

HD MARKET WEAKER AT MIDDAY, HIGHER JUN DEFICIT A DAMPENER

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The S&P/ASX200 at midday is down 18.8 points to 5522.1 on lightish volume worth \$1.4 **billion**. There were 411 issues higher and 468 down. The SPI Futures is down 18 points to 5466 on lightish volume of 8869 contracts. Aussie 10 year bond yields are up 1 point to 3.49%. The \$A is at 93.23US c, down about 10 points from early levels.

*The banks contributed 6.7 negative points to the index, insurers contributed 0.5 negative points, resources contributed 5.2 negative points, **property** trusts contributed 0.1 positive points, retailers contributed 1.1 negative points and Telstra contributed 0.2 positive points.

The Nikkei Dow futures is down 20 points to 15,440 points, Shanghai CSI physical is down 9.82 points to 2213.51, Hang Seng futures is down 22 points to 24,493 points, S&P futures is down 1.9 points to 1930.20, Nasdaq futures is down 3.75 points to 3893 points, Dow futures is down 14 points to 16,472.

Spot **gold** is steady at \$1289. Crude futures is up 11c to \$98.40.

Our market is down at midday perhaps following a disappointing balance of trade number, while earnings reports so far are mixed. The RBA is not likely to change the current interest rate of 2.5% when it makes its announcement this afternoon, according to consensus.

Meanwhile, **China**'s decision to ban the use of **coal** in the Beijing precinct is not good news for Aussie **coal** stocks.

"High will be 5561. Low will be 5530. Close at 5544, up 3.1 points"

Daniel Goulding, the author of "The Sextant Market Report" said, "Our market looks set to open higher with the local futures contract pointing up 4 points. US equities managed to close higher overnight, although the volume on the move suggests it is just a bounce, rather than the initiation of a new rally.

"Widening credit spreads and the under performance of the banks and small cap stocks in the US, are indicative of tightening liquidity, which by extension, implies further downside for equities in due course.

"But none of this matters for today. The high will be 5561. The low will be 5530. When the dust has settled, the market will have closed at 5544, up 3.1 points'.

THE S&P/ASX200 CLOSED DOWN 15.5 POINTS TO 5540.9 POINTS LAST EVENING.

ECO NEWS

Deficit of \$1.636 bln in June, up 52% on May deficit

The ABS reported in trend terms, the balance on goods and services was a deficit of \$1,636m in June 2014, an increase of \$558m (52%) on the deficit in May 2014.

In seasonally adjusted terms, the balance on goods and services was a deficit of \$1,683m in June 2014, a decrease of \$360m (18%) on the deficit in May 2014.

In seasonally adjusted terms, goods and services credits rose \$125m to \$26,620m. Rural goods rose \$135m (4%), non-monetary **gold** rose \$68m (7%) and net exports of goods under merchanting rose \$1m. Non-rural goods fell \$116m (1%). Services credits rose \$38m (1%).

In seasonally adjusted terms, goods and services debits fell \$235m (1%) to \$28,302m. Capital goods fell \$174m (3%), consumption goods fell \$85m (1%) and non-monetary **gold** fell \$14m (4%). Intermediate and other merchandise goods rose \$10m. Services debits rose \$29m.

In original terms, the balance on goods and services for 2013-14 was a deficit of \$6.1b, a fall of \$14.0b (70%) on the deficit of \$20.0b recorded in 2012-13, resulting from a \$30.3b (10%) increase in goods and services credits partly offset by a \$16.3b (5%) increase in goods and services debits.

TOP STOCKS

*Cochlear has shot up \$5.29 to \$67.83 on 555,428 shares - with the outlook, following the release of several products and several others planned heartening the market.

*Dow is down 18.5c to \$4.59.5 on 2.6m shares after "telling it like it is" - with no great hopes for short term upside.

*Transurban is down 1c to \$7.64 on 1.89m shares on its profit result, below.

*Crown is down 66c to \$15.16 on 5.99m shares on its Las Vegas **acquisition**.

Among the financials, AMP is down 1c to \$5.34 on 3.86m shares, ANZ is down 14c to \$33.20 on 1.5m shares, CBA is down 33c to \$82.25 on 2.3m shares, NAB is down 14.5c to \$34.62.5 on 1.2m shares, Westpac fell 11.5c to \$33.73.5 on 1.8m shares.

Among the TMT's Telstra is up .5c to \$5.43.5 on 5m shares, Telecom NZ is up 1c to \$2.61 on 466,572 shares, SingTel has gained 3c to \$3.36 on 201,975 shares.

Among the resources BHP is down 29.5c to \$38.00.5 on 2.3m shares, RIO is down 13c to \$65.30 on 613,244 shares. Fortescue is down 9.5c to \$4.64.5 on 8.28m shares. Atlas is down 4.3c to 66.7c on 13.9m shares, Iluka is down 14c to \$8.57 on 649,830 shares, PanAust is up .5c to \$2.26.5 on 351,907 shares, Western Areas is up 4c to \$4.95 on 336,748 shares.

Among the oils, Woodside is up 16c to \$42.09 on 1.13m shares. Santos is down .5c to \$14.11.5 on 943,550 shares. **Oil** Search is up 4c to \$9.34 on 1.3m shares.

Among the golds, Newcrest is down 10c to \$10.70 on 1.15m shares, Oceana is down 7c to \$3.04 on 1-2,969 shares, Resolute is down 1.8c to 58.7c on 1.4m shares. Alacer is down 6c to \$2.42 on 112,627 shares. Medusa is down 14.5c to \$1.40 on 2.9m shares.

AT THE SMALLER END

*Mobile Embrace is down 1.5c to 23.5c on 5m shares despite a strong result.

*Credit Corp is up 19c to \$9 on 267,000 shares on its profit result.

*Treasury **Group** is up 87c to \$10.54 on 140,000 shares on the announcement below.

*Tangiers is down 9.2c to 3.8c on 27.9m shares on the report below.

*Buxton is down 4.5c to 29.5c on 1.7m shares, and Triton is down 4.5c to 41c on 13.2m shares with the market having had a surfeit of graphite hopeful currently.

*Mnemon is up 17c to \$1.63 on 224,283 shares on the report below.

NEW LISTING

New listing:

Bellamy's Australia Ltd (BAL) is trading at \$1.27 on 4.9m shares on 322 shares traded, a gala debut for the **company**, following an issue of up to 25 **million** shares at \$1 per share including the transfer of 10.9 **million** by existing shareholders. Following the listing shares on issue will be 95 **million**, with 2.2 **million** options.

Bellamy's is a Tasmania based food **business** with a range of organic food and formula products for babies and toddlers. The products are all Australia made and certified organic.

It offers over 30 products, tailored to age groups from birth to 3 years.

In Australia, Bellamy's products are available in major supermarkets and pharmacies, in **China** via a distribution network across the major cities, in major supermarkets in Singapore and **Hong Kong** and via distribution networks in Vietnam, Malaysia and New Zealand.

Total sales growth for 2015 are forecast as \$83.8 **million**, with historic growth in sales of 78% in 2013, 99% in 2014 and 40% in 2015.

The indicative annual dividend yield based on a payout ratio of 30% and pro forma forecast 2015 NPAT is 1.6%.

Directors:

Ian Urquhart, Independent Non-executive chairman

Member of the Remuneration and Nomination Committee

Chair of the Finance, Audit and Risk Committee

Ian was appointed as a non-executive director and the **company** secretary on the formation of the **Company** in 2007. He resigned as **Company** Secretary in June 2014.

Ian brings a wealth of financial expertise and **business** experience to the **Board**, having previously been a Chief Financial Officer and director of the PGA **Group** Pty Ltd for over thirty years and teaching finance and accounting at Monash University.

Ian has a Bachelor of Commerce, a Masters in Administration and is a certified practising accountant (CPA).

Laura McBain, Managing Director and CEO

Laura has overseen significant change, innovation and **business** growth since her appointment as General Manager of Bellamy's in 2006 and subsequent appointment as Chief Executive Officer ("CEO") in 2011 and Managing Director and CEO in 2014.

Prior to joining Bellamy's, Laura practised as an accountant and specialised in the areas of providing **business** advisory and taxation services.

Laura holds a Bachelor of Commerce and in 2013 completed the IMD Leadership Challenge. In 2013, Laura was named as the Telstra Tasmanian **Business** Woman of Year 2013 and she went on to be named the Telstra Australian **Business** Woman of Year for 2013 (Private and Corporate).

Michael Wadley, Independent Non-executive Director

Chair of the Remuneration and Nomination Committee

Member of the Finance, Audit and Risk Committee

Michael was appointed a Non-executive Director in 2014.

Some 12 years ago Michael relocated to Shanghai where he now resides with his family.

Michael has extensive experience over the past 20 years providing corporate advisory and legal services to foreign investors throughout **China** and to **Chinese** groups investing offshore.

Michael is a principal at Wadley Consulting Shanghai Co. Ltd, a Senior **China** Consultant for Hopgood Gamin, on the **Board** of Directors of the Australian Chamber of Commerce in Shanghai and is a Co-Chair of the Chamber's Financial Services Industry Working **Group**, a committee member of the Australian **China Business** Council, Queensland, and a member of the Australian Institute of **Company** Directors.

Michael holds a Bachelor of Laws from Queensland University, and is admitted to practice the Supreme Court of Queensland, the High and Federal Courts of Australia, and is registered as a foreign lawyer in **China** and **Hong Kong**.

NEWS OF THE DAY

Perth Mint sales of **gold** and silver fall to 3 month low in July

The Perth Mint's sales of **gold** and silver dropped to a three-month low in July, as increasing optimism about global economic growth curbed appetite for the

precious metal. The Perth Mint runs the only **gold** refinery in Australia, the

world's second-biggest **gold** producer after **China**. Sales of **gold** coins and minted bars nearly halved to 25,103 ounces in July from the same period a year ago, data available on the mint's website showed.

Silver sales totalled 577,988 ounces last month. **Gold** and silver sales in July were the lowest since April.

China to ban **coal** use in six main districts by end 2020 - Xinhua

"The Age" reported quoting **China**'s official news agency Xinhua, Beijing will ban **coal** use in its six main districts by the end of 2020, state media cited the Beijing Municipal Environmental Protection Bureau as saying, as the **Chinese** capital steps up efforts to combat air pollution.

Beijing and the surrounding area in **China**'s northeast is often wreathed in noxious smog, which has been cited as a factor in high rates of lung cancer.

Dongcheng, Xicheng, Chaoyang, Haidian, Fengtai and Shijingshan districts will all stop using **coal** and **coal** products and shut down **coal**-fired power plants and other **coal** facilities, the official Xinhua news agency said on Monday.

In 2012, **coal** made up one-quarter of the city's total **energy** consumption, Xinhua quoted official statistics as saying.

Fuel **oil**, petroleum coke, combustible waste and some biomass fuels will also be prohibited as part of the effort to fight pollution, Xinhua said.

Ex div: DJW ex 16c; FRI ex 6c.

LARGE CAP INDUSTRIALS

*ANZ: Govt, IFC support ANZ's mobile banking expansion in Solomon Islands

Australia and New Zealand Banking Corporation announced an agreement with the Australian Government to support the increased roll out of mobile banking and financial literacy programs to a further 65,000 Solomon Islanders previously excluded from traditional banking services.

The Australian government will provide additional funding to assist ANZ to improve access to phone banking in remote areas as well as delivering dedicated financial literacy training, with a particular focus on women in rural communities.

Both parties acknowledged the key role played by the International Finance Corporation in facilitating the agreement and looked forward to working with the IFC in facilitating the agreement.

ANZ goMoney was the first mobile phone banking channel in the Solomon Islands. Since its launch in September 2013 it has attracted 17,000 new customers, including 10,000 who had never previously held a bank account.

*COH: Full yr NPAT down 29%, rev up 7%, \$1.27c div part fr/outlook positive

Cochlear Ltd announced for the year ended June 30 net profit after tax was down 29% to \$93.709 **million** on total revenue up 7% to \$804.936 **million**.

A final \$1.27c dividend franked to 25.4c was announced, record date September 4.

Basic eps was down 29% to 164.6c.

NTA backing per security was down 20% to 166.6c.

Cochlear said in the report sales revenue momentum driven by new products continued into the second half, with the second half NPAT of \$72.7 **million** in line with guidance provided in February 2014.

Second half sales revenue was up 18% on the first half and up 28% on the 2nd half 2013.

Outlook

Dr Chris Roberts, CEO and President said in the report Cochlear delivered on its commitment to introduce a range of new products to the market and drive growth.

"While it is still early in the product release cycle, record sales in the second half gives us confidence as we go into fiscal 2015".

Analysts expectations: \$105 mln/104.2 mln/\$98.8 mln, div 127c/\$97 mln.

*A leading broker with a "neutral" recommendation on July 28 said investors will be focused on the take up of recent new product launches, i.e. the N6 processor (US and Europe), the Aqua+ accessory and the re-launched N5 (Europe only) implant. The broker's price target is \$62.

*Two brokers had "lighten" and "underweight" recommendations on July 20 and July 31 respectively.

One broker with a price target of \$56.72, up from \$55.76, said, "Despite impressive cost control, margin is ultimately unsustainable considering the increasingly competitive environment".

The other broker with an "underweight" recommendation on July 31 had a price target of \$44.68. the broker said results point towards faster market C1 growth for 2014, with growth in bi-laterals likely to be the driver of this gain. "For COH to meet guidance requires significant market share restoration. Meanwhile, Advanced Bionics reported 50.2% revenue growth in six months to March 31 2014 on market share gains'.

*DOW: NPAT flat, 12c ff div/lower profit f/cast in 2015/longer term positive

Downer EDI Ltd for the year ended June 30 announced a net profit after tax up 0.2% to \$215.952 **million** on revenue down 15.3% to \$7.734 **billion**.

A final 12c fully franked dividend was announced, record date August 19. The dividend was vs 1n 11c part franked final last year. The DRP has been suspended.

EPS before interest and tax after individually significant item was down 4.9% to \$341.118 **million** and before individually significant item was down 7.9% to \$341.118 **million**.

Basic eps is 48.3c vs 45.7c last year.

Diluted eps is 46c vs 43.1c last year.

NTA backing per security is 315.2c vs 289.5c last year.

Guidance

Downer EDI Ltd announced in its outlook statement that while the forward outlook varies by market, with government related expenditure on capital and services looking promising while resource based expenditure is expected to be flat, or declining from the current low levels, "for the 2015 financial year, Downer is targeting NPAT of around \$205 **million**".

However while **mining** commodity markets are currently very difficult for a number of Downer's major customers with a short term impact on service providers like Downer being hard to predict, longer term this pressure will drive increased demand for Downer's services as companies look for more efficient service delivery.

Analysts expectations: \$214.8 mln/\$213.5 mln, div 11c/\$220.9 mln.

*On July 25 a leading broker retained an "add" on Downer EDI, expecting it to beat on P&, operating cash flow, net cash and likely full year 2015 guidance (where consensus is going backwards). A good result is starting to be factored into the price, but the share price could run further as it is trading at a discount to peers'.

*TCL: Prop EBITDA up 12.8%, distrib pre announced/outlook positive

Transurban Ltd for the year ended June 30 announced statutory net profit attributable to members increased 64% to \$282 **million** on revenue down 3.8% to \$1.150 **billion**.

Total toll, fee and other road revenue increased by 12.9% to \$1.001 **billion**.

Proportional EBITDA rose 12.8% to \$934 **million**.

Free cash increased 29% to \$572 **million**.

A final distribution of 17c plus final dividend of 1c vs a final distribution of 2c and final dividend of 3.5c last year was declared on June 30. The DRP was available, record date was June 28.

The **group** has 100% of CCT Motorway **Group** Holdings Pty Ltd and subsidiaries, Translink **Operations** Pty Ltd, Transurban DRIVE Holdings LLC and subsidiaries and Capital Beltway Express LLC, no changes during the year. It has 50% of each of WSO Co Pty Ltd, 50% of Westlink Motorway, 50% of WSO Finance **company**, 50% of Westlink Motorway Partnership, 50% of Interlink Roads and 75% of Transurban DRIVE Holdings LLC, no changes during the year.

Guidance

The **board** reaffirmed distribution guidance for the year ended June 30 2015 of 39c per security, 100% cash covered.

CEO Scott Charlton said in the report the 2014 financial year was a very active period for the **group**. It made headway in network enhancing projects and expanded its footprint in Australia through the **acquisition** of Queensland Motorways and Sydney's Cross City Tunnel, but the core focus was efficient operation of its existing networks.

Analysts expectations: Neg \$400,000, div 18c/\$140.8 mln/\$214.8 mln

*A leading broker on August 1 had a "neutral" recommendation for Transurban **Group** with a price target of \$7.52.

*One leading broker with an "add" recommendation and a price target of \$7.97, up from \$7.29 said "TCL remains our top pick in the transport infrastructure space given its unparalleled suite of assets and strong growth prospects. Trading at 18.8x full year 2015 EV/EBITDA with a 5.1% yield and 9% DPS growth p.a. over the next three years we maintain our Add rating on an increased \$7.97 target price".

*Another leading broker with a "**buy**" recommendation and a \$8.40 target price said it expects a first year proportionate EBITDA contribution from NorthConnex of around \$42 **million** in 2020 which grows to \$58 **million** in full year 2125 and at around 6% p.a. thereafter.

The broker reduced its traffic growth assumptions on the Westlink M7 from 2018 onwards reflecting a slowdown in demand from heavy traffic due to the impact of the truck toll multiplier.

The broker (which has a Nil net earnings report for 2014) said it continues to view the stock's 10% p.a. average 5 year distribution growth and near term catalysts as attractive. It retained a "**buy**" recommendation and \$8.40 price target.

LARGE CAP RESOURCES

*WSA: Lifts reserve Ni tonnes by 7,572 Ni tonnes at avg grade of 6.5% Ni

Western Areas Ltd announced following its standard review of drill data post financial year end, the Flying Fox mine **ore** reserve nickel tonnes have been increased by 7,572 nickel tonnes at an average grade of 6.5% nickel.

The increase in **ore** reserve of 7,572 nickel tonnes is after depletion of reserves up to June 30 2014 which were disclosed in the June quarterly report.

Western Areas managing director Dan Lougher said in the report the additional revenue tonnes are mainly located in the T5 area at robust grades averaging 6.5% nickel. "From a revenue perspective this upgrade adds around \$A100 **million** of processed concentrates at today's nickel price.

Structural remodelling of the geological units and interpretation of the 3D modelling has generated several new targets that are being investigated. (Aug 4)

MID TO SMALL INDUSTRIALS

*ASL: Extends suspension request

Ausdrill Ltd asked for further suspension to allow it further time to assess the expected impairment charge for the financial year ended June 30 and the effect of a change in tax status of Ausdrill's **operations** in Mali. (Aug4)

*BAL/BGA: **China** registers Tatura as o/seas producer for infant formula

Bellamy's Australia Ltd (listing today) announced the Certification and Accreditation Administration of the People's Republic of **China** has officially registered Tatura **Milk** Industries as an overseas production enterprise for infant formula. Tatura is Bellamy's organic infant formula manufacturing partner in Australia.

*CCP: NPAT up 9%, 20c ff div, DRP susp/outlook positive

Credit Corp **Group** Ltd for the year ended June 30 announced a net profit after tax up 9% to \$34.765 **million** on revenue up 22% to \$173.998 **million**.

A 20c fully franked final dividend was announced, record date September 26. The DRP has been suspended.

In highlights the directors said there was 16% growth in underlying net profit after tax to 434.8 **million**.

Record **purchased** debt ledger (PDL) acquisitions were \$145 **million**.

There was continued growth in the consumer lending book to \$63 **million**.

It expects the transition of consumer lending to profitability in full year 2015.

The **company's** operational performance in the Salt Lake City **site** in the US has been strong with collection outcomes in line with pro forma expectations. It will continue to make selective **purchases** at compromised returns while positioning the US **business** for upside.

2015 outlook

While PDL **purchases** are not expected to reach the record levels achieved in 2014, the core domestic debt buying **business** will produce solid earnings growth in 2015. The US debt purchasing **business** remains a strategic opportunity.

Initial guidance for the 2015 financial year is for NPAT of \$36.38 **million**, dividend of 39/42c, net lending of \$40/50 **million**, PDL acquisitions of \$70/90 **million**.

*CQA: Conquest Agri confirms takeover of Priority One

Conquest Agri Ltd chairman Larry Shutes announced it has completed due diligence on Priority One Network **Group** Ltd to its satisfaction under the non binding HOA referred to in ASX release dated April 11. (Aug 4)

*ECV: Vic Govt change to Greening Govt Bldgs impact/bidding on NSW startup

EcoSave Holdings Ltd advised changes to the Victorian Government's Greening Government Buildings (GGB) program has included the requirement for government agencies to self fund future projects rather than accessing treasury funds via a loan.

This is expected to reduce the value of future works under the EPB program by 15% of the previous GGB program.

The changes are expected to have a material impact on the number and size of future Victorian Government **Energy** Performance Contracts. The value of future works under the new EBP program is expected to be 15% of the previous GGB program. This has delayed and reduced Ecosave's pipeline of 6 Victorian EPCs with only 1 commencing during the 2014 financial year with the value to ECV reducing from a previously estimated \$16 **million** to an estimated \$10 **million** including 1 EPC contract not proceeding.

Meanwhile the NSW Government **Energy** Savings Scheme (ESS) administered by the Office Environment and Heritage has commenced. OEH has launched the program's first two EPCs via an Expression of Interest process.

Ecosave has completed the bid for the first EPC and recently commenced the bid for the second.

*EPD: Record NPAT, profit, EBITDA, ff div to be announced/outlook positive

IT **company** Empired Ltd for the year ended June 30 2014 announced a record net profit before tax of \$4.3 **million**, up 119%, record EBITDA of \$7.1 **million** up 98% on record revenue up 44% to \$67 **million**.

A final fully franked dividend will be announced on the release of audited accounts.

Underlying EBITDA was up 98% to \$5.7 **million**.

Positive operating cash flow was \$5.3 **million**. Cash in hand at June 30 is \$8 **million**, net interest bearing debt is \$5.2 **million**.

The **company** in strategic highlights for the year included the **acquisition** of OBS Pty Ltd in October 2013 adding \$32 **million** of annualised revenue across the East Coast and cementing Empired as the largest Microsoft SharePoint partner in Australia.

EPD acquired eSavvy Pty Ltd in May 2014, doubling the Sydney office and cementing Empired as the largest Microsoft CRM partner in Australia.

Empired has secured a \$50 **million** contract with a major resources **company** with potential for considerable upside and a \$46 **million** contract with Main Roads WA, underpinning contracted revenue for the next 5 years.

EPD during the year raised \$15 **million** of **equity** capital through an institutional placement.

Outlook

Managing director Russell Baskerville said the **group** looks forward to delivering another transformational year in 2015.

The **company** enters full year 2015 with approximately 45% of revenue contracted. (Aug 4)

*MBE: 541.51% profit lift for yr, revenue up 57.26%, no div

Mobile Embrace Ltd for the year ended June 30 2014 announced a net profit up 541.51% to \$2.49 **million** on revenue up 57.26% to \$19.27 **million**.

EBITDA was \$3.149 **million** vs \$1.068 **million** last year.

No dividend is proposed.

NTA backing per security is 4.7c vs 1.5c last year.

*NNW: Strategic review, potential listing on alternative exchange

99 Wuxian Ltd advised it has initiated a strategic review to assess its listing structure and location, including a potential listing on an alternative international exchange. The **company** expects to complete the review during the Decemebr quarter.

The decision to implement the review followed the significant growth and progress 99 Wuxian made in building a market leading **Chinese** B2B 2C **m-commerce** platform.

*SDF: Takes 50% of reinsurer Steadfast Re, supported by Beach & Assoc

Steadfast **Group** Ltd announced it has agreed to take a 50% **equity** interest in Steadfast Re Pty Ltd, the former Australian and New Zealand reinsurance broking **business** of Beach & Associates Ltd with forecasted 2015 EBITA of approximately \$1 **million**.

Steadfast MD and CEO Robert Kelly said in the report Steadfast Re will be the only Australian owned reinsurance broker supporting Australian and New Zealand insurers and it will have the endorsement of Steadfast and an international reinsurance broker, Beach & Associates. Simon Cloney, the CEO of Steadfast Re paid tribute to Beach for their support over 10 years and looked forward to working with Steadfast as it continues to deliver reinsurance solutions to existing and future clients.

*TRG: TRG/US boutique LIC Northern Lights to **merge**/TRG fin div 27c ff

Treasury **Group** Ltd announced a merger with Northern Lights Capital **Group**, a US based multi boutique asset management **business** with funds under management of \$A24.2 **billion** across 13 associated fund managements businesses (boutiques).

Northern Lights contributed at **transaction** value \$A193 **million** equivalent to a trailing proforma 2014 p/e of 12.3x.

Transaction overview

A new Australian Trust and Trustee **Company** will be established. TRG and Northern Lights will each receive units in the Trust, equivalent to approximately 61% for TRG and 39% for Northern Lights.

The **business** will operate as one **group** under a common **board** of directors including the five existing TRG directors, to be joined by Northern Lights co-founders Tim Carver and Paul Greenwood and two others who will join as non exec directors. Initially the two groups will continue to operate under their existing names and brands.

The merger is expected to be materially eps accretive to TRG on completion. It creates a diversified international portfolio of asset management companies with combined funds under management of \$40.6 billion. Completion is expected in October 2014.

Final dividend

TRG also announced a final 2014 dividend of 27c fully franked.

MID TO SMALL RESOURCES

*BUX/MZM: Further strong results at Yalbra graphite project

Buxton Resources Ltd announced results for a further 7 holes received to date from infill and extensional drilling at the Yalbra graphite project (BUX 85% MZM 15%) to the east of the Gascoyne junction in Western Australia include 39m at 18.1% TGC including 11m at 24.2% TGC in YBRC017, 30m at 19% TGC from 48m including 10m at 25% TGC in BYRD016.

Results show significant extensions of high grade graphite mineralisation along strike to the west of the existing resource.

An additional 7 drill holes from the program are yet to be reported.

*HGO: 1 for 8 consolidation followed by unmarketable **sale** process

Hillgrove Resources Ltd, the owner of the Kanmantoo **copper** mine in South Australia advised a 1 for 8 share consolidation followed by an unmarketable parcel **sale** process.

*MNZ: Backdoor listing for e-commerce **group** ex Caledonia Investments

Mnemon Ltd announced it has agreed to a **transaction** with Grays (Aust) Holdings Pty Ltd that if completed will result in a combination of the two businesses.

Grays is an Australian e-commerce **company** operating in the B2B and B2C segments of the market.

Grays is owned by current and former employees and interests associated with Caledonia Investments, a privately owned Australian investment manager.

The **transaction** will see MNZ **acquire** 100% of Grays via a scrip for scrip offer to Grays shareholders. Grays shareholders will not be selling down their interests and no new money will be raised in conjunction with the **transaction**.

The **transaction** will create an e-commerce **group** with gross sales in excess of \$440 million and a pro forma 30 June 2014 net cash position of more than \$10 **million** after expected **transaction** costs. The combined **group** will bring together premium e-commerce retail brands including DealsDirect, Top **Buy**, GraysOnline and 00.com.au with a combined customer database of 6.2 **million**.

*MTE/CBX: Scrip offer for remaining 43% of Cape **Alumina**

MetroCoal Ltd announced it intends to make an off market takeover offer for the remaining 43% of shares in Cape **Alumina** it does not already own, on a 1 for 1.3 Cpe shares basis. The offer represents a premium of approximately 35% to the 20 day VWAP to August 1 2014 for each Cape share.

If the takeover bid is successful the merged entity will hold extensive bauxite tenements in Cape York, including the Bauxite Hills Project as well as an interest in extensive thermal **coal** in the Surat Basin and over \$6 **million** in cash.

If Cape becomes a wholly owned subsidiary then approximately 4500,000 p.a. will be saved from not having to maintain Cape as an ASX public **company**. (Aug 4)

*SVL: Due diligence over 50% of silver rich project in Central Mexico

Silver Mines Ltd announced it has executed a MOU with the private owner of a silver-rich polymetallic operation in Zacatecas state, Central Mexico. SVL has an exclusive 90 day period for due diligence,

which if successful delivers SVL the right to earn 50% of project, including plant for an investment of \$US2 million over 3 years.

SVL and the current owners will form a j/v as 50/50 partners once the earn in is complete.

Terms include an initial \$US2 million over a 3 year period including a minimum of \$US250,000 in the first year.

*TPT: TAO-1 did not encounter hydrocarbons, will be plugged and abandoned

Tangiers Petroleum Ltd advised the TAO-1 exploration well in the Tarfaya Offshore Block Morocco was drilled to a total depth of 3,518m MD and did not encounter favorable reservoir quality at Trident. The well will now be plugged and abandoned.

Managing director Dave Wall said in the report the board and management looks forward to providing updates on New Ventures initiatives in the not too distant future. (Aug 4)

*UNX: Further positive results at Nachu graphite project, visible flakes

Uranex Ltd announced the longest continuous graphitic intercept found to date is 65m downhole graphitic schist with visible graphitic flakes in the first drillhole, NARC063 of Block F of the 2014 drilling program.

The third drill rig is on site. The core drill rig is joining the two RC drill rigs for the rapid progress of the JORC compliant resource at the Nachu Graphite project in south east Tanzania. The first batch of samples is in transit to an Australian laboratory.

*WCN: Trenching in Kyrgyz field program hit up to 2m at 3.23% Cu, 4.5gpt Au

White Cliff Minerals Ltd announced results from several new trenches completed in this year's Kyrgyz field program have extended the mineralisation identified in the first two trenches reported and has identified new mineralised zones.

Trench results include 2m at 3.23% Cu and 4.5gpt Au including visible gold in last sample. The trench is being extended, also 5m at 3.2gpt Au and 2m at 2gpt Au plus 3m at 2.4gpt Au and 0.67% Cu.

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