



Australian Government

Takeovers Panel

MEDIA RELEASE

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Atlas Iron Limited – Panel Receives Application

The Panel has received an application from NCZ Investments Pty Ltd in relation to the affairs of Atlas Iron Limited. Atlas Iron is currently the subject of an off-market takeover bid by Redstone Corporation Pty Ltd for 100% of the ordinary shares of Atlas which it does not currently have a relevant interest in for \$0.042 per share.

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

On 18 June 2018, Redstone lodged its bidder's statement. Redstone is a wholly owned subsidiary of Hancock Prospecting Pty Ltd and has a relevant interest of 19.96% in Atlas.

NCZ Investments is a wholly owned subsidiary of Fortescue Metals Group Ltd and has a relevant interest of 15% in Atlas and a further 4.9% economic interest through a cash settled equity swap.

NCZ Investments submits that Redstone's bidder's statement has:

- misleading statements and material omissions regarding Redstone's intentions in relation to Atlas's business, assets and employees and Redstone's ability to achieve those intentions¹
- material omissions regarding the implications of Redstone's takeover bid for Atlas's Term Loan B Facility and Hancock Prospecting's intentions in respect of financing the repayment of that facility and
- misleading statements about the merits, terms and operation of Redstone's takeover bid.

¹ Noting that NCZ Investments, or a group of other shareholders, can prevent Redstone from achieving the compulsory acquisition threshold

NCZ Investments submits that the *“combined operation of the identified misleading statements and omissions and the structure of Redstone’s bid has a coercive effect on Atlas shareholders to accept the bid (or sell on-market potentially to Redstone)”*.

NCZ Investments seeks interim orders (i) restraining Redstone from dispatching its bidder’s statement and releasing any other information regarding the bid while the Panel considers the application and (ii) precluding Hancock Prospecting and Redstone from acquiring, directly or indirectly, any further shares until *“further and corrective disclosure is released”*.

NCZ Investments seeks final orders including that Redstone provide corrective disclosure by way of a replacement bidder’s statement and cancelling and unwinding any acquisitions in Atlas shares by or on behalf of Hancock Prospecting, Redstone or their respective associates² during the period in which NCZ Investments submits the market was misinformed.

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² Including transactions otherwise affecting Hancock Prospecting’s or Redstone’s voting power in Atlas