



**Australian Government**

**Takeovers Panel**

# MEDIA RELEASE

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**No: TP14/28**

**Tuesday, 29 April 2014**

## **Gondwana Resources Limited – Panel Receives Application**

The Panel has received an application from Ochre Group Holdings Limited in relation to the affairs of Gondwana Resources Limited. The application concerns a 1 for 1<sup>1</sup> non-renounceable, partially underwritten, entitlement issue by Gondwana.

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**

On 15 April 2014, Gondwana announced the entitlement issue at a price of \$0.032 per share to raise up to \$632,110.

The entitlement issue is partially underwritten (50%) by Bellatrix Pty Ltd, which currently has voting power of 11.84% in Gondwana. Bellatrix is an entity controlled by Mr Warren Beckwith, a director of Gondwana.

The prospectus for the entitlement issue states that Bellatrix's (and Mr Beckwith's) voting power in Gondwana could increase up to 43.75% depending on the extent of shareholder participation in the entitlement issue.

Ochre Group, which has voting power of 19.72% in Gondwana, submits (among other things) that:

- the underwriting arrangements with Bellatrix are not genuine and inappropriately attempt to utilise the underwriting exception in item 13 of s606
- the directors of Gondwana have not taken reasonable steps to minimise the potential impact on control or potential control of Gondwana (including in respect of the shortfall facility) and
- Gondwana's disclosure in its prospectus is misleading and deceptive.

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<sup>1</sup> with a free option for every 2 shares subscribed for and issued

Ochre Group seeks interim orders preventing Gondwana from despatching the prospectus for the entitlement issue to shareholders or issuing any shares under the entitlement issue.

Ochre Group seeks final orders that the entitlement issue be prevented from proceeding or, alternatively, Gondwana obtain non-associated shareholder approval of the entitlement issue and underwriting arrangements under Chapter 2E (related party) and item 7 of s611 of the *Corporations Act 2001 (Cth)*.

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