



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP20/69

Friday, 30 October 2020

Cardinal Resources Limited 03 – Panel Receives Application

The Panel has received an application from Samson Rock Capital LLP (**Samson Rock**) in relation to the affairs of Cardinal Resources Limited (**Cardinal**).

Details of the application, as submitted by Samson Rock, 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

Cardinal is the subject of competing takeover bids from Nord Gold S.E. (**Nordgold**) and Shandong Gold Mining (HongKong) Co., Limited (**Shandong**). For further background, see the media releases for *Cardinal Resources Limited* ([TP20/63](#)) and *Cardinal Resources Limited 02* ([TP20/64](#)).

Samson Rock holds approximately 5.5% of the issued shares in Cardinal and is Cardinal's largest shareholder outside of Nordgold and Shandong.

On 19 October 2020, Shandong made an announcement that its \$1.00 per share offer price under its unconditional off-market takeover bid for Cardinal was best and final in the absence of a higher competing offer. On 21 October 2020, Nordgold increased the price under its unconditional on-market takeover bid for Cardinal from \$0.90 to \$1.00 per share.

On 26 October 2020 at approximately 9.20am, Nordgold made an announcement that its \$1.00 per share offer price was best and final in the absence of a higher competing offer.

On 26 October 2020 at approximately 7.43pm, Shandong announced that “*should a higher competing offer be made or announced, [Shandong] intends to increase the [consideration] under its Offer to A\$1.05 per Cardinal Share*”. Shandong also announced an intention to extend its offer period to 7.00pm (Sydney time) on Thursday, 31 December 2020 (unless extended).

On 28 October 2020, Nordgold announced that it *“will make an off-market takeover for all of the outstanding share capital of Cardinal on the same terms as its on-market offer, subject to obtaining technical relief. The off-market offer will be free of conditions, provide accelerated payment terms and offer a price of A\$1.00 which, as previously announced, is best and final subject to there being no higher competing offer....shareholders who accept the off-market offer will therefore benefit from any increase to the offer price, should there be a higher competing offer and a subsequent increase from Nordgold. Nordgold believes that this removes any perceived advantage of the Shandong Offer...”* Nordgold also announced that, if a higher competing offer is made, it *“may increase its offer price under its off-market offer, including to A\$1.05 per share or another price that may defeat the higher competing offer...”*

On 29 October 2020, Nordgold announced an extension of its offer period until 20 November 2020.

Samson Rock submits (among other things) that the effect of the circumstances is that the auction for control of Cardinal has hit an impasse, *“with neither bidder able to increase its offer, and the very real prospect that neither will be able to be successful, so that control of the company will not be resolved through the bids”*, and there has ceased to be an efficient, competitive and informed market for control.

Samson Rocks seeks final orders that:

- each of Nordgold and Shandong be permitted to increase the offer price under their respective takeover bids above \$1.00 per Cardinal share, on the condition that, the successful bidder must pay compensation to any person who sold their Cardinal shares on-market after the date of the successful bidder’s best and final statement (being 19 October for Shandong and 26 October for Nordgold) but prior to the Panel making final orders and
- the amount of compensation payable to such a person will be an amount equal to: (i) the final offer price per share paid by the successful bidder; less (ii) the sale price per share received by that person when they sold on-market, multiplied by the number of shares sold-on market by that person.

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