



Thursday, 22 November 2007

Golden West Resources Limited 01 - Panel Declines to Commence Proceedings

The Panel has declined to commence proceedings in relation to an application by Golden West Resources (**GWR**) dated 30 October 2007 (see MR 07/84), which was revised on 19 November 2007, (**Application**) in relation to the affairs of GWR.

The Application related to alleged deficiencies in disclosure in Fairstar Resources Limited's (**Fairstar**) bidder's statements in relation to Fairstar's proposed off-market scrip bid for GWR (**Fairstar Offer**).

The Panel noted that a number of the issues raised in the original application had been addressed in Fairstar's second supplementary bidder's statement (either fully or partially). Subsequent to Fairstar's second supplementary bidder's statement, GWR revised its Application on 19 November 2007. The Application as revised related to:

1. alleged information deficiencies in Fairstar's bidder's statements; and
2. the form and manner of dispatch of the bidder's statements.

GWR sought orders for supplementary disclosure in a single replacement bidder's statement and to extend the closing date of the Fairstar Offer.

The Panel decided that there was no reasonable prospect that it would make a declaration of unacceptable circumstances if it commenced proceedings. Accordingly it declined to commence proceedings.

Alleged information deficiencies in Fairstar's bidder's statements

GWR submitted that the bidder's statements contained deficiencies in relation to disclosure of:

- (a) the likelihood of capital gains tax roll-over relief being available to GWR shareholders accepting the Fairstar scrip offer. The panel considered this was sufficiently clearly addressed;
- (b) the underwriting in relation to a placement to fund the transaction costs of the Fairstar Offer. The panel considered this was not required disclosure;
- (c) the identity of professional advisers to whom fees disclosed in the supplementary bidder's statement were payable. The panel considered this was not required disclosure; and

- (d) the likelihood of WA stamp duty being payable. The panel considered this was sufficiently clearly addressed.

The form and manner of dispatch of bidder's statement

GWR submitted that the dispatch of a replacement bidder's statement and a second supplementary bidder's statement contemporaneously to GWR shareholders had a tendency to mislead and confuse GWR shareholders and that any additional disclosures should have been merged into a single document. The panel considered that the supplementary information was easily transposed into the replacement bidder's statement, and further documents to shareholders now would not necessarily assist them in their task.

The President of the Panel appointed Irene Lee, Andrew Lumsden (sitting President) and Chris Photakis and as the Panel to consider the Application.

The Panel will publish its reasons for decision in due course on its website.

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