



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP16/71

Thursday, 29 September 2016

Jervois Mining Limited – Panel Receives Application

The Panel has received an application from Jervois Mining Limited in relation to its affairs.

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

Jervois Mining Limited (**JRV**) is a listed mineral exploration company (ASX code: JRV).

Scandium Development International Pty Ltd (**SDI**) is a private company that holds 0.03% of JRV's issued capital. It is a wholly owned subsidiary of Strategic Specialty Metals Ltd, an unlisted public company.

SDI has put a number of proposals to JRV in relation to JRV's scandium assets and at least one proposal to subscribe for shares since mid-2014, all of which JRV has rejected.

JRV submits that since around September 2015, SDI has solicited support from other JRV shareholders regarding several proposals, including removal of the current directors of JRV.

At JRV's 2015 annual general meeting held on 27 November 2015 votes cast against the remuneration report (being 48.8% of the votes cast) constituted a "first strike" under the "two strikes" rule.¹ JRV submits that the voting bloc of SDI and its associates enabled the "first strike" to occur.

¹ Section 250R and Division 9 of Part 2G.2 of the *Corporations Act 2001* (Cth). All section references are to the *Corporations Act 2001* (Cth) unless otherwise indicated

JRV submits that the association is on-going and relates to voting shares constituting approximately 26% of JRV's issued capital.

JRV submits that SDI has formed an association with other JRV shareholders and SDI and its associates have each acquired relevant interests in voting shares in JRV in breach of section 606 and which have not been disclosed under section 671B. It further submits that, even if there is no contravention of the Corporations Act, the collective action constitutes unacceptable circumstances in accordance with ASIC Regulatory Guide 128.

JRV submits that the acquisition of control is not taking place in an efficient, informed and competitive market.

JRV seeks final orders, including in effect that:

- SDI and its associates must not proceed in accordance with a voting agreement, arrangement or understanding in connection with the affairs of JRV without making a bid or while the breach of sections 606 and 671B otherwise continues and
- SDI and its associates must not vote at JRV's annual general meeting to be held on 29 November 2016 or any adjournment thereof or any other general meeting of JRV in the period of six months from the date of the order.

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