



Australian Government

Takeovers Panel

MEDIA RELEASE

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KBL Mining Limited – Panel Declines to Conduct Proceedings

Following the release of further information to the market, the Panel has declined to conduct proceedings on an application dated 9 January 2015 from KBL Mining Limited in relation to its affairs.

The application concerned deficiencies in substantial holding notices filed by one of KBL Mining's largest shareholders, Kidman Mining Pty Ltd, and a former shareholder, Capri Trading Pty Ltd and the control of KBL Mining (see [TP15/04](#)).

On 12 November 2014, Kidman Mining acquired 37,925,836 (approximately 9.64%) shares in KBL Mining from Capri. Kidman Mining also acquired all the shares in a subsidiary company of Capri which held a \$12.6m loan payable by KBL Mining. The consideration for the shares in the subsidiary company was notes in Kidman Mining.

Kidman Resources Ltd, Kidman Mining's parent company, subsequently lodged a substantial holding notice disclosing the substantial holding it had acquired in KBL Mining. Capri also lodged a substantial holding notice indicating that it ceased to hold a substantial holding in KBL Mining. A copy of the sale agreement was not attached to either of the substantial holding notices.

Following Kidman Mining's acquisition of shares in KBL Mining, it issued a s249D¹ notice to KBL Mining and requisitioned a general meeting of shareholders to consider the removal of all of KBL Mining's existing directors and the election of three Kidman Mining nominees. The s249D notice was subsequently withdrawn and the meeting cancelled.

The Panel noted the withdrawal of Kidman Mining's s249D notice. The Panel considered there to be deficiencies in the disclosures provided by Kidman and Capri's substantial holding notices. While there was a summary of the key terms of the sale agreement including reference to the right of Kidman Resources to re-transfer the KBL Mining shares to Capri contained in an announcement by Kidman Resources on 11 November 2014, no details of the notes were included.

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

The Panel was minded to conduct proceedings if the sale agreement was not disclosed to the market in its entirety. Kidman and Capri agreed to release the sale agreement to the market, including the terms of the notes, which was released to ASX on 16 January 2015.

The Panel therefore concluded there was no reasonable prospect that it would make a declaration of unacceptable circumstances. Accordingly, the Panel declined to conduct proceedings.

The Panel noted that it is open to the parties to make a fresh application if new circumstances arise due to developments relating to the control of KBL Mining.

The sitting Panel was Peter Day (sitting President), Michelle Jablko and Lee Dewhurst.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

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