



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP12/56

Wednesday, 15 August 2012

Altius Mining Limited – Panel Receives Application

The Panel has received an application in relation to the affairs of Altius Mining Limited from Alexander King (a shareholder of Altius). The application concerns a 1-for-1 fully underwritten pro-rata non-renounceable rights issue to raise approximately \$5.19 million, announced by Altius on 2 August 2012.

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

The rights issue is fully underwritten by Foxfire Capital Pty Ltd, an entity controlled by Mr John Zee, a director of Altius.

The rights issue allows for shareholders to apply for additional shares. The underwriter has discretion to issue all, none or part of any additional shares applied for under the shortfall facility.

The applicant submits (among other things) that:

- Altius has not properly informed shareholders about:
 - (i) matters relevant to an assessment of the rights issue price
 - (ii) the likely effect of the rights issue on the control of Altius
 - (iii) the situation or financial position of Altius or its need for funds
 - (iv) why the proposed rights issue is non-renounceable and
 - (v) why certain overseas shareholders are excluded from participating in the proposed rights issue

- Altius and Foxfire have adopted no meaningful steps to mitigate the effect of the rights issue on control of Altius and
- the control effect of the rights issue is unfairly dependent upon the way in which Foxfire exercises its discretion to allocate (or not allocate) the shortfall.

The applicant seeks final orders including that:

- Altius cancel the proposed rights issue and refund any subscription monies received
- the underwriting agreement between Altius and the underwriter is void with no penalty or liability to Altius and
- Altius be restrained from issuing any shares for a period, other than with the approval of shareholders by special resolution.

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