



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP14/64

Tuesday, 29 July 2014

Blackham Resources Limited – Panel Receives Application

The Panel has received an application from Blackham Resources Limited in relation to its affairs.

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

Joseph Gutnick is a non-executive director and the former chairman of Blackham.

On 1 February 2013, Blackham and Great Central Gold Pty Ltd, an entity wholly owned by Mr Gutnick, agreed a \$13.32 million funding package under which Grand Central agreed to subscribe for \$3.32 million of shares and \$10 million of convertible notes (over a series of tranches) under a convertible note deed.

On 6 June 2013, Blackham shareholders resolved for the purposes of item 7 of s611 to approve Great Central acquiring up to 45.9% of Blackham upon conversion of the convertible notes.

On 7 March 2014, Mr Gutnick lodged a substantial holder notice disclosing his relevant interest in 32.72% of Blackham, held by Great Central. On 8 May 2014, Great Central transferred all but 8,000 Blackham shares as follows:

- 15,888,495 shares to Perfectus Management Limited, an entity in which Mr Gutnick had a relevant interest as a result of having voting power of more than 20% and
- 15,893,505 shares to Mazil Pty Ltd, an entity that is 50% owned by Mr Gutnick and 50% owned by Mr Gutnick's son, Mr Mordechai Gutnick.

On 19 March 2014, Blackham announced to ASX that it had received a commitment from Polo Resources Limited¹ to subscribe for 4.76 million shares (\$1 million). These

¹ an entity listed on AIM in the United Kingdom

shares were issued on 26 March 2014, giving Polo Resources a relevant interest in approximately 4.5% of Blackham.

On 28 May 2014, Polo Resources announced to AIM that it had agreed to subscribe for 49% of Perfectus Management for consideration of \$1 million in cash and \$2 million in Polo Resources scrip (constituting approximately 2.64% of Polo Resources). A notice of initial substantial holder was lodged on 29 May 2014, which disclosed that Polo Resources had a relevant interest in 19.5% of Blackham comprising the 4,761,905 shares issued under the 26 March 2014 placement and the 15,888,495 shares held by Perfectus Management.

On 16 July 2014, Mazil issued a s249D notice requisitioning a meeting of Blackham shareholders to consider the removal of Blackham directors Bryan Dixon, Gregory Miles and Alan Thom and the appointment of Ian Daymond and Stuart Munroe to the Blackham board. A date for a general meeting has not been determined.

Blackham submits that there are (among other things) common dealings between Mr Gutnick, Great Central, Mazil, Perfectus Management and Polo Resources, including Polo Resources' investment in Perfectus Management. Accordingly, the parties are associates in relation to Blackham with voting power of 31.03%, which was not disclosed as required by the substantial holder provisions and involved contraventions of s606.

Blackham seeks interim orders including to the effect that:

- the alleged associated parties be prevented from acquiring further shares in Blackham or otherwise increasing their voting power
- Mr Gutnick be excluded from participating in Blackham board meetings dealing with any of the alleged associated parties or the convertible notes or the arrangement under which Polo Resources acquired 49% in Perfectus Management or the Mazil s249D requisition notice and
- in the event that the Panel proceedings are not completed prior to the Blackham general meeting to consider the resolutions proposed by Mazil, the alleged associated parties be restrained from exercising any voting power at that meeting.

Blackham seeks final orders including to the effect that:

- legal title to and beneficial ownership in the shares held by the alleged associated parties be vested in ASIC for sale and
- following divestment, the alleged associated parties be prohibited from acquiring any further shares other than in a manner prescribed by s611.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3597
allan.bulman@takeovers.gov.au