



Australian Government

Takeovers Panel

MEDIA RELEASE

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Argosy Minerals Limited - Panel Receives Application

The Panel has received an application from Sunbreaker Holdings Pty Ltd (as trustee for the Lloyd Super Fund) and Graham Geoffrey Walker in relation to the affairs of Argosy Minerals Limited. The application concerns a 2 for 1 renounceable entitlement offer by Argosy, and the decision of Argosy's 88.6% shareholder, Discovery Africa Limited to not participate in the entitlement offer.

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 Applicants together have an interest of approximately 15.65% of Discovery Africa. Discovery Africa made an off-market takeover bid for Argosy, which closed on 12 December 2013, and currently has an interest of 88.6% in Argosy.

On 13 February 2014, Sunbreaker Holdings requisitioned a meeting of Discovery Africa's shareholders under s249D of the *Corporations Act 2001* to remove Discovery Africa's current directors and appoint new directors. The meeting is due to be held on 10 April 2014.

On 14 March 2014, Argosy released an offer document; disclosing that it would undertake a 2 for 1 renounceable entitlement offer at \$0.0025 per share (subsequently amended to \$0.002 per share) with a shortfall facility. The offer document discloses that Discovery Africa does not intend to take up its entitlement but may trade its rights. If the offer is fully subscribed, Discovery Africa's interest in Argosy would be diluted to 29.5%.

The Applicants submit that the renounceable entitlement offer is unacceptable as it is being used as a means to affect a change in control in Argosy in a market which is not efficient, competitive or informed and that there is no need for Argosy to raise funds.

The Applicants also submit that Argosy has breached its continuous disclosure obligations and Discovery Africa requires shareholder approval under the ASX Listing Rules to dispose of its main undertaking.

The Applicants seek interim orders to the effect that the renounceable entitlement offer be suspended until either a decision by the Panel or until after Discovery Africa makes an announcement following Discovery Africa's shareholders' meeting on 10 April 2014. The Applicants seek final orders that (among other things) the offer be cancelled or suspended pending further announcement by Discovery Africa following Discovery Africa's shareholders' meeting.

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