



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP16/37

Friday, 10 June 2016

Sovereign Gold Company Limited – Panel Receives Application

The Panel has received an application from Mr Brennan Westworth in relation to the affairs of Sovereign Gold Company Limited.

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

By a series of transactions dating back to 2014, the Hudson group of companies and persons connected with it, and then the GTT Ventures group of companies and persons connected with it, acquired controlling interests in Sovereign Gold. In particular this occurred by way of rights issues and board appointments.

On 29 June 2015, Sovereign Gold announced that GTT Ventures Pty Ltd had agreed to partly underwrite Sovereign Gold's 1 for 1 non-renounceable rights issue (with the right for GTT to nominate 2 directors). On 8 July 2015, Sovereign Gold announced that there had been a placement of further shares to GTT. On 15 July 2015, Sovereign Gold announced that Mr Rocco Tassone and Mr Charles Thomas were appointed to its board as nominee directors of GTT.

On 9 December 2015, Hudson Resources Limited lodged a notice of ceasing to be a substantial holder in relation to Sovereign Gold. On 14 December 2015, Sovereign Gold announced that Mr Patrick Glovac was appointed to its board. Messrs Tassone, Thomas and Glovac are directors and founding partners of GTT.

On 1 April 2016, Sovereign Gold announced that it would undertake a 2 for 5 non-renounceable rights issue, although there was then no immediate need for funds. The rights issue shortfall was preferentially allocated to associates of GTT less than a week before Sovereign Gold's annual general meeting on 31 May 2016.

The applicant submits in effect, among other things, that:

- Hudson Resources and its (undisclosed) alleged associates have collaborated with GTT
- GTT and its (undisclosed) alleged associates have contravened the takeovers threshold
- there have been failures to disclose interests in Sovereign Gold under the substantial holder provisions and
- the acquisition of approximately 300 million shares by GTT and its alleged associates following the 2015 rights issue is contrary to the principles in s602.¹

The applicant seeks an interim order that Hudson Resources, GTT and their respective alleged associates *"be restrained from selling their shares or converting options"* until the Panel has considered the application.

The applicant seeks final orders, including in effect:

- disclosure of any associates with Hudson Resources and GTT in relation to Sovereign Gold
- vesting in ASIC shares accumulated above the 20% takeovers threshold by GTT and its alleged associates and
- the results of the 2016 annual general meeting be set aside and the convening of a new general meeting.

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¹ References are to the *Corporations Act 2001* (Cth) unless otherwise indicated