

CORPORATE AND COMMERCIAL LAWYERS

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Our Ref: 2154757

30 April 2015

BY FACSIMILE

ASX Company Announcements

Fax No.: 1300 135 638

Re: Mercantile Investment Company Limited

No. of Pages: 4 (including this)

Dear Sir/Madam,

Please refer to documents attached, delivered to ASX yesterday.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Lynda Reid', written over a horizontal line.

Lynda Reid
Solicitor

lreid@wmlaw.com.au

Mercantile Investment Company Limited

ACN 121 415 576

Level 11, 139 Macquarie Street

Sydney NSW 2000

29 April 2015

ASX Limited
Company Announcements Office
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Mercantile Investment Company Limited (ACN 121 415 576) – Takeover Bid for Phosphate Australia Limited (ACN 129 158 550) (ASX: POZ)

I enclose, in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of the first supplementary bidder's statement (**Supplementary Bidder's Statement**) issued by Mercantile Investment Company Limited (ACN 121 415 576) (**Mercantile**) (ASX:MVT), in relation to the issued share capital in Phosphate Australia Limited (ACN 129 158 550) (**Phosphate**), being an on-market takeover offer to the POZ shareholders to acquire all of the ordinary shares in POZ, for a cash price of \$0.02 per share.

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

Yours faithfully



Gabriel Radzyminski
Director

Supplementary Bidder's Statement for the On-market Cash Offer by Mercantile Investment Company Limited (ACN 121 415 576) to acquire all the ordinary shares in Phosphate Australia Limited (ACN 129 158 550)

Introduction

This document is a Supplementary Bidder's Statement given under 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 Investment Company Limited (ACN 121 415 576) (**Mercantile**) in relation to the Offer from Mercantile to acquire all the ordinary shares in Phosphate Australia Limited (ACN 129 158 550) (**POZ**) to be undertaken under Mercantile's Bidder's Statement dated 30 March 2015 (**Original Bidder's Statement**).

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

Defined terms used in this Supplementary Bidder's Statement are capitalised and have the meaning given to them in Section 9 of the Original Bidder's Statement.

1. Gary Weiss: Alternate Director

Mercantile confirms that although Gary Weiss retired as a Director of Mercantile with effect from 25 February 2015, he is an alternate director for Daniel Weiss.

2. Gabriel Radzyminski

Mercantile confirms that Gabriel Radzyminski is a Non-Executive Director of Mercantile.

3. Siblow Pty Limited

In accordance with the substantial shareholder notices lodged with ASX on 14 April 2015 (**Notices**), Siblow Pty Limited (**Siblow**) is a substantial shareholder of POZ. Siblow holds 45.55% voting power in Mercantile, creating a Relevant Interest for Siblow in Mercantile's POZ Shares. Siblow and Mercantile are Associates, as disclosed in the Notices.

Sir Ron Brierley signed the Notices in his capacity as director of Siblow, and Siblow is an entity that he controls. Sir Ron Brierley therefore holds a Relevant Interest in POZ Shares held by Siblow, and those held by Mercantile.

Mercantile notes that the Original Bidder's Statement at the Directory, Section 2.3 (Directors of Mercantile), Section 5.2 (Commitment of Mercantile Funding), Section 7.3 (Mercantile's interests in POZ), Section 7.6 (Dealings in POZ Shares), reference Sir Ron Brierley's role as a Director of Mercantile, his commitment to fund Mercantile's Offer, and Siblow's association with Mercantile.

4. Correction to the Original Bidder's Statement

Mercantile and its Associates commenced trading in POZ Shares on 17 November 2014. The Original Bidder's Statement contained the following statement, under "Why you should accept the Offer" at item 5 "The trading price for POZ Shares on ASX may fall if the Offer lapses":

"In addition, the price at which POZ Shares have traded on ASX of the 12 month period to 27 March 2015 has been substantially supported by the active trading undertaken by Mercantile and its Associates."

Mercantile now corrects that statement with the following:

"In addition, the price at which POZ Shares have traded on ASX for the 6 month period to 27 March 2015 has been substantially supported since 17 November 2014 by the active trading undertaken by Mercantile and its Associates."

5. Authorisation

This Supplementary Bidder's Statement is dated 29 April 2015, the date it was lodged with ASIC. This Supplementary Bidder's Statement has been approved by a unanimous resolution of the Directors.

Dated: 29 April 2015

Signed for and on behalf of Mercantile Investment Company Limited



Gabriel Radzynski
Director