existing EZA management. Subsequent to the sale, the Reserve Bank of Australia's 2016 Consumer Payment's survey showed that Australian's are increasingly shifting away from cash based payments in favour of debit/credit card based payments.

Following the complete settlement of the ATM business, EZA had net tangible assets (NTA) of 15.8 cents per share. Current NTA is 14.81 cents per share.

Since the sale of the ATM business EZA has reviewed over 212 diarised business opportunities

These reviews were undertaken on an Australian and global basis.

While a number of these business opportunities initially looked attractive, subsequent due diligence revealed unattractive risk to reward structures, or burn rates that would have placed EZA's cash position at risk.

Several of the projects assessed by EZA were subsequently taken up by other companies and listed on the ASX only to underperform in the market.

EZA's transition towards minerals exploration

On 3 July 2017, EZA announced it's right to acquire the Challa gold and base metals projects in Western Australia. An update on the Challa project will be made in a separate announcement to follow.

About Mercantile Investment Company Ltd (MVT.ASX)

Mercantile Investment Company Ltd is a corporate raider focused on buying undervalued assets cheaply, this includes cash assets.

Mercantile's intentions are best demonstrated in the following statement taken from the company's financial report for the half-year ended 31 December 2016:

"On 12 December 2016, Mercantile OFM Pty Ltd, a wholly owned subsidiary of Mercantile Investment Company Limited, completed the takeover of Richfield International Limited ("RIS") by way of an on market takeover bid.

*The loss from operating activities after tax includes a \$6.6 million charge for the write-off of all goodwill arising from the acquisition of RIS. This is a non cash item and has not affected MVT's NTA. **Total cash cost for the acquisition of RIS was \$14.0 million for which MVT gained control of \$15.9 million in cash.**"*

There is no evidence that the current activities of Mercantile towards EZA would result in a more favourable outcome for EZA shareholders than the current direction taken by the EZA board.