



10 Murray Street  
Hamilton NSW 2303  
PO Box 413  
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19 July 2018



## NSX RELEASE

Hamilton Securities Limited (NSX:HSE)

### Hamilton Securities Limited enters securities sale and purchase agreement with entities associated with Mitch Dawney and Mercantile Investment Company Limited

Hamilton Securities Limited (“HSE” or the “Company”) is pleased to advise that on 19 July 2018 it signed a securities sale and purchase agreement (“Sale Agreement”) with entities associated with Mitch Dawney (“Dawney Group”) and Mercantile Investment Company Limited (“Mercantile”) (together, the “Relevant Entities”) which involves HSE issuing 8,820,467 shares at a price of 17 cents per share, subject to shareholder approval, to acquire a portfolio of securities from the Relevant Entities worth \$1,480,029

Mercantile is the holder of some 3,700,000 ordinary shares in Dawney & Co Pty Ltd (an entity comprising part of the Dawney Group) or 36.63% of the issued share capital and thereby on completion of the Sale Agreement will be deemed to have the same voting power in HSE shares as Dawney & Co Pty Ltd.

If the share issue is approved and Sale Agreement (and associated subscriptions) completed, Mercantile will acquire a direct relevant interest in HSE and its direct voting power in HSE would increase from zero to 27.9%, and Dawney will acquire a relevant interest in HSE and its voting power in HSE will increase from zero to 32.0%.

The table below details the portfolio being acquired at today’s market values:

Relevant Entities	Number of shares	Total Market Value Today	Entitlement to Consideration Shares
Dawney & Co Pty Ltd ACN 168 708 503	(a) 4,750,000 shares in Horizon Oil Limited (HZN.ASX) (b) 324,999 shares in NGE Capital Limited (NGE.ASX) (c) 170,000 units in APN Regional Property Fund (APR.NSX)	\$931,024	6,069,114
Trepass Pty Ltd ACN 159 968 653 ATF ATF DKML Super Fund	(a) 1,500,000 shares in Horizon Oil Limited (HZN.ASX) (b) 200,000 shares in NGE Capital (NGE.ASX)	\$293,000	1,897,059
Auslese Investments Pty Ltd ACN 159 734 648	48,026 units in APN Regional Property Fund (APR.NSX)	\$56,190	324,882
John Holt & Hilary Jane Holt	150,000 shares in NGE Capital Limited (NGE.ASX)	\$96,750	529,412
<b>Total</b>			<b>8,820,467</b>

In conjunction with the Sale Agreement, HSE will conduct, subject to shareholder approval, a placement to raise the sum of \$1,359,000 by issuing 7,994,118 shares at an issue price of \$0.17 each comprising an issue of:

- (a) 5,294,118 HSE ordinary shares to Mercantile;
  - (b) 900,000 HSE ordinary shares to Ronald and Rhonda Langley;
  - (c) 900,000 HSE ordinary shares to EGP Capital Pty Ltd ACN 145 120 681 as manager for the EGP Capital Concentrated Value Fund; and
  - (d) 900,000 HSE ordinary shares to Noontide Investments Ltd ACN 133 439 817 as manager for the Noontide Opportunities Fund,
- (together, the **Placements**).

Shareholder approval of the Placements are inter-conditional and conditional on shareholder approval of the Sale Agreement, as further outlined in the Notice of Meeting to be lodged with the NSX.

An extraordinary general meeting of shareholders of HSE to consider this proposal will be convened as soon as possible. The Directors have commissioned BDO to prepare an independent expert's report, which will be distributed along with the notice of extraordinary meeting and explanatory memorandum.

For further information, contact:

Fred Woollard

Director

Ph: 0400 001976