

HD CLOSSES DOWN BUT WELL OFF EARLY LOWS AFTER CHINA ECO

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The S&P/ASX200 closed down 10.9 points to 5295 after an early low of 5259.9 on light volume worth \$3.1 billion, typical of a Monday. There were 467 issues higher and 501 down. The SPI Futures closed down 10 points to 5257 on light volume of 16,352 contracts. Aussie 10 year bond yields were steady at 4.10%. The \$A is at 87.80US c, up about 10 points on Saturday levels.

*The banks contributed 6 negative points, resources contributed 1.5 positive points, property trusts contributed 0.2 negative points, retailers contributed 1.6 negative points and Telstra contributed 0.5 negative points.

At 4pm AEST the Nikkei Dow futures was down 90 points to 15,660 [points, Shanghai CSI physical was down 8.48 points to 1996.47, Hang Seng futures was down 155 points to 23010. S&P futures was down 0.4 points to 1833.90. Nasdaq futures was down 0.35 points to 3584.5. Dow futures was up 2 points to 16,398.

Gold futures were up \$2.80 to \$1254.7. Crude futures were down 0.72 points to 93.65US c.

The market came off its lows and the \$A rose a touch after China's eco numbers were posted, in line with expectations.

Gold was the shining light, all other sectors fell, led down by the banks.

With the US on holiday tonight participation was subdued.

"Up about 6 or 7 points .. people certainly have more confidence"

"Bernborough" said, "I don't expect much today - up about 6 or 7 points. People certainly have more confidence, but still don't quite know what to do".

The S&P/ASX200 closed down just 3.2 points to 5305.9 on Friday.

TOP STOCKS

*Paladin was up just a half cent to 56.5c on 45.39m shares after announcing the sale of a 25% stake in Langer Heinrich, long awaited, for \$US190 million.

*Origin rose 26c to \$14.09 on 1.7m shares.

*Mineral Resources rose 13c to \$11.12 on 638,430 shares.

*Silverlake rose 11c to 69c in 18.4 million shares after its quarterly report today. Gold stocks were higher almost across the board.

*Super Retail recovered 45c to \$11.24 on 3.3m shares after falling \$1.78 on Friday.

Among the financials, AMP closed down 4c to \$4.45 on 8.7m shares, ANZ fell 16c to \$30.87 on 3.7m shares, CBA was down 15c to \$75.32 on 2.1m shares, NAB fell 10c to \$33.64 on 2.9m shares, Westpac fell 3c to \$10.17 on 2.98m shares.

Among the TMT's Telstra fell 1c to \$5.23 on 25.7m shares, Telecom NZ was steady at \$2.23 on 1.58m shares. SingTel fell 1c to \$3.11 on 644,266 shares.

Among the resources BHP rose 11c to \$38 on 5.5m shares, RIO gained 17c to \$66.49 on 1.66m shares. Fortescue fell 1c to \$5.67 on 12.5m shares, Atlas was steady at 98c on 13.7m shares. OZL fell 6c to \$3.61 on 2.4m shares. Sandfire rose 12c to \$6.70 on 406,422 shares.

Among the oils, Woodside fell 32c to \$38.80 on 1.89m shares. Santos fell 6c to \$14.45 on 1.56m shares. **Oil** Search was up 3c to \$8.23 on 2.8m shares. Karoon rose 8c to \$3.87 on 678,157 shares - also announced Grace-8 in WA-314-P was drilling ahead, current hole section expected to contain the primary Lower Plover formation target (KAR 90%, ConocoPhillips the operator with 10%).

Among the golds, Newcrest rose 51c to \$9.70 on 5.7m shares, Alacer gained 14c to \$2.69 on 758,944 shares, Oceana was up 8c to \$1.90 on 1m shares. St Barbara rose 5c to 35.5c on 5.4m shares, Perseus rose 5c to 42c on 8.38m shares. **Gold** stocks were up across the **board**.

AT THE SMALLER END

*Blackham **Gold** rose 7.5c to 24.5c on 1m shares after Blackham acquired the Wiluna **Gold** Project from Apex Minerals NL (Receivers and managers appointed) (In liquidation) for total consideration of \$7.9 **million** including cash of \$2 **million**, replacement of **mining** bond securities of \$3.3 **million** and productoin royalties of up to \$2.6 **million** subject to target ounces extracted.

*TZL rose 2.5c to 18c on 926,440 shares on the report below.

*Unilife rose 10.5c to \$1.01 on 2m shares.

*Zicom fell 4c to 24c on 1.19m share after its profit warning, posted after the close on Friday.

NEWS OF THE DAY

China's GDP steady at 7.7% ..

China's GDP grew by 7.7% in 2013 over the previous year, according to **China**'s National Bureau of Statistics, a performance that matched the median estimate of a CNNMoney survey. Full-year expansion was supported by 7.7% growth in the final quarter of the year, beating the survey forecast of 7.6% by a whisker, CNN reports.

China Industrial Production falls more than expected ..

Industrial production in **China** fell more-than-expected last month, official data showed on Monday.

Chinese industrial production 9.7% vs. 9.8% forecast

In a report, National Bureau of Statistics of **China** said that **Chinese** Industrial Production fell to 9.7%, from 10.0% in the preceding month.

Analysts had expected **Chinese** Industrial Production to fall to 9.8% last month.

China's retail sales roars up 13.1%

Xinhua reports **China**'s retail sales grew 13.1% year on year to 23.44 trillion yuan (3.84 trillion U.S. dollars) in 2013, the National Bureau of Statistics said Monday.

*Iran sanctions will begin to be lifted - meeting its nuclear commitments

Reuters reports world powers and Iran are due to start implementing a landmark deal today curbing Tehran's nuclear program, expected to pave the way for a broad settlement of a decade old stand off. The UN nuclear watchdog is expected to confirm that Iran is meeting its end of the agreement and the EU and US will alter in the day suspend some economic sanctions in return.

*Deutsche Bank pre tax loss on charges

Deutsche Bank on Sunday announced a pre tax loss for the 4th quarter of Euro 1.2 **billion** after taking charges of some Euro 1.66 **billion** for valuation adjustments in areas of credit, debt and funding and others. Litigation costs in the final quarter were Euro 528 **million**.

For the full year pretax profit was Euro 2.1 **billion**.

*Russia is temporarily banning the import of beef by-products from Australia, citing the detection in shipments of a growth stimulant it prohibits and throwing into doubt exports that brought in around A\$10 **million** (\$8.81 **million**) last year for Australia.

The ban will be imposed from Jan. 27 and was prompted by the detection of the growth stimulant in several shipments, Russia's Veterinary and Phytosanitary Surveillance Service said in a statement on Thursday. It was not immediately clear when the ban will be reviewed, Reuters reported.

*Extracts from Barron's Week of January 20 RoundTable discussion Part 1 posted separately.

Our Darvas System related Special Report is on Mineral Resources Ltd today, posted separately.

Changes in substantials reported January 15, 16 and 17 inc posted separately.

Ex div: MHI ex 2c

LARGE CAP INDUSTRIALS

*AFI: NPAT up 10.8%, div 8c, DRP and DSSP at 2.5% disc

Australian Foundation Investment **Company** Ltd, founded in 1928, listed June 30 1962 and profitable and dividend paying since listing, for the half year ended December 31 2013 announced profit after tax was up 3.7% to \$137 **million** on the previous corresponding period (pcp) on revenue up 11.8% to \$150.4 **million**, including \$11 **million** of demerger benefits as a consequence of the Brambles/Recall and Amcor/Orora demergers.

Net operating result for the half year was \$137 **million**, up 10.8% on the pcp.

The interim dividend is 8c fully franked, steady with the pcp, Ex date is February 4, record date is February 10. A DRP and Dividend Substitution Share Plan are available at a 2.5% discount to VWAP for the five trading days after the shares trade ex dividend.

NTA backing per security before provision for deferred tax on unrealised gains was \$5.78 up from \$4.93 for the pcp, both before allowing for interim dividends.

The interest payment on the 6.25% CNs issued in December 2011 will be 43.0993 per \$100 Note, payable on February 28 2014 to note holders on the register on February 20. The notes are expected to commence trading ex interest basis on February 14.

Outlook

Managing director Ross Barker said in the outlook statement the domestic economy is facing a period of transition with declining levels of investment spending in the resources sector, further fiscal tightening and low levels of business and consumer confidence likely to produce subdued growth. Although a lower \$A and low interest rates may provide some support, the key to improvement will be meaningful improvement in productivity and business confidence.

"Against this backdrop we perceive the Australian **equity** market to be currently fully valued. We remain on the lookout for attractive long term investment opportunities but are prepared to be patient at this point".

Market Cap \$6.5b.

AFI down 4 cents to \$6.21

*BEN: Subordinated 10 yr debt at \$10,000 per instrument for insto investors

Bendigo and Adelaide Bank Ltd announced the marketing of a new subordinated debt issuance to institutional investors. The subordinated debt will be a fully paid, redeemable, subordinated and unsecured debt obligation. BEN is seeking to raise approximately \$200 **million** with the ability to raise more or less.

Notional face value is \$10,000 per instrument, floating interest ins 3 month BBSW + margin), maturity date is 10 years. BEN may redeem the instruments earlier than the Maturity Date in certain circumstances (subject to APRA's prior written approval). Holders have no right to request redemption.

Market Cap \$4.76b

BEN up 1 cent to \$11.61

*GFF: Andrew Hipperson, MD Australian business dies in motorcycle accident

Goodman Fielder Ltd announced with the deepest sadness the sudden death of Andrew Hipperson, MD of the **company's** Australian business in a motor cycle accident south of Nowra, NSW on January 18.

Market Cap \$1.32b

GFF down 0.5 to 67.5 cents

*SGM: 1st half results announcement Feb 14

Sims Metal Management Ltd will release its 2014 first half result on the morning of February 14.

Market Cap \$2.19b

SGM down 2 cents to \$10.69

*SXL: Passing of CFO

Southern Cross Media **Group** Ltd announced the passing yesterday of its Chief Financial Officer, Stephen Kelly. The **board** paid tribute and offered deepest sympathies to his wife Alex, children Josh and Ben and his many friends.

Market Cap \$1.1b.

SXL down 5.5 cents to \$1.58

*SYD: Record year, December the busiest month ever

Sydney Airport for the month of December 2013 announced calendar 2013 was the busiest year on record for the airport, serving 37.9 **million** passengers over the year while December was the busiest month, serving 3.4 **million** passengers and December 21 was the busiest day ever at the international terminal where over 47,300 passengers as well as "meeters and greeters".

Over the month international traffic rose 5.2% to 1,233,000 and was up 4.1% to 12,753,000 for the year, domestic traffic was up 2.6% to 2,183,0900 for the month and up 1.9% to 25,040,000 for the year.

Inbound passenger growth for the month was led by UK, **China** and Singapore nationals. **Chinese** growth was supported by the commencement of the Sichuan Airlines twice weekly service to Chongqing while the Singapore growth was driven primarily by the addition of dedicated capacity.

Australian outbound growth of 4.8% was significantly higher than the year to date growth rate with the most popular Australasian business and leisure destinations being Malaysia, **China**, Philippines and New Zealand.

Market Cap \$8.47b.

SYD up 3 cents to \$3.86

*TTS: Tatts puts its case for continued exclusivity beyond June 30 2014

Tatts **Group** Ltd announced its race wagering licence in Queensland under Wagering Act 1998 (QLD) has been granted to June 30 2098 and provides Tatts with "bricks and mortar" retailing exclusivity for race wagering in Queensland until June 30 2014 (excluding phone and online selling).

Tatts is seeking to extend the exclusivity fee beyond June 30 2014.

Racing Queensland has issued an invitation to lodge Expressions of Interest for the "future **commercial** arrangements for the licence" and states that "consideration will be given to all options presented including sole and multiple operator arrangements". Tatts in its response said all other Australian jurisdictions continue to operate exclusive bricks and mortar retailing models for race wagering, Tatts is the most significant contributor to the Queensland Racing Industry with around \$131 **million** before offsets being contributed vs \$40 **million** all other betting operators generate from their betting on Queensland racing. Some 1,400 Queenslanders are directly employed by Tatts, also some 760 agencies depend on Tatts' retail franchise employing more than 2000 Queenslanders.

As a Queensland headquartered business 53% of shareholders are Queenslanders.

Market Cap \$4.27b.

TTS steady at \$3.01

*WES: Buys Peabody's MDL162 for \$70m, between Curragh and Curragh N

Wesfarmers announced it has agreed to acquire Mineral Development Licence 162 (MDL162) from Peabody **Energy** Budjero Pty Ltd for \$70 **million**. MDL 162 is located between and adjacent to the Wesfarmers Resources' Curragh and Curragh North **mining** leases and contains 67 **million** tonnes of **Coal** Reserves within a total **coal** resource of 255 Mt. The **acquisition** will augment the total base of **coal** reserves potentially available for **mining** and processing at Curragh's **coal** handling and preparation plants by approximately 29%.

Wesfarmers Resources' MD Stewart Butel said in the report further work is required to convert MDL 162 to a **mining** lease, expected to extend Curragh's mine life and provide future options to further optimise mine **operations**.

*WES: Dec qtr **coal** prod 2.9 **million** tonnes, up 3.0% at Curragh

Wesfarmers Ltd announced for the December quarter Curragh production was 2.9 **million** tonnes, 3.9% higher than the previous corresponding period (pcp). Metallurgical **coal** production increased by 1.3% and steaming **coal** production increased by 10.1% vs the pcp.

For the 12 months to December 31 metallurgical **coal** production decreased 5.7% to 7.5 **million** tonnes, due to Cyclone Oswald in early 2013.

At Bengalla (WES 40%) WES share of **coal** production was 797,000 tonnes, 10.2% below the previous quarter due to operating in a less productive section of the mine sequence.

*WES: Met **coal** price for Curragh for March qtr agreed at 5% disc to Dec qtr

Wesfarmers Ltd announced negotiations have concluded with most of the Curragh mine customers. The weighted average \$USFOB for the March quarter for Curragh metallurgical **coal** will decrease by approximately 5% as compared to the December quarter.

Approximately 75% of deliveries in the March quarter are forecast to be at the new contract prices with the balance at carry over prices, subject to actual contract deliveries.

The **coal** pricing outcome is in line with a range of recent market price settlements.

Market Cap \$49.7b

WES down 23 cents to \$43.47

LARGE CAP RESOURCES

*AAI/AWC: 3US c per share qtr div, 93.75US c on cumulative prefs

Alcoa has announced a quarterly common stock dividend of 3US c per share payable February 25 to shareholders of record on February 7 and a quarterly dividend of 93.75US c per share to Alcoa's \$US3.75 cumulative preference stock payable April 1 2014 to shareholders of record at close of business on March 14 2014.

Market Cap \$10.4b.

AAI untraded last at \$12.00

*PDN: Sells 25% **stake** in Langer Heinrich to **China Uranium** Corp for \$US190m

Paladin **Energy** Ltd announced it signed an agreement on January 18 2014 to sell a 25% j/v **equity stake** in its flagship Langer Heinrich **uranium mining** operation in Namibia to **China Uranium** Corporation Ltd, a wholly owned subsidiary of **China** National Nuclear Corporation (CNNC) the leading **Chinese** nuclear utility for consideration of \$US190 **million**.

The offtake component of the agreement will allow CNNC to **purchase** its pro rata share of product at the prevailing market spot price. There is also an opportunity for Paladin to benefit by securing additional long term offtake arrangements with CNNC at arm's length market rates, from Paladin's share of Langer Heinrich production.

Completion is subject only to certain Chinese regulatory approvals including the National Development and Reform Commission, expected to be obtained by mid 2014 and routine consents for the **transaction** from Paladin's project financiers and the Bank of Namibia. CNNC has agreed to pay a \$US20m non refundable deposit to Paladin.

Market Cap \$545m

PDN up 0.5 to 56.5 cents

MID TO SMALL INDUSTRIALS

*AJA: Sells office **property** at almost 10% premium to book

Astro Japan **Property Group** announced the **sale** of an office **property** from its 35 **property** portfolio Akabane, for 750 **million** Yen (approximately \$8.2 **million**). Financial close has been completed. The **sale** price represents an almost 10% premium to the most recent 683 **million** Yen AJA book value of the asset.

Market Cap \$245m. AJA down 5 cents to \$3.65

*DCG: \$34 mln contract from Atlas **Iron** for Pilbara road project

Decmil **Group** Ltd announced it has won a contract with Atlas **Iron** valued at over \$34 **million** for design and construction of a major road project in the Pilbara of Western Australia.

Market Cap \$341m.

DCG up 9 cents to \$2.02

*TFS/LCE: T/O panel receives application from London City Equities

The Takeovers Panel has received an application from London City Equities Ltd with regard to the affairs of Tranzact Financial Services Ltd, regarding the 12c per share off market cash takeover bid from Gro-Aust Holdings Ltd, majority owned by Grosvenor Financial Services **Group** Ltd.

LCE submits among other things that Tranzact's delay in providing information to its shareholders saw them rushed into acceptance.

The Takeovers Panel has not appointed a sitting Panel and no decision has been made whether to conduct proceedings.

Market Cap \$14m / \$4.75m.

TFS down 0.5 to 12 cents / LCE untraded last at 22 cents

*TZL: Trial order received for lockers with Pos Indonesia

TZ Ltd announced its integration partner Gunnebo Indonesia co PT Indolok Bakti Utama has been contracted to supply Pos Indonesia with their Smart Parcel Locker requirements for an initial trial program scheduled for deployment in March 2014.

TZ has received the **purchase** order for the initial trial Locker bank and associated software after several months of planning and discussion. If the trial is successful, it is Pos Indonesia's intention to build a parcel locker network throughout Indonesia.

Market Cap \$40m.

TZL up 2.5 to 18 cents

*VTX: Appoints North American CFO

Vortex Pipes Ltd announced the appointment of Sean McGrath as a non exec director and its North American CFO, effective immediately. Mr McGrath has over 17 years experience in financial reporting, accounting and corporate advisory in the North American **oil** and minerals industry. His expertise and knowledge of the region and industry are of great importance to Vortex as it works to establish key distribution partners for its flagship proprietary ShieldLiner pipeline rehabilitation technology.

Market Cap \$3.14m.

VTX steady at 0.1 cent

*ZGL: 1st half profit to be sharply below pcg, expects full yr in line or better

Zicom **Group** Ltd advised based on draft consolidated accounts it expects the net results for the half year to reflect the adverse impact of the slowdown in the global economy. Consolidated revenue is expected to be \$554 **million** vs \$563 **million** in the previous corresponding period.

Consolidated Profits after tax are expected to be \$S1 **million** vs \$S4.2 **million** in the previous year.

Based on confirmed orders to hand the slack is expected to pick up in the second half year and the **company** is hopeful of maintaining profits for the full year at the same level as the previous year or better.

The first half has been affected by the grid lock in the US political system and the continuing slow down in the global economy that caused global demand for semi conductors to have fallen about 13% in calendar 2013 according to SEMI, a global industry association serving the semi conductor industry. SEMI has forecast a 23% growth return in 2014. The **company's** Precision Engineering sector, that had been adversely affected in the first half, is currently experiencing a resurgence in orders in line with the expected recovery.

The medtech technologies continue to encounter challenges that are being addressed. Regulatory approvals for the surgical robot are being updated to accommodate improvements made to the machine. The capability of the drug development technology has been validated and gained acceptance by research laboratories of global pharmaceutical leaders in the US, Europe, Japan and **China**. (Jan 17)

Market Cap \$52m

ZGL down 4 to 24 cents

MID TO SMALL RESOURCES

*CMT: December quarter report

Cott **Oil** & Gas Ltd announced in its December quarterly highlights Cott was granted a 40% interest in the new PRL38 license which contains the 792 BCF Pandora gas fields in the Gulf of Papua. The j/v is to investigate commercialisation options which may include stand alone FLNG development and/or aggregation with existing projects. Cott assigned 5% of its right in the license to Kina Petroleum Ltd for 10 **million** Kina shares, issued on January 16.

CMT also has 20% of PPL 437, Papuan Basin PNG where during the quarter Kina Petroleum announced it had entered a farm in agreement with Heritage **Oil** Ltd of the UK. Heritage has become contract operator, can earn a 30% interest in PPL437 by carrying Kina through its share of 100km of seismic.

Cott has 50% of PPL 435 and PPL 436 Papuan Basin, PNG.

A joint study in South East Papua, Indonesia (CMT 25%) has been completed, the participants are awaiting notification from the Indonesian regulators regarding the Production Sharing Contract bidding and award process.

Cott has 33.34% of WA-460-P Carnarvon Basin, Western Australia.

Subsequent to the quarter on January 17 Cott issued 9.93 **million** shares to IES in satisfaction of a service agreement.

Market Cap \$6.2m

CMT steady at 12.5 cents

*COY: Up to 24% Cu in rock chip samples at Nakru

Coppermoly Ltd announced exceptionally high grade **copper** assays from rock chip and float samples collected over the Nakru-02 prospect on the **company's** Nakru exploration licence EL1043 on New Britain **Island** in PNG. Rock chip samples have graded up to 24% Cu in NK2-1028 and 5.15% in NK2-1013. Rock chip samples were taken at 3 to 5 **m** intervals from outcrops.

Market Cap \$6.9m

COY up 0.8 to 2.6 cents

*CVE: Bryan Hughes appointed Administrator

Cove Resources Ltd announced Bryan Hughes of Pitcher Partners has been appointed as Administrator of the **Company**. The Administrator said during the administration process he will fully explore all options for the **company**, including the potential **sale** of its **operations** and/or a restructure and recapitalisation. (Jan 17)

Market Cap \$\$262,000.

CVE untraded last at 0.4 cents

*HGO: Update on guidance/costs continue to reduce

Hillgrove Resources Ltd advised two new Liebherr 9350 300 tonne excavators have been **purchased** for use at the Kanmantoo **copper** mine by the **company's** equipment supply contractor Andy's Earthmovers (Asia Pacific) Pty Ltd.

Production guidance for the quarter ending January 31 2014 is 5,400/5,600 tonnes of **copper** contained within concentrates. Costs are continuing to reduce with C1 costs forecast to be in the low \$US2's per pound for the quarter, in line with previous guide

HGO has conducted additional hedging for the first half of 2015, entering into contracts to deliver 2,280 Mt of **copper** at a weighted average price of \$A8.291/mt net of margin.

Market Cap \$110m.

HGO up 0.4 to 9.3 cents

*OGX/TRF: Orinoco reports average 8.52gpt Au **gold** grade at Faina Goldfields

Trafford Resources Ltd announced excellent bulk sampling results were received by Orinoco **Gold** Ltd (TRF has 16.4% of OGX) from the current exploration at Faina Goldfields Project in Central Brazil. Orinoco **Gold** reported an average **gold** grade of 8.52gpt Au returned from a 9.8 tonne sample that is representative of the remaining material (small scale miners previously removed much of the high grade) found within the Cascavel winze).

Market Cap \$10.7m./ \$12.55m.

OGX steady at 14 cents / TRF down 1 to 10.5 cents

*OMH: Bootu Creek Mn production back on track

OM Holdings Ltd announced production at Bootu Creek is back on track with the 100% owned Bootu Creek Manganese Mine reporting record quarterly manganese **ore** production of 271,971 tonnes grading 35.5% Mn achieved for the December 2013 quarter. Above 100,000 tonnes production was achieved for two consecutive months during the December quarter and included an all time record monthly production of 100,402 tonnes achieved in November 2013.

Quarterly shipments were 218,126 wet tonnes, impacted by cyclonic conditions in the Northern Territory during late December 2013. Full year 2013 shipments were 797,589 wet tonnes.

December 2013 quarter C1 unit costs were \$A3.70/dmtu including fully expensed cutback and pre stripping costs. 2013 full year C1 unit costs were \$4.56/dmtu, negatively affected by poor yielding Zulu ores during the September 2013 quarter.

First quarter 2014 shipping schedule is expected to be slightly impacted by weather related infrastructure damage sustained on the Katherine-Darwin section of the railway line last week.

OM Sarawak in Malaysia (OMH 80%) ferro silicon production facility is 48% complete. The first consignment of equipment fabricated by Sinosteel is currently in transit from **China**, expected to be delivered this month.

At Tshipi (OMH 13% indirect interest) 263,578 tonnes of manganese **ore** were shipped during the quarter. Construction of the permanent 2.5Mtpa processing plant and supporting infrastructure remain on track.

Market Cap \$348m.

OMH up 5 to 47.5 cents

*SLR: Record qtr **gold** prod/lifts guidance for year, \$17 mln/nil debt by end Feb

Silver Lake Resource Ltd for the December quarter announced **group gold** production was a record 61,152 ozs, sales totalled 62,265 ozs and guidance increased from 180/200,000 ozs for the year to 205/220 ozs for the year. The Mount Monger mill production was 47,928 ozs, mine production was 39,086 ozs with the guidance for 2014 lifted from 120/130,000 ozs to 160/170,000 ozs for the year.

At the Murchison **gold operations** mill production was 13,224 ozs and mine production 15,993 ozs. A strategic review is in progress.

Guidance for the Murchison **gold operations** has been reduced from 60,000/70,000 to 45,000/50,000 ozs of **gold** ahead of the strategic review, currently under way.

At December 31 cash and bullion on hand totalled \$A17 **million**. Debt was reduced from \$20 **million** to \$8 **million**.

Cash and bullion on hand as at December 31 2013 totalled \$A17 **million**. Bank debt was reduced from \$A20 **million** to \$A8 **million** and will be fully repaid by February 28 2014. The operation remains unhedged.

Market Cap \$302m.

SLR up 11 to 69 cents

*SRQ/MGL: MGL repays \$2.1 mln early, Straits director to join MGL **board**

Straits Resources Ltd announced it has received \$2.1 **million** from Magontec Ltd in early repayment of a loan from Straits as part of the terms of the agreement with Magontec announced on November 25 2013.

Straits has also converted the CNs held in Magontec, resulting in Straits having a **stake** in Magontec of approximately 15.5%. Straits exec chair Andre Labuschagne will join the Magontec **Board** as a non exec director.

Market Cap \$11m. \$22m.

SRQ down 0.1 to 0.9 cents / MGL down 0.2 to 2.8 cents

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