
Cape Lambert to take 37% stake in DMC

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Cape Lambert Iron Ore Ltd will take a 37% stake in smaller iron ore explorer DMC Mining Ltd without triggering a takeover.

As per report Cape Lambert Iron Ore will gain the interest through the conversion of a USD 2 million convertible note and exercise of five million unlisted options.

Mr Tony Sage executive chairman of Cape Lambert said that the move would not trigger a takeover because the transaction had been approved by DMC's investors at a general meeting in May.

Under the Corporations Act, a company usually must signal its intention to launch a takeover when it takes a greater than 20% interest in another party.

Mr Sage told AAP that "When we signed the deal, we would have only got 15% if we did it then but because the market has collapsed we were able to take a much larger per cent."

(Sourced from AAP)

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