



MURCHISON HOLDINGS LIMITED

ACN 004 707 260

**The Manager**

**Company Announcement Office**

**ASX Limited**

**4 February 2016**

**PROPOSED PLACEMENT OF SHARES IN MURCHISON HOLDINGS LIMITED TO THE SHAREHOLDERS OF ASAF CRITICAL METALS LIMITED IN CONSIDERATION OF THE TRANSFER OF ALL THE ISSUED SHARES IN AUS STREAMING INVESTMENTS LIMITED BY ASAF CRITICAL METALS LIMITED TO MURCHISON HOLDINGS LIMITED**

**Update**

1. The Directors of Murchison Holdings Limited (Company or MCH) refer to the Announcements dated 30 June 2015, 8 July 2015 and 18 September 2015 and are pleased to announce that they have this day executed a Merger Implementation Agreement made between the Company, ASAF Critical Metals Limited, AUS Streaming Investments Limited and Quest Securities (Australia) Limited.
2. The Merger Implementation Agreement has been executed for the purposes of progressing to completion of the proposed placement of securities in the Company in consideration of the transfer of all the issued shares in AUS Streaming Investments Limited (Placement) as contemplated in the Placement Agreement dated 30 June 2015 (Placement Agreement).
3. As previously advised, completion of the transactions contemplated under the Placement Agreement and Merger Implementation Letter is conditional upon shareholder approval at a General Meeting of Shareholders to be called.

**Australia**

7 Dallas Street,  
Mt Waverley Victoria Australia 3149  
Tel: (613) 9807 5639  
Fax (613) 9807 0414

**Hong Kong**

1<sup>st</sup> Floor, Harbour Commercial Building,  
122-124 Connaught Road Central,  
Sheung Wan, Hong Kong  
Tel: (852) 2877 6828  
Fax: (852) 2596 0451

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4. The Directors of ASAF Critical Metals Limited and AUS Streaming Investments Limited (AUS Streaming) have provided us with, amongst other things, the following “Highlights”:

## **HIGHLIGHTS**

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| <ul style="list-style-type: none"> <li>• AUS Streaming is uniquely positioned to reap the benefit of the major opportunity currently available for metals streaming companies that provide much needed finance for mining companies.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• The market for traditional financing for mining companies is effectively closed after the top 40 public mining companies lost over 35% of their value during 2015.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Cash starved mining companies are now turning to metals streaming companies for much needed capital.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Critical metals that AUS Streaming is targeting are a US\$350 billion plus annual market. Critical metals are metals on various government supply risk lists and therefore there is limited price risk as demand is forecast to increase in line with a lack of supply.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Ten years after it was first introduced, metals streaming is now ready to become a major component of mining finance.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• The first metal streaming contracts were entered into in 2004: between 2004 and September 2015 there had been \$12 billion of streaming contracts. In the last three months of 2015 \$3 billion of streaming contracts were entered into.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• AUS Streaming has three unique first mover advantages: AUS Streaming will be the first metals streaming company to list on the Australian Stock Exchange (as a wholly owned subsidiary of MCH); AUS Streaming will be the first metals streaming company that is focused solely on critical metals; and AUS Streaming is also the first metals streaming company to offer Securitised Streaming Contracts to mining companies.</li> </ul> |

5. The Company reminds shareholders and potential investors that:

- 5.1 the ASX Listing Committee believes that ASX Listing Rule 11.1.13 applies to the transactions envisaged under the aforesaid Placement Confirmation Letter and the Placement Acceptance Form and that the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules; and,

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- 5.2 in the circumstances, the Company does not believe that compliance with Chapters 1 and 2 of the ASX Listing Rules will place any significantly material additional obligations that those envisaged under the aforesaid Placement Agreement.

### **Indicative Timetable**

6. With the Merger Implementation Agreement completed the Company intend to circulate its Notice of General Meeting and Explanatory Statement shortly.
7. Naturally, shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

### **About Murchison Holdings Limited**

5. MCH is an investment holding company registered in Australia and the parent company of, inter alia:

- 5.1 Quest Investments Limited (ASX Code: QST) – a diversified financial services group registered in Australia. QST is the parent company of inter alia:

5.1.1 Quest Stockbroking (HK) Limited – a Hong Kong company engaged in stockbroking activities and the holder of a Type 1 licence issued by the Securities & Futures Commission of Hong Kong; and

5.1.2 Quest Securities (Australia) Limited – an Australian registered company engaged in corporate advisory activities and the holder of an Australian Financial Services Licence.

Shareholders should note the announcement made to the ASX by each of MCH and QST on 24 November 2015 relating to the acquisition by QST of eighty per cent (80%) of the issued securities in Gold Lord Investments Inc (“Gold Lord”) which securities shall be valued at not less than A\$124,168,000 in consideration of the issue of 620,840,000 ordinary fully paid shares in QST to Mr Lok. We are advised that this matter is progressing in a satisfactory manner; and,

- 5.2 Murchison International Limited – the holder of about a 2% interest in a residential and commercial property project located in the Shiqui District – the city centre district – of Zhongshan, Guangdong Province, China. The project comprises seven high-end towers with 1,135 residential units, five unites of contemporary style town house, a club house and retail shops with a total grows floor are of about 129,000 sqm.

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### **About AUS Streaming Limited**

6. MCH has been advised by AUS Streaming Investments as follows:

6.1 AUS Streaming is a company incorporated in the Marshall Islands;

6.2 the principal activities of AUS Streaming and its subsidiaries ("Group") include:

6.2.1 sourcing, investigating and, where appropriate, entering into "streaming" agreements. Streaming agreements, also referred to as volumetric production payment agreements, are financing arrangements whereby companies are offered capital, often prior to mine infrastructure being built in exchange for an interest in future mine production. Stream agreements are an accretive financing tool that can enable resource or business owners to minimize dilution and accelerate production or sales;

6.2.2 the benefits of a streaming agreement include, the provision of capital to the miner for mine development without dilution, and the streaming company, which has fixed the costs of its investment and will benefit from the potential upside of future exploration at the mine site.

6.3 ownership of investments concentrated in the natural resources sector which will be realised and converted into cash over the coming years in order to reinvest into the streaming contracts;

6.4 AUS Streaming has audited net assets of US\$224,967,440 (about A\$323,952,480 as at 21<sup>st</sup> January 2016); and

6.5 For more information on AUS Streaming Investments please visit the company's website [www.ausstreaming.com](http://www.ausstreaming.com).

### **About ASAF Critical Metals Limited**

7. ASAF has advised that:

7.1 it is a holding company incorporated in British Columbia, Canada and the parent company of entities engaged in building a leading critical metals group focused on a critical metals streaming strategy; and,

7.2 it has about 280 shareholders who will be nominated as the places of the shares issued pursuant to the Placement Confirmation Letter.

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Company Announcement Office  
ASX Limited**



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For further information contact:

Chiang Wee Tiong

Chairman

Murchison Holdings Limited

Telephone: (852) 2877 6828

Email: [cwt@murchisongroup.com](mailto:cwt@murchisongroup.com)

or

Grant A Robertson

Director/Company Secretary

Murchison Holdings Limited

Telephone: (03) 9807 5639

Email: [garobertson@murchisongroup.com](mailto:garobertson@murchisongroup.com)

**By order of the Board of Directors**

**Chiang Wee Tiong**

**Chairman**