



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP19/20

Tuesday, 26 March 2019

Riversdale Resources Limited – Panel Receives Application

The Panel has received an application from Riversdale Resources Limited in relation to its affairs. Riversdale is an unlisted public company. The application concerns a cash off-market takeover bid by Hancock Corporation Pty Ltd (a wholly-owned subsidiary of Hancock Prospecting Pty Ltd) for all the shares in Riversdale in which it does not have a relevant interest.

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 27 February 2019, Hancock lodged its bidder's statement with ASIC which it sent to Riversdale shareholders (after lodging a replacement bidder's statement) on 13 March 2019. The offer price is \$2.20 per Riversdale share increasing to \$2.50 per Riversdale share if Hancock's voting power exceeds 50% on a fully diluted basis. The bid is conditional only on prescribed occurrences.

Riversdale is required to lodge its target's statement and independent expert's report with ASIC by 28 March 2019. To date, Riversdale's directors have recommended that shareholders take no action.

Riversdale submits that, under Canadian law, Hancock is required to withhold (and remit to the Canadian tax authority) up to 25% of the offer price for any Riversdale shareholders who accept the offer and are not resident in Canada for tax purposes. Riversdale submits that this obligation is not disclosed in Hancock's replacement bidder's statement.¹

As a result, Riversdale submits that:

¹ Noting that the takeover offer contains a term allowing Hancock to deduct amounts from the offer price and remit it to the Canadian tax authority

- its shareholders do not have enough time and enough information to enable them to assess the merits of the bid and the acquisition of control of Riversdale will not take place in an efficient, competitive and informed market
- its directors are not in a position to consider all material matters for the purpose of preparing the target's statement and making their recommendation and
- the independent expert does not have all material information to assess whether the bid is fair and reasonable.

Riversdale seeks interim orders including to restrain the processing of any acceptances under the bid and to delay the lodgement of the target's statement.²

Riversdale seeks final orders including to cancel any acceptances to date, require Hancock to provide a supplementary bidder's statement addressing the Canadian withholding tax matter and to extend the offer period.

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² Riversdale has also sought a declaration or modification from ASIC to extend the time under section 633 of the Corporations Act to lodge its target's statement