



Australian Government

Takeovers Panel

MEDIA RELEASE

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Mesa Minerals Limited – Panel Receives Application

The Panel has received an application from Mesa Minerals Limited dated 13 April 2010 in relation to its affairs.

On 1 February 2010, Mighty River International Limited and other Mesa shareholders requisitioned a general meeting of Mesa - proposing resolutions to replace a majority of the current Mesa directors with their own nominees. These resolutions were not approved at a general meeting of Mesa shareholders held on 26 March 2010.

On 22 March 2010, Mineral Resources Limited announced a takeover bid for Mesa which was recommended by the Mesa board. On 1 April 2010, Mighty River by itself requisitioned another general meeting of Mesa shareholders with the same resolutions as those proposed at the meeting on 26 March 2010.

Auvex Resources Limited (a joint venture partner of Mesa in relation to the development of certain Western Australian manganese projects) conducted a restructure in late 2009 which caused Mesa to issue a notice of default under the joint venture arrangement. The notice of default was disputed by Auvex.

Mesa submits that:

- Mr Yuzheng Xie controls Mighty River and 'controls, or exerts significant influence over', Auvex
- Auvex has, since the first requisition notice, begun to acquire Mesa shares and currently holds 7.08% of Mesa
- Mighty River has, since the first requisition notice, continued to purchase Mesa shares on market and holds 18.99% of Mesa
- Mighty River and Auvex are associates in relation to Mesa and therefore have together breached the 20% threshold as well as the substantial holding provisions
- Mighty River and Auvex are also associates with other shareholders in relation to Mesa (together, the *other parties*)

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- the other parties are acting in concert in relation to Mesa's affairs in order to attempt to gain control of Mesa with the intention of resolving the on-going joint venture disputes between Mesa and Auvex in favour of Auvex, defeat the Mineral Resources takeover bid and effect a 'potential merger' between Auvex and Mesa.

Mesa submits that these actions give rise to unacceptable circumstances because of:

- a contravention of s606 (20% prohibition), s671B (substantial holding provisions) and s672B (tracing notice provisions) of the Corporations Act
- Mesa shareholders not having a reasonable and equal opportunity to participate in the Minerals Resources offer and
- the acquisition of control over Mesa shares not taking place in an efficient, competitive and informed market.

Mesa seeks interim orders including orders:

- preventing Mr Xie and the other parties from acquiring any further shares in Mesa until the application is determined
- preventing Mesa shares held by the other parties from being transferred or disposed of during the course of proceedings and
- if the Panel proceedings are not completed prior to the second requisitioned meeting, that the other parties be restrained from exercising any votes attaching to shares acquired in breach of the 20% threshold until the proceedings are determined.

Mesa seeks final orders including:

- that all shares acquired by Mr Xie and the other parties in breach of s606 be vested in ASIC and to be sold to non-associated parties with the proceeds of sale (net of costs and expenses) to the account of Mr Xie and the other parties as appropriate and
- if the share divestments cannot be completed in time, that these shares cannot be voted at the second requisitioned meeting and any subsequent meetings of Mesa regarding the composition of the Mesa board.

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.

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