



MURCHISON HOLDINGS LIMITED

ACN 004 707 260

**The Manager**  
**Company Announcement Office**  
**ASX Limited**

**30 June 2015**

**PROPOSED ACQUISITION OF AUS STREAMING INVESTMENTS LIMITED IN  
CONSIDERATION OF THE ISSUE OF SHARES IN MURCHISON HOLDINGS LIMITED TO  
THE SHAREHOLDERS OF ASAF CRITICAL METALS LIMITED**

**Summary of Proposed Transaction**

1. The Directors of Murchison Holdings Limited (“MCH”) are pleased to announce they have signed a Placement Confirmation Letter with ASAF Critical Metals Limited (“ASAF”) who in turn has signed a Placement Acceptance Form this day which provides, inter alia, for the acquisition by MCH of all the issued securities in AUS Streaming Investments Limited (“AUS Streaming”) in consideration of the issue of shares in MCH to the shareholders of ASAF (“Agreement”).
2. The Agreement provides, inter alia, as follows:
  - 2.1 ASAF will transfer all its shares in AUS Streaming – a Marshall Islands company – to MCH in consideration of MCH issuing to the shareholders of ASAF 260,000,000 shares in MCH (“Placement Securities”) in such number and/or proportion as ASAF and/or its shareholders shall determine. ASAF has advised MCH that the net assets of AUS Streaming are valued at about \$262,574,000 .
  - 2.2 ASAF shall make available to MCH such moneys as will enable MCH to prepare the required documentation in furtherance of the transaction referred to herein which amount its estimated to be about \$120,000 and shall be payable as expenses as incurred by agreement between the parties;

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- 2.3 subject to the issue of the Placement Securities, the parties have agreed to do all such acts matters and things to procure:
- 2.3.1 an account to be taken of all of the assets and liabilities of MCH as at 30 June 2015 which shall be verified by an audit thereof by MCH's auditors if required by any relevant responsible authority ("quarantined assets and liabilities");
- 2.3.2 the transfer, assignment and novation of the quarantined assets and liabilities to a trust the beneficiaries of which shall be the MCH shareholders registered or entitled to be registered as such (including the holders of shares resulting from the cancellation of all options presently granted) immediately preceding the issue of the Placement Securities and who also are shareholders registered or entitled to be registered as such on the date of each distribution from the said trust and for the purposes hereof the shares to be issued to Quest Securities (Australia) Limited ("QSA") referred to below and any transferee thereof shall not entitle the holder(s) thereof to be included as a beneficiary. For this purpose, MCH shall establish a trust, the initial assets and liabilities of which shall comprise the quarantined assets and liabilities; the beneficiaries shall be the MCH shareholders who are registered or entitled to be registered as such (including the holders of shares resulting from the cancellation of all options presently granted) immediately preceding the issue of the Placement Securities and who remain as shareholders registered or entitled to be registered as such of MCH at the time or times of each distribution from the trust and who shall be entitled to such net assets of the trust in the proportion that the shares held or entitled to be held by each of them immediately preceding the issue of the Placement Securities bears to the total number of issued shares of MCH held by those persons at the date of each distribution; the trustee of which shall be Quest Securities (Australia) Limited ("QSA"); and the object of the trust shall be to distribute the net assets of the trust to the said beneficiaries. In addition to the transfer of the quarantined assets and liabilities, MCH shall also transfer any accretion to its net assets from the 1 July 2015 to the date of issue of the Placement Securities to the aforesaid trust. Should there be a diminution in the net assets during the period 1 July 2015 to the date of issue of the Placement Securities then QSA in its capacity as trustee of the trust shall pay from the net assets thereof, such amount of the diminution to MCH; and,

- 2.3.3 the issue of 5,000,000 ordinary fully paid shares to Quest Securities (Australia) Limited ("QSA") as the agreed corporate advisory fee payable by MCH to QSA. It is acknowledged by the parties hereto that QSA shall not be entitled to participate in the distribution of the quarantined assets and liabilities;
- 2.3.4 the consolidation of the shares in MCH on issue immediately prior to the issue of the Placement Securities into 27,000,000 ordinary fully paid shares on about a 1.21110689:1 basis; and,
- 2.3.5 contemporaneously with the issue of the Placement Securities, the Board of MCH will procure:
  - (a) the appointment of Christopher Every as a director of MCH (including his appointment as Chairman) and a nominee of ASAF to be agreed between the parties as a Non-Executive Director of MCH; and,
  - (b) the resignation of the current directors of MCH save for Grant Anthony Robertson and Dr Kim Chan Koh who shall remain as a Non-Executive Directors of MCH.
- 2.3.6 MCH shall proceed with a capital raising of not less than \$5 million within 30 days of the approval by shareholders of the issue of the Placement Securities to the shareholders of ASAF and a further capital raising of not less than \$5 million during the first quarter of 2016 calendar year. \$500,000 of the funds so raised will be paid to the trust referred to at clause 2.4.2 hereof and the balance will be used to provide working capital to AUS Streaming;
- 2.4 MCH will promptly appoint an independent expert to provide a report ("Independent Expert's Report") to the MCH shareholders as to the reasonableness and fairness of the proposed issue of the Placement Securities and any other matter requiring approval pursuant to the Agreement from the perspective of those MCH shareholders who are not related to ASAF, to be included with Notice of EGM, such Independent Expert's Report to be prepared in accordance with all relevant statutory, regulatory and ASX Listing Rules requirements.

### **Indicative Timetable**

- 3. The parties are progressing with the matters required of each of them under the Placement Confirmation Letter. Periodic announcements updating shareholders of the progress of this matter will be made as required from time to time.

### **About Murchison Holdings Limited**

4. MCH is an investment holding company registered in Australia and the parent company of, inter alia:
  - 4.1 Quest Investments Limited (ASX Code: QST) - a diversified financial services group registered in Australia. QST is the parent company of, inter alia,:
    - 4.1.1 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.
    - 4.1.2 Quest Securities (Australia) Limited – an Australian registered company engaged in corporate advisory activities and the holder of an Australian Financial Services Licence;
  - 4.2 Murchison International Limited – the holder of about a 2% interest in a residential and commercial property project located in the Shiqi District - the city centre district - of Zhongshan, Guangdong Province, China. The project comprises seven high-end towers with 1,135 residential units, five units of contemporary style town house, a club house and retail shops with a total gross floor area of about 129,000 sqm.

### **About AUS Streaming Limited**

5. MCH has been advised by AUS Streaming as follows:
  - 5.1 AUS Streaming is a company incorporated in the Marshall Islands;
  - 5.2 the principal activities of AUS Streaming and its subsidiaries (“Group”) include:
    - 5.2.1 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;
    - 5.2.2 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 cost of its investment and will benefit from the potential upside of future exploration at the mine site.
  - 5.3 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; and,
  - 5.4 AUS Streaming has net assets of about \$262,547,000 as at 30 June 2015.

**About ASAF Critical Metals Limited**

6. ASAF has advised MCH that:
- 6.1 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,
  - 6.2 it has about 280 shareholder who will be nominated as the placees of the shares issued pursuant to the Placement Confirmation Letter;

For further information contact:

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**By order of the Board of Directors**  
**Chiang Wee Tiong**  
**Chairman**