



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP24/062

Thursday, 21 November 2024

Alara Resources Limited – Panel Receives Application

The Panel has received an application from Mr Kent Bedford¹ (the **Applicant**) in relation to the affairs of Alara Resources Limited (ASX: AUQ) (**Alara**).

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

On 4 November 2024, Alara announced its intention to undertake an underwritten renounceable 5 for 8 rights issue at an issue price of \$0.034 per share to raise up to approximately \$15.3 million (the **Offer**). It intended that the Offer will be fully underwritten by Mahe Capital Pty Limited and fully sub-underwritten by Al Tasnim Infrastructure LLC (**ATI**), which currently holds voting power in 13.88% of Alara. It is also intended that for every 2 new shares subscribed for under the Offer, eligible shareholders will receive 1 free attaching option with an exercise price of \$0.05 and a term of 2 years.

The Offer closed on 19 November 2024 with the new shares and options proposed to be issued by 26 November 2024.

The Applicant submits that the Offer is unacceptable because (among other things):

- the control effect of the Offer exceeds what is reasonably necessary for Alara's fundraising purposes and
- the size, pricing and structure of the Offer appear to be designed to exacerbate that control effect.

¹ On behalf of himself, Mr Steven Dahlin, Mr Sean Reeves and Mr Jason Prichard (each of whom are Alara shareholders)

The Applicant seeks interim orders including an interim order restraining the issue of new shares pursuant to the Offer or any other capital raising pending the outcome of the application.

The Applicant seeks final orders including:

- replacing the Offer with a rights issue at a 1-for-5 ratio unless Alara demonstrates a genuine need to conduct the Offer at a higher ratio
- requiring that all shareholders, including ATI, be treated equally in the allocation of shortfall shares
- preventing ATI from increasing its shareholding in Alara beyond 19.9% pursuant to the Offer (whether amended or not) and
- requiring shareholder approval as a precondition to any rights issue sought by Alara within two years of the final orders.

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