



**Australian Government**

**Takeovers Panel**

# MEDIA RELEASE

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**No: TP19/71**

**Friday, 22 November 2019**

## **MEC Resources Limited 02 – Panel Receives Application**

The Panel has received an application from the trustee of the Anstey Super Fund and other MEC Resources Limited shareholders (the **Applicants**) in relation to the affairs of MEC Resources.

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 9 April 2019, MEC Resources announced a 1 for 1 pro-rata non-renounceable rights offer at \$0.005 per share to raise up to \$1,709,340 (**Rights Offer**). On or about 13 May 2019, MEC Resources announced that:

- Eligible shareholders subscribed for 65,592,243 shares.
- It had received applications for 7,118,087 shortfall shares.
- A further 269,157,716 shortfall shares may be placed at the discretion of the Directors of MEC Resources within a three month period after the close of the Rights Offer.

MEC Resources announced the following placements of shares as shortfall shares under the terms of the Rights Offer (**Placement Shares**):

- 160,000,000 shares (on 22 July 2019)
- 43,660,640 shares (on 6 August 2019) and
- 21,019,960 shares (on 14 August 2019).

MEC Resources is proposing a resolution ratifying the issue of the Placement Shares (for the purposes of ASX Listing Rule 7.4 and for all other purposes) at its Annual General Meeting (**AGM**) to be held on Monday, 25 November 2019.

The Applicants submit (among other things) in effect that:

- The board of MEC Resources has not suggested to its shareholders that there is any necessity or urgency for the issue of shortfall shares.
- The financial adviser involved in the Placement Shares is associated with the recipients of those shares (**Associated Parties**).
- The issue of the Placement Shares has resulted in the Associated Parties having a collective voting power of 45% in MEC Resources, in effect resulting in a takeover of MEC Resources.

The Applicants are seeking interim orders including adjourning the AGM (or alternatively restraining the Associated Parties from voting at the AGM) and restraining the Associated Parties from acquiring or disposing of any MEC Resources shares. The Applicants are seeking final orders, including that the Placement Shares be vested in ASIC for sale.

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