



Australian Government

Takeovers Panel

MEDIA RELEASE

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KBL Mining Limited – Panel Receives Application

The Panel has received an application from KBL Mining Limited in relation to its affairs. The application concerns among other things non-compliance with substantial holder notice provisions by one of KBL Mining's largest shareholders, Kidman Mining Pty Ltd, and a former shareholder, Capri Trading Pty Ltd atf the Capri Family Trust.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

Capri held 37,925,836 KBL Mining shares (approximately 9.64%) and its wholly-owned subsidiary was the secured creditor of KBL Mining in respect of a \$12.6 million loan.

On or about 7 November 2014, Capri agreed to sell all its KBL Mining shares to Kidman Mining. Kidman Mining also acquired all of the shares of Capri's subsidiary and took over the secured loan to KBL Mining.

On 11 November 2014, Kidman Mining's ultimate holding company, Kidman Resources Limited, made an ASX announcement regarding the acquisitions. The announcement stated that, in certain circumstances, Kidman Mining would be required to re-transfer the KBL Mining shares back to Capri. On 13 November 2014, Kidman Resources lodged with ASX a notice of initial substantial holder.

Also on 11 November 2014, Capri lodged with ASX a notice of ceasing to be a substantial holder.

On 19 November 2014, Kidman Mining issued a s249D¹ notice to KBL Mining requisitioning a general meeting to replace the existing KBL Mining directors with Kidman Mining nominees. The requisitioned meeting is due to be held on 19 January 2015.

KBL Mining submits, among other things, that:

- Kidman Resources and its associates contravened s671B because the substantial holder notice failed to attach a copy of the relevant agreements that gave rise to its relevant interest
- Capri and its associates contravened s671B because:
 - a) the notice of ceasing to be a substantial holder failed to attach a copy of the relevant agreements that gave rise to the sale of the shares and
 - b) Capri continues to have a relevant interest in the KBL Mining shares pursuant to s608(8).

KBL Mining further submits that:

- KBL Mining shareholders are uninformed as to the identity of all persons who have acquired a substantial interest at a time when shareholders are making decisions about voting their shares at the s249D meeting and
- Kidman Resources' efforts to acquire effective control of KBL Mining are taking place in a market that is not efficient, competitive and informed.

KBL Mining seeks final orders including orders to the effect that each of Kidman Resources and Capri and their respective associates provide KBL Mining and the ASX with amended substantial holder notice forms rectifying the deficiencies.

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¹ References are to the *Corporations Act 2001* (Cth)