

EXPLANATORY MEMORANDUM
AUSTRALIAN CAPITAL TERRITORY

Ordinance No. 9 1972

Companies (Uranium Mining Companies) Ordinance 1972

This Ordinance amends the Companies (Uranium Mining Companies) Ordinance 1970 of the Australian Capital Territory so that it does not operate against rights that accrued before 16 March 1972, a public announcement concerning the present Ordinance having been released at midnight on 15 March 1972.

2. The Principal Ordinance applies to two companies, namely Kathleen Investments (Australia) Limited and Queensland Mines Limited. The main features of the Principal Ordinance are that it -

- (a) limits to fifteen percent the total number of shares in those companies that may be held by persons not ordinarily resident in Australia,
- (b) limits to five percent the number of shares in those companies that may be held by one person not ordinarily resident in Australia or by a foreign corporation, and
- (c) requires a person or corporation having an interest in shares representing more than five percent of the issued capital of those companies to disclose the nature of the interest and circumstances in which it was acquired.

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3. The Principal Ordinance contains provisions to protect from its operation rights that had accrued before the announcement of the Government's intention to make the Ordinance. Section 12(3.) provides that transfers relating to the sale or other disposal of shares made before 18 September 1970 are not to be precluded from registration. Section 31(2.) provides protection from the compulsory disposal provisions for shares deemed to have become foreign shares before the commencement of the Ordinance.

4. The present Ordinance will extend the protection referred to in paragraph 3 above to transactions effected before 16 March 1972. This extension will protect acquisitions of shares in the two companies that took place following the collapse of Mineral Securities Limited at a time when it was not possible to ascertain with certainty whether the acquisitions would result in the prescribed limits for all foreign shareholdings being exceeded.

5. The extended protection referred to in paragraph 4 above is provided for in the following sections of the present Ordinance -

section 3: extends the protection in section 12(3.) with respect to the registration of transfers of shares to transfers relating to sales or other disposals of shares made before 16 March 1972;

section 7: ensures that the protection from liability for compulsory disposal will extend to any shares that became foreign shares before 16 March 1972;

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section 4: ensures that new shares that are issued will enjoy the same protection as the shares to which they are attributable;

sections 5 and 6: are ancillary to the provisions already mentioned and provide for appropriate dates to be specified in future certificates that shares are foreign shares;

section 2: is a further ancillary provision to ensure that the Ordinance does not, in consequence of the extended protection provided, apply to shares in Queensland Mines Limited held by Kathleen Investments (Australia) Limited.

6. The present Ordinance will have the effect of prohibiting further sales of shares to foreigners until such time as disposals by foreigners have reduced the total foreign shareholdings to below the fifteen percent limit referred to in paragraph 2(a) above.