



Australian Government

Takeovers Panel

# MEDIA RELEASE

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No: TP19/01

Thursday, 10 January 2019

## Flinders Mines Limited 02<sup>1</sup> - Panel Receives Application

The Panel has received an application from Mr Brendon Dunstan (the **Applicant**)<sup>2</sup> in relation to the affairs of Flinders Mines Limited (**Flinders**).

The application concerns the proposed transactions announced by Flinders on 13 December 2018. Flinders proposes to delist from ASX, subject to shareholder approval to be considered at a special meeting scheduled for Tuesday, 22 January 2019.

In connection with the delisting, Flinders proposes to undertake an on-market buy-back and an unmarketable parcels sale process. The buy-back is to be funded by a loan facility from a subsidiary of Flinders' largest shareholder, TIO (NZ) Limited (**TIO NZ**), to be repaid through a proposed non-renounceable pro-rata rights issue to be undertaken following the buy-back.

TIO NZ owns approximately 55.6% of Flinders. It intends to vote in favour of the delisting.

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 Applicant submits, among other things, that:

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<sup>1</sup> An unrelated application in relation to the affairs of Flinders Mines Limited was considered by the Panel in 2012 (see *Flinders Mines Limited* [2012] ATP 9)

<sup>2</sup> The Applicant is acting with, or on behalf of, a number of Flinders' shareholders

- the cumulative effect of the proposed transactions is to allow TIO NZ to acquire further control over voting shares of Flinders in a manner that is contrary to the policy objectives under section 602<sup>3</sup>
- Flinders' shareholders have not been given sufficient time and information to consider the merits of the proposed transactions and
- each of the substantial holding notices lodged by The Todd Group Limited, the indirect parent company of TIO NZ, are defective.

The Applicant seeks interim orders including interim orders to stay the proposed transactions pending determination of the proceedings, postpone the special meeting or (if the special meeting is allowed to proceed) disregard any votes cast by TIO NZ and its associates in relation to the delisting.

The Applicant seeks final orders including final orders prohibiting Flinders proceeding with the proposed transactions as currently structured or (if the proposed transactions are allowed to proceed) requiring (i) the notice of meeting to include all material information in respect of the proposed transactions and an independent expert's report in respect of the proposed transactions and (ii) TIO NZ and its associates be excluded from voting on any resolutions in respect of the proposed transactions.

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<sup>3</sup> Unless otherwise indicated, all statutory references are to the *Corporations Act 2001* (Cth), and all terms used in Chapter 6 or 6C have the meaning given in the relevant Chapter (as modified by ASIC)