



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP24/29

Wednesday, 29 May 2024

Westgold Resources Limited – Panel Receives Application

The Panel has received an application from Ramelius Resources Limited (ASX: RMS) in relation to the affairs of Westgold Resources Limited (ASX: WGX).

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

Westgold and Ramelius are both ASX-listed gold mining companies with operations in Western Australia. Karora Resources Inc is a TSX-listed mineral resource company established in Canada with mining interests located in Western Australia.

On 14 November 2023, Ramelius and Westgold entered into a mutual confidentiality deed which included a mutual standstill for a period of 12 months ending on 14 November 2024 (**Standstill Restrictions**).

On 8 April 2024, Westgold announced that it had entered into an arrangement agreement with Karora (**Arrangement Agreement**) pursuant to which Westgold is to acquire 100% of Karora via a Canadian plan of arrangement.

The Arrangement Agreement contains exclusivity arrangements including non-solicitation covenants, matching rights and an obligation to enforce any pre-existing confidentiality or standstill agreements. The Arrangement Agreement also includes a termination fee of C\$40 million payable by Westgold to Karora should Westgold terminate the Arrangement Agreement due to (amongst other reasons) its entry into a binding agreement with respect to a superior proposal (**Break Fee**).

The applicant submits (among other things) that:

- the Arrangement Agreement prevents Westgold from releasing Ramelius from the Standstill Restrictions without Karora's consent

- the Break Fee is equivalent to approximately 4% of Westgold's market capitalisation¹ and exceeds Panel guidance
- the Standstill Restrictions together with the Arrangement Agreement act as an unacceptable lock up device in respect of Westgold and
- Westgold's disclosure of an estimate of operational and corporate synergies arising from the Karora transaction is hypothetical and misleading.

The applicant does not seek any interim orders.

The applicant seeks final orders in relation to the Standstill Restrictions and to the following effect:

- the Arrangement Agreement be unenforceable against Westgold unless the Break Fee is amended and
- Westgold make corrective disclosure in relation to the estimate of synergies.

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¹ as at 5 April 2024 (assuming an exchange rate of A\$1:C\$0.892)