



Thursday, 26 October 2006

Azumah Resources Limited - Panel Final Orders

The Takeovers Panel (**Panel**) advises that it has made final orders in relation to the application (**Application**) from Azumah Resources Limited (**Azumah**) dated 26 September 2006 in relation to its affairs ([TP 06-96](#)).

The orders follow the Panel's decision on 17 October 2006 to make a declaration of unacceptable circumstances in relation to the inadequate disclosure contained in the substantial holding notices and tracing notices in relation to the shareholders, controllers and beneficial owners of Bluesky Resources Limited (**Bluesky**), Trailstar Limited (**Trailstar**), Redstar Resources Limited (**Redstar**), Bluestar Resources Limited (**Bluestar**) and Falconsand Limited (**Falconsand**) (**Vendors**) in respect of their holdings in Azumah ([TP 06-105](#)). Azumah listed on 4 January 2006 following the issue of an IPO prospectus (**Prospectus**) which also did not adequately disclose control of the Vendors.

In the case of David Harper (**Harper**), Trailstar (which is beneficially owned and controlled by Harper) and Redstar (which is beneficially owned and controlled by Harper (as to 78%) and Yaw Benneh Amponsah (as to 22%)), the Panel has made orders restricting voting until 31 December 2006. The Panel considered that this would allow sufficient time for the market to absorb and respond to Harper's further disclosure before he exercises any voting rights.

The Panel considered that it was not appropriate to make orders vesting any shares in ASIC for sale or orders restricting the exercise of voting rights by Henry Wiechecki (**Wiechecki**), Paul Amoako-Atta (**Amoako**) or the companies beneficially owned and controlled by them, Bluesky, Falconsand and Bluestar.

The Panel's decision in this matter highlights the importance of shareholders obtaining proper professional advice to ensure that they comply with the requirements of Chapter 6C in giving substantial holder notices and responding to tracing notices. Shareholders must themselves take ultimate responsibility for ensuring proper completion of such notices. Those who fail to obtain appropriate professional advice in doing so must bear the consequences. Ignorance of the law is not a defence.

The Panel considered that, from the time that Azumah listed, there had been a serious and ongoing lack of information about the identity and interest of the largest substantial holders in Azumah. In the case of Wiechecki and Amoako, the effects of lack of disclosure were mitigated, to some extent, by the fact that their identity was

referenced in the Prospectus (though not as Controllers of any of the Vendors). A careful reader, at least, might have inferred, given the statement in the Prospectus that Wiechecki and Amoako had indemnified Azumah against breaches of the Vendors' acquisition agreement, that they would retain some interest in the Vendors. Also the Panel was satisfied that Wiechecki and Amoako did not seek to conceal from Azumah the fact that they had an interest in one or more of the Vendors.

In the case of the interest of Harper, the Panel considered the disclosure deficiency was particularly serious given that his interests were substantial (making him the largest substantial holder in Azumah) and the Prospectus made no mention of Harper's identity and gave no indication of the size of his combined relevant interests. The Panel was particularly concerned in relation to Harper because his identity was deliberately concealed, albeit, he submits, in ignorance of the law. (While admitting that he did not want his identity known, Harper submitted that he erroneously believed that the substantial holding notices lodged by Redstar and Trailstar satisfied relevant disclosure obligations.)

Accordingly, the Panel decided that a different approach was warranted, in making orders, with respect to Harper (and also Trailstar and Redstar) as opposed to Wiechecki and Amoako.

A copy of the orders is attached at Annexure A to this Media Release.

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Azumah Resources - Panel Final Orders

Corporations Act Section 657D Final Orders

In the matter of Azumah Resources Limited

Pursuant to section 657D of the Corporations Act 2001 (**Act**) and pursuant to a declaration of unacceptable circumstances made by the Panel on 17 October 2006, the Takeovers Panel HEREBY ORDERS:

- (1) that the Holders must not exercise any voting rights in respect of the Relevant Shares prior to 31 December 2006; and
- (2) that Azumah and each Holder have the liberty to apply for further orders in relation to the matters covered by order (1).

Schedule 1 - the Relevant Shares

- (A) 39,000 Shares held by Harper;
- (B) 5,046,875 Shares held by Trailstar; and
- (C) 4,781,250 Shares held by Redstar.

Schedule 2 - Glossary

Azumah means Azumah Resources Limited.

Harper means Mr David Harper.

Holders means Harper, Trailstar, Redstar and Mr Yaw Benneh Amponsah.

Redstar means Redstar Resources Limited.

Relevant Shares means the Shares listed in Schedule 1.

Shares means ordinary shares in Azumah.

Trailstar means Trailstar Limited.

Dated 26 October 2006

Signed by Bruce Dyer (at the direction and with the authority of the sitting Azumah Resources Panel)