



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP20/77

Tuesday, 17 November 2020

Cardinal Resources Limited 05 - Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 30 October 2020 from Shandong Gold Mining (HongKong) Co., Limited (**Shandong**) in relation to the affairs of Cardinal Resources Limited (ASX/TSX: CDV) (see [TP20/72](#)).

Cardinal is the subject of competing takeover bids from Nord Gold S.E. (**Nordgold**) and Shandong. The application concerned, among other things, whether Nord Gold S.E. (**Nordgold**) and MM Asset Management Inc. (**MMAM**) had come to an agreement, arrangement or understanding that MMAM would accept into the Nordgold bid in consideration for Nordgold increasing the offer price under its on-market bid for Cardinal on 2 September 2020 from A\$0.66 to A\$0.90 per share (**MMAM Arrangement**).

Shandong submitted that by virtue of the MMAM Arrangement, Nordgold had acquired a relevant interest in MMAM's Cardinal shares prior to MMAM accepting into the Nordgold bid, which resulted in Nordgold's voting power in Cardinal exceeding 20% in breach of section 606.¹

The Panel considered (among other things) that:

- Shandong did not provide sufficient probative material to justify the Panel making further enquiries as to whether Nordgold had acquired a relevant interest in MMAM's Cardinal shares prior to MMAM accepting into the Nordgold bid.
- MMAM's conduct in relation to the on-market disposal of its Cardinal shares following Nordgold announcing an increase in its offer price on 2 September 2020 was not economically irrational, including because the Shandong offer continued to be subject to a 50.1% minimum acceptance condition at that time.

¹ 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)

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The Panel concluded there was no reasonable prospect that it would make a declaration of unacceptable circumstances. Accordingly, the Panel declined to conduct proceedings.

The sitting Panel was Jeremy Leibler, Karen Phin (sitting President) and Sarah Rennie.

The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

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