

HD MARKET CLOSES DOWN BUT WELL OFF LOWS/\$A RISES**BY** Jenny Prabhu**WC** 6,119 words**PD** 27 March 2014**SN** OzEquities News Bites**SC** NBOZEN**LA** English**CY** Copyright 2014 News Bites Pty Ltd. All rights reserved.**LP**AUSTRALIAN **COMPANY** NEWS BITES

OZEQUITIES NEWS BITES

TD

The S&P/ASX200 is down 26.7 points to 5350.1 on turnover worth \$3.9 **billion**. There were 361 issues higher and 599 down. the SPI Futures fell 25 points to 5345 on 22,256 contracts. Aussie 10 year bond yields were down 4 points to 4.08%. The \$A is at 92.39US c, up about 45 points on last evening.

*The banks have contributed 0.2 positive points to the index, insurers contributed 1 negative point, resources contributed 9.1 negative points, **property** trusts contributed 0.6 negative points, retailers contributed 1.6 negative points and Telstra contributed 1.5 negative points.

*At 4pm the Nikkei Dow futures was up 140 points to 14,530 points, Shanghai CSI physical was down 15.38 points to 2048.29, Hang Seng futures fell 80 points to 21,785 points, S&P futures rose 2.6 points to 1845.20, Nasdaq futures was up 4 points to 3576.75, Dow futures rose 22 points to 16,201 points.

Gold futures rose 60c to \$1304. Crude futures was up 2c to \$100.28.

Our market rose, presumably almost wholly on overseas buying of various leaders and particularly the banks to avail of our much higher interest rate. There were far more sellers than buyers. The rise in the \$A against the US dollar is an oddity, with our economy weakening while the US economy strengthens - and is crueing prices received by all Aussie exporters and the inward bound tourism industry.

People are also construing RBA Governor Glenn Stevens upbeat address in **Hong Kong** to mean that a rate hike is on the cards.

"I'll call us down about 21 points, but we may hold better than that".

"Bernborough" said, "Yesterday I was surprised about how much we went up - we've got to give back some of yesterday's gains today.

"There has to have been buying from offshore. Locals are not buying, but they are not selling either - so any buying pushes stock prices and the \$A up.

"We still offer excellent yields, and seem to have become a safe haven once again.

"I'll call us down about 21 points, but we may hold better than that".

The S&P/ASX200 closed up 40.2 points to 5376.8 last evening.

ECO NEWS

The ABS reported total credit market outstanding of the domestic non-financial sectors at 31 December 2013 was \$4,874.1b, an increase of \$102.7b from the previous quarter. Demand for credit during the quarter was \$82.3b and valuation increases were \$20.4b.

Demand for credit increased by \$17.8b from the previous quarters level, driven by households (up \$12.1b), private non-financial investment funds (up \$5.4b), and other private non-financial corporations

(up \$3.3b). This was offset by a decreased demand for credit by state and local general government (down \$3.3b).

Other private non-financial corporations raised a net \$26.3b; through net **transactions** and **equity** issuance of \$17.3b, loan borrowings of \$13.0b, and bond issuance of \$3.7b.

National general government raised a net \$19.1b during the quarter driven by issuances of **bonds** of \$16.5b. State and local general government raised \$2.6b during the quarter through loan borrowings of \$2.6b.

Households raised a net \$26.8b primarily through loans of \$27.4b during the December quarter 2013, up \$12.2b from the September quarter 2013 estimate of \$15.2b.

TOP STOCKS

*Lynas rose 4.5c to 22.5c on 43.5m shares on an upbeat report on LAMP production.

*Navitas gave back 56c to \$6.93 on 1.4m shares after closing down 2c yesterday despite reporting record enrolments for the current semester. Navitas remained an "overweight" for a leading broker, said the growth profile was intact. The broker retained a \$7.70 target price.

*Brickworks rose 11c to \$14.26 on 52,373 shares after its interim report.

*Washington H Soul Pattinson closed down 6c to \$15.04 on 31,000 shares after its interim report.

*Sigma rose 1c to 64c on 5.4m shares after its full year profit report.

*Nufarm rose 9c to \$4 on 1.4m shares.

Among the financials, AMP closed down 7c to \$4.90 on 7.1m shares, ANZ closed steady at \$32.55 on 4.4m shares, CBA rose 17c to \$76.56 on 2.69m shares, NAB fell 1c to \$35.04 on 3.5m shares, Westpac fell 6c to \$34.22 on 4.4m shares.

Among the TMT's Telstra fell 3c to \$5.02 on 22.8m shares, Telecom NZ rose 4c to \$2.27 on 614,688 shares, SingTel was steady at \$3.12 on 365,649 shares. News was down 43c to \$17.86 on 111,148 shares.

Among the resources BHP closed down 57c to \$35.98 on 6.78m shares, RIO closed down 49c to \$63.18 on 2.3m shares. AWC fell 2c to \$1.14 on 9.4m shares, PanAust shed 7c to \$1.52.5 on 5.8m shares, Sandfire rose 2 c to \$5.61 on 384,699 shares.

Among the oils, Woodside rose 3c to \$38.43 on 1.5m shares, Santos fell 3c to \$13.30 on 3.8m shares, **Oil** Search rose 13c to \$8.42 on 8.29 **m** shares. Karoon rose 14c to \$2.57 on 1.2m shares.

Among the golds, Newcrest fell 33c to \$9.68 on 8.7m shares, Alacer fell 26c to \$2.69 on 1m shares, Saracen rose 1.5c to 33.5 on 2m shares. Northern Star was down 6c to \$1.11 on 3.77m shares.

AT THE SMALLER END

*Sterihealth shot up 38c to \$1.68 on 151,487 shares after its major shareholder Catilina Nominees offered \$1.75c cash per share.

*MetalsX was down 1c to 20c on 1.25m shares.

NEWS OF THE DAY

*Reuters reports Glencore Xstrata announced the closure of the Ravensworth underground mine in New South Wales, with about 130 jobs lost.

Glencore said in a statement that the closure was due to low **coal** prices, high **mining** costs, the high Australian dollar and geological constraints. The underground mine is one of three at the Ravenswood precinct in the Hunter Valley, and the closure will only affect the underground mine.

Other shareholders in the mine are Marubeni Corp and Korean steel maker Posco.

*Reuters reports shares in Citigroup Inc) fell after hours when the Federal Reserve rejected its plans to **buy** back \$6.4 **billion** of stock and boost its dividends, citing deficiencies in the bank's ability to plan for stressful situations.

Others blocked by the Fed in their plans for higher dividends or share **buy** backs included the U.S. units of HSBC (HSBA.L), RBS (RBS.L) and Santander (SAN.MC).

Ex div: APE ex 15c; LYL ex 5c; ORL ex 8c; SNL ex 4c.

LARGE CAP INDUSTRIALS

*BKW: Int NPAT down 4.5%, div 13.5c ff, outlook positive

Brickworks Ltd for the half year ended January 31 announced a net profit after tax down 4.5% to \$53.427 **million** on revenue up 4.6% to \$325,622 **million**.

A 13.5c fully franked dividend was announced, record date April 15. There is no DRP available.

Net profit before tax was up 16.2% to \$68.2 **million** vs the previous corresponding period (pcp) with the prior period adversely impacted by \$8 **million** in significant costs before tax.

Normal eps was down 4.7% to 36.1c vs 37.9c for the pcp.

Basic eps was up 0.3% to 38.1c vs 38c for the pcp.

NTA backing per security is up 3.2% to \$10.04 vs \$9.73c for the pcp.

Brickworks continues to outperform the All Ordinaries Accumulation Index in terms of total shareholder return over most time horizons. TSR for the year to January 31 was 15.7%, 5% higher than the index.

Gearing fell to 18.8% at January 31 2014 from 19.7% at July 31 2013. Total interest bearing debt decreased to 4330 **million** and Net Debt was \$313.9 **million** at January 31 2014. Net debt to capital employed decreased to 15.2% for the half.

The chairman Robert Millner said in the report while EBIT was \$19.2 **million**, up 36.7% on the prior corresponding period and EBITDA was \$31.8 **million** with improved earnings achieved on the back of restructuring initiatives implemented in prior periods, the EBIT margin of 6.5% remains below acceptable levels.

Brickworks made an itemised report on its various businesses. Its 42.72% **stake** in Washington H Soul Pattinson returned a normalised contribution of \$23.6 **million** for the half year ended January 31 2014, down 17.8% from \$28.7 **million** for the previous corresponding period due primarily to reduced earnings from New Hope Corporation. SOL has delivered outstanding returns over the short, medium and long term outperforming the All Ordinaries Accumulation Index by 2.6% p.a. over 5 years, 4% p.a. over ten years and 6.6% p.a. over 15 years.

Perpetual/MH Carnegie Proposal

A general meeting to consider Perpetual and Carnegie's proposals is currently scheduled for may 5 2014.

The proposal has caused Brickworks to incur \$1.8 **million** in costs during the six months to January 31. Of greater concern is the major distraction to management and staff, the full impact of which is difficult to quantify.

Outlook

The current upturn in housing activity has been relatively slow to translate into increased building materials demand, with the notable exception of brick sales in WA.

"However we are now experiencing a more broad based recovery in demand with Austral Bricks sales volumes in March tracking more than 30% ahead of the prior year .. if demand continues to build and stock holdings fall to unsustainable levels, Brickworks is well placed with the flexibility to bring on kilns currently mothballed" the **company** said in the report.

Market Cap \$2.1b.

BKW up 11 cents to \$14.28

*SIP: NPAT up 186.5%, 2c ff final div, no DRP, \$67.5m cash, no debt/positive

Sigma Pharmaceuticals Ltd for the financial year ended January 31 2014 announced a net profit after tax up 186.5% to \$53.536 **million** on revenue up 1.1% to \$2.973 **billion**.

NTA backing per security is 50c vs 51c for the previous year.

The **group** had \$67.5 **million** in cash and zero debt at year end

A fully franked final 2c dividend was announced, ex date is April 3, record date is April 9. The DRP will not apply.

Managing director and CEO Mark Hooper said that targeted investment over the past three years is beginning to show benefits across the business. The **acquisition** of Central Healthcare represents a strategic opportunity for Sigma to open up avenues for growth in the retail pharmacy and hospital network.

He said a flat PBS (Pharmaceutical Benefits Scheme) necessitates a sharper focus on non dispensary sales. Sigma is actively introducing a number of structured professional service initiatives into the Amcal, Amcal Max and Guardian pharmacy networks. Also over 100 exclusive and private label products have been launched in the past 12 months with another 200 in the pipeline, only available through Sigma's pharmacy network including products such as the Boots Laboratories Serum7 and colour THEORY ranges.

Outlook

Sigma expects to achieve revenue growth above the dampening effect of ongoing Government PBS price disclosure reform in the coming year.

Sigma also has a strong cash position to support ongoing capital management, the ability to pay future dividends as well as fund investment opportunities.

Analysts expectations: \$44.2 mln, div 2.2c.

Analysts comment: A leading broker yesterday said it expects revenue up 2% to \$3 **billion** and EBIT of 70.8 **million** with a dividend of 4.3c.

The broker said SIP revenue should outpace the market via growth in Chemist Warehouse.

The broker said it still believes Chemists Warehouse has excessive terms, and faster growth will limit the rate of working capital reduction.

Reduction in profits from atorvastatin among SIP's customers may further hinder reduction in working capital, the broker added. Its price target is 62c.

*SIP: To acquire Central Healthcare for \$24.5 mln +

Sigma Pharmaceuticals Ltd yesterday announced an agreement to **purchase** all of the issued capital of Central Healthcare Pty Ltd for \$24.5 **million** with the potential for a further earn out payment at June 30 2015.

Central Healthcare is a wholesaler and distributor of pharmaceutical products to hospitals and retail pharmacies and is an approved CSO distributor in Victoria, NSW, ACT and Queensland. It also owns and manages the Pharmasave retail brand.

Central Healthcare and Sigma will continue to operate as stand alone businesses. The current Central Healthcare and Pharmasave management teams will continue to drive the businesses. (Mar 16)

Market Cap \$717m.

SIP up 1 to 64 cents

*SOL: Int down 21.1%, div 19c ff, no outlook as such/inv return positive for mkt

Washington H Soul Pattinson and **Company** Ltd for the half year ended January 31 announced a net profit after tax down 0.7% to \$73.723 **million** on revenue down 12.6% to \$335.780 **million**.

Regular profit* after tax vs prior period restated was down 21.1% to \$63.496 **million**.

A 19c fully franked interim dividend was announced, up 1c on the previous corresponding period (pcp). Record date is April 17.

*Regular Profit after tax was \$63.5 **million**, a decrease of 21.1% compared to \$80.5 **million**. This was mainly attributable to a reduce contribution by New Hope Corporation Ltd, partly offset by increased contributions by Brickworks Ltd and TPG Telecom Ltd.

For the prior corresponding period (pcp) the regular profit after tax was restated to remove the impact of deferred tax expenses incurred on movements in the carrying value of **equity** accounted associates.

Basic and diluted eps is 30.80c vs 31.02c for the pcg.

Regular profit basic and diluted eps was 26.52c vs 33.63c for the pcg.

NTA backing per security is \$12.26 vs \$12.06 for the pcg.

Cash in hand is \$82.891 mln vs \$28.078 mln at July 31 2013.

Washington H Soul Pattinson said in the report the market value of listed equities held, including controlled entities and associates was \$4.66 billion at January 31 2014, up 11% since July 31 2013 and vs the cost of acquiring the assets of \$851.5 million.

Chairman Robert Millner said in the press release the half year results have remained broadly in line with last year's half year results. He added, "Importantly we have seen a steady increase in the market value of our listed equity investments, which is a positive sign that investors are returning to the market".

Excluding controlled entities and associates the market value of listed equities was \$558 million up 7.1% since July 31 2013.

Listed entities acquired were Perpetual Ltd, after the takeover of the Trust Company Ltd, Rum Jungle Resources Ltd and Insurance Australia Group Ltd. SOL also participated in the entitlement offer by associate BKI Investment Company.

Proceeds from disposals totalled \$7.7 million, with \$4.4 million received from returns of capital mainly from Primeag Australia Ltd.

Controlled entities

NHC 59.7%; CopperChem, 100%, Exco Resources 100%; Pitt Capital Partners 100%; Australian Logistics Property Fund 100%.

Associated entities

Ampcontrol Pty Ltd, 43.3%; Apex Healthcare Berhad 30.3%; API 24.6%; BKI 1.9%; BKW 44.3%; CLV 28.6%; RHL 20.6%; TPG 26.9%.

Requisitioned meeting

In October 2013 entities acting on the directions of MH Carnegie & Co Pty Ltd and Perpetual Investment Management Ltd requisitioned a general meeting of SOL to consider a proposal to restructure the company.

Given that Perpetual and Carnegie have also foreshadowed claims which affect the proposal, the Supreme Court has extended the time for holding the meeting until September 5 2014. SOL will determine the actual date in due course.

Market Cap \$3.6b.

SOL down 6 cents to \$15.04

*NWS: Lachlan Murdoch appointed non exec co-chair of News Corp

Lachlan Murdoch, 42, has been named Non-Executive Co-Chairman of News Corp by the Board of Directors, the company announced. Executive chairman of News Corp Rupert Murdoch said in the role Lachlan will help lead News Corp forward as it expands its reach and invests in new technologies and markets.

Comment: BBC News added younger son James was also appointed co-chief operating officer at 21st Century Fox. After the phone hacking scandal, James quit as executive chairman of News International in 2012.

Rupert Murdoch has positioned his sons for succession, news services added. Market Cap \$ 345m.

NWS down 43 cents to \$17.86

*TCL: To acquire Cross City Tunnel for approx \$475 mln

Transurban Group advised members of its group have today entered into agreement with the Cross City Tunnel Group (receivers and managers appointed) (subject to deeds of company arrangement) to acquire Cross City Tunnel (CCT) for approximately \$475 million. The CCT Vendors have agreed to immediately

apply the **purchase** price proceeds to reduce the senior secured debt of the Cross City Tunnel **Group** that was acquired by members of the Transurban **Group** in December 2013. Completion is expected to occur before June 30 2014 and is subject to various closing conditions and termination events including certain contractual counterparties of CCT including Roads and Maritime Services.

Market Cap \$10.9b.

TCL up 2 cents to \$7.32

*TEN: Lachlan Murdoch quits as chair + director, Hamish McLennan new chair

Ten Network Holdings Ltd announced Hamish McLennan has been elected executive chairman following the decision of Lachlan Murdoch to retire as chairman and director. Dy Chair and **lead** independent director Brian Long paid tribute. Lachlan will continue to hold his 8.8% of the **company**, together with the shareholder guarantee his **company** has provided in respect of TEN's new loan financing arrangements. He welcomed Hamish as chair. (Mar 26)

*TEN: Termination of Lachlan Murdoch, James Packer joint **stake**

Lachlan Keith Murdoch and Illyria Nominees Television Pty Ltd had 17.58% has 8.79% of Ten Network Holdings Ltd. Change on March 26. Previous notice dated January 29.

Following termination of arrangements with Aidem Holdings Pty Ltd. Nil shares **sold**.

(On January 29 IDEM Holdings Pty Ltd had 8.94% (James Packer and Consolidated Press)

Illyria Nominees TV Pty Ltd 8.94% (Lachlan Murdoch and Siobhan McKenna)

Market Cap \$710m.. TEN up 0.5 to 27 cents

LARGE CAP RESOURCES

*ERA: Leach Tank 1 dismantled, area cleaned up, restart depends on approvals **Energy** Resources of Australia Ltd confirmed the work to dismantle and remove Leach Tank 1 and its associated infrastructure from the Ranger Processing area is complete. The final clean up of slurry material from within the exclusion zone adjacent to Leach Tank 1 is complete. The investigation commissioned by ERA into the failure of Leach Tank 1 is complete.

ERA is progressing its operational schedule to allow for the restart of processing **operations** and continues to work with the government appointed taskforce. The restart of processing **operations** remains subject to ERA **Board**, Ministerial and regulatory approvals.

Ongoing monitoring confirms the surrounding area has not been affected, with no impact on Kakadu National **Park**.

Market Cap \$699m.

ERA up 0.5 cents to \$1.35

*IGO: SAG mill down 17 days/will meet Cu, Ag prod guidance, not Zn

Independence **group** NL advised a planned maintenance event during March 2014 established that the trunion bearing on the SAG mill at the Jaguar processing plant was showing signs of premature failure. As a result the concentrator was not restarted and the trunion bearing was sent off **site** for repairs.

During this period of downtime a planned 4 day shutdown was brought forward from April for maintenance activities. The concentrator has now been successfully restarted. In total 17 days of concentrator production has been lost, **mining** has continued without interruption.

The **company** remains confident it will meet production guidance on **copper** and silver for 2014, however zinc metal is expected to be approximately 10% below the lower end of 2014 production guidance. In part this is due to the downtime of the SAG mill, but also due to zinc grades being lower than planned on production coming from outside the reserve and outside plan.

Market Cap \$901m.

IGO down 2 cents to \$3.86

*LYC: Reaffirms guidance for LAMP of target 11,000 tpa run rate in Jun qtr

Lynas Corporation Ltd advised following a scheduled **board** meeting and subsequent tour of the Lynas Advanced Materials Plant in Malaysia this week, the Directors of Lynas Corporation wish to confirm that **commercial** production and **sale** of Rare Earth Oxide products at the Lynas Advanced Material Plant (LAMP) in Malaysia for the March 2014 quarter will both be higher than the December 2013 quarter, consistent with guidance provided by Lynas at the end of January 2014.

Chairman Nicholas Curtis said in the report, "While LAMP has been slower to ramp up than the **company** would have liked, recent production is beginning to demonstrate sustainable momentum. With one week left in March, I am delighted to say that we expect to report record production and sales volumes for both the month of March and for the March quarter.

"I also wish to affirm our guidance of achieving the target 11,000 tonnes per annum production run rate during the June quarter".

Market Cap \$441m.

LYC up 4.5 to 22.5 cents

*OGC: Total proven and probable reserves 3.14M ozs Au and 0.21Mt of Cu

OceanaGold Corporation announced in an updated Resource & Reserve statement said total proven and probable **gold** reserves for the **company** stand at 3.14M ozs of **gold** and 0.21Mt of **copper**. Total measured and indicated resources for the **company** stand at 202.1Mt at 1.28gpt Au for 8.34M ozs of **gold**. The Measured and Indicated resources include 9.48 Moz of **gold** and 0.26Mt of **copper**.

*Didipio Measured and Indicated resources stand at 2.06M ozs of **gold** and 0.26Mt of **copper**.

*Macraes Goldfield Measured and Indicated resources are stable at 4.01M ozs of **gold** (117.3Mt at 1.06 gpt Au net of mine depletion) for the fourth consecutive year.

*Reefton Goldfield Measured and Indicated resources are stable at 0.74M ozs of **gold** (15.5Mt at 1.50gpt Au net of mine depletion).

Proven and Probable reserves in New Zealand have decreased since last year and stand at 46.2Mt at 1.04gpt Au for 1.54M ozs of **gold** due to **mining** depletion and a lower assumed NZ dollar **gold** price compared to 2012.

In the Philippines the Didipio Proven and Probable reserves have decreased slightly since last year and stand at 45.6Mt at 1.09 gpt Au and 0.46% Cu for 1.59M ozs of **gold** and 0.21Mt of **copper**.

Measured and indicated resources inclusive of reserves for the **company** now total 202.1Mt at 1.28gpt Au for 8.34M ozs of **gold**, 9.48M ozs of silver and 0.26Mt of Cu, a 1.61M oz increase in the measured and indicated **gold** resources and 9.48M oz increase in the silver resource compared to the prior year which is largely due to lower reporting cut offs and resource estimate updates at Macraes that have added 0.11Moz of **gold** net of **mining** depletion. (Mar 26)

Market Cap \$697m

OGC down 12 cents to \$2.32

*STO/WCL/Other: GLNG 20 yr Meridian SeamGas j/v gas **purchase**

Santos announced the GLNG project participants have executed a binding heads of agreement with the Meridian SeamGas j/v for the **purchase** of gas for supply to the GLNG project. The agreement will commence in 2015 for gas supply over a 20 year period. The gas price will be **oil** linked from 2016.

The Meridian fields in Queensland are a j/v between WestSide Corporation 51% and operator an Mitsui E&P Australia 49%. The fields have a current installed compression capacity of 30 terajoules of gas per day.

Santos Vice President Downstream GLNG Rod Duke said in the report the GLNG project was approaching 80% complete and remains on schedule and budget for first LNG in 2015.

Market Cap \$12.9b / \$142m

STO down 3 cents to \$13.30 / WCL up 4 cents to 32 cents

MID TO SMALL INDUSTRIALS

*ADQ: Placement of 28.5m shares to Speedmark, an existing shareholder

ADG Global Supply announced a placement of 28.5 million shares at 1c each to Speedmark Australia Pty Ltd, 80% owned by Dos Equis Pty Ltd, already an owner of a 4.9% equity stake in ADQ. Dos Equis Pty Ltd is a private investment vehicle with interests in various businesses across logistics and shipping services. The capital raising will assist the company with current working capital requirements.

ADG managing director John Mancini said Speedmark Australia is the Australian partner of the international freight forwarding and customs brokerage network Speedmark Transportation.

Market Cap \$3.2m

ADQ down 0.2 to 1.1 cents

*AOD: Div Income trust div to become monthly from qtrly/online statement only

Aurora Funds Management advised from April 30 2014 the distribution frequency for the Aurora Dividend Income Trust will change from quarterly to monthly. This will change the amount received from a minimum amount of 1.5% plus franking credits per quarter to a minimum of 0.5% plus franking credits per month. Over a quarter, the amounts are expected to be very similar.

As a result of the change in distribution frequency AOD is moving to online statements and electronic communication. No hard copy communication will be sent to security holders in the future.

Market Cap \$28m

AOD down 0.5 to 99.5 cents

*GID: Dutch Health Care prelim reimbursement code for EndoBarrier

GI Dynamics Inc a medical device company developing innovative treatments for type 2 diabetes and obesity announced the Dutch Health Care Authority has designated a preliminary reimbursement code for EndoBarrier Therapy.

Market Cap \$219m

GID steady at 55 cents

*PAB: Positive Phase I/II results for PAT-SM6 for multiple myeloma patients

Patry's Ltd announced the final results from its Phase I/IIa open label study in patients with refractory or relapsed multiple myeloma conducted in 12 patients, median age 71 years, with refractory or relapsed multiple myeloma. On average each patient received five prior lines of therapy including proteasome inhibitors, immunomodulatory drugs or stem cell transplantation. Twelve patients, 3 in each cohort received 4 intravenous infusions of PAT-SM6 at 0.3mg/kg, 1mg/kg, 3mg/kg or 6mg/kg per dose. All patients were then assessed for a response at 36 days post final treatment. At all dose levels PAT-SM6 was well tolerated with no serious adverse events or dose limiting toxicities being reported.

Patients who had received prior treatment with proteasome inhibitors responded much better to PAT-SM6 treatment than patients who had been previously treated with IMiDs or other chemotherapeutics. This indicates that PAT-SM6 may act synergistically with proteasome inhibitors such as Carfilzomib to induce better clinical responses. This will be tested in Patry's next clinical trial in which PAT-SM6 is combined with Amgen's Carfilzomib.

Market Cap \$30m

PAB down 0.2 to 4.3 cents

*QUB: Noble j/v grain handling facility at Pt Kembla/acquisitions/placement, SPP

Qube Holdings Ltd announced it has entered into a j/v with Noble Group to develop a multi user grain handling facility at Port Kembla, NSW.

The joint venture will trade as Quattro Grain. The proposed new facility will have the capacity to handle in excess of 1.3 million tonnes of export grain per annum.

To establish the proposed j/v Noble will commit to use the facility and acquire rail services from Qube for the transport of grain to the new facility in each case on a take or pay basis.

To further support the establishment of the proposed j/v and new facility Qube and Noble have granted call options to each of two other major grain marketing businesses, Emerald and Cargill. If these options are exercised in full, Qube's and Noble's interests in Quattro Grain will be reduced to 30% each.

Both Emerald and Cargill own existing regional grain storage sites that will serve the facility and have made similar "take or pay" commitments.

All arrangements are conditional on receiving any necessary authorisations and approvals.

Qube's investment into the facility and rail equipment is expected to be up to \$50 **million**. The new facility is expected to be operational in early 2016.

Bulk Haulage Acquisitions

Qube also advised it has recently completed two acquisitions to expand and diversify its bulk haulage capabilities for a total consideration of approximately \$40 **million** including deferred consideration.

These include the **acquisition** of Walmsley Bulk Haulage in the Pilbara on February 20 and Beaumont Transport in Queensland, acquired on March 21. The acquisitions were funded from Qube's existing debt facilities.

Capital raising - price to be determined via bookbuild, SPP at same price

Qube will undertake a fully underwritten placement of new shares to raise up to approximately \$200 **million** via a book build with a floor price of \$2.12. A non underwritten SPP will also be made available to raise up to \$30 **million** at the same price as the placement.

Market Cap \$2.1b.

QUB untraded last at \$2.23

*STP: **Company** associated with MD with 47% **stake** offers \$1.75 cash per share

SteriHealth Ltd announced its largest shareholder Catilina Nominees Pty Ltd have executed a Scheme Implementation Agreement to effect the proposed **acquisition** by Catilina of all the issued shares in SteriHealth that are not held by Catilina or its associates at \$1.75 cash per share, a 35% premium to the closing price of STP shares on March 26 and a 35% premium to the 1 month VWAP.

Catilina is an entity associated with Dan Daniels, the managing director of SteriHealth. Catilina and associates hold approximately 47% of the issued shares of STP at the date of the announcement.

Market Cap \$33m.

STP up 38 cents to \$1.68

*TFC: UK Insto to invest up to 30 mln pounds in TFC's Beyond Carbon product

TFS Corporation Ltd announced a significant UK based institution has received approval from its investment committee to commit up to 30 **million** pounds (\$US54 **million**) in TFS's Beyond Carbon product. The UK institution's approval is subject to the execution of an Investment Management Agreement with TFS.

Market Cap \$453m

TFC down 1.5 to \$1.605

MID TO SMALL RESOURCES

*AJR: Excellent tungsten concentrate recoveries from Hatches Creek, NT

Arunta Resources Ltd advised it has received excellent metallurgical test work results from its 100% owned Hatches Creek Tungsten Project, located 450 km north east of Alice Springs in the Northern Territory, demonstrating the ability to produce saleable tungsten concentrates from existing waste dumps from historical **mining operations**. Results provide an immediate pathway to progress **commercial** development of the Hatches Creek Project.

The results were from six historical prospect areas with four of the areas returning excellent grade and recovery results, with concentrates grading from 20/5 to 47% WO3 from Green Diamond, Treasure **Group** and Hit or Miss with recoveries ranging from 70/75%.

Market Cap \$2m.

AJR up 0.1 to 0.3 cents

*BMB: Begins Feasibility Studies at Nowa Ruda Coking **Coal** project, Poland

Balama Resources advised it has commenced detailed Feasibility Studies at its flagship Nowa Ruda Coking **Coal** Project in Poland as part of its plans to accelerate development of a high margin European **coal** mine. The commencement of the Feasibility study is just seven months after securing the Nowa Ruda Project.

Market Cap \$38m.

BMB steady at 11 cents

*FTZ: Wapiti phosphate, Canada high grade, low cost, production by end of year

Phosphate explorer and developer Fertoz Ltd announced laboratory results from the two tonne bulk sample collected in October 2013 which demonstrated low heavy metal impurities, from the **company's** Wapiti East Project in British Columbia, Canada.

Tests indicate high availability of 10% phosphate (P₂O₅) in 23% P₂O₅ sample of 100 mesh material. The results place Wapiti material in the top tier of agronomic phosphate rock available commercially. Wapiti East production is expected to commence in 2014. Proposed production requires low capital expenditure with quick start up given that the phosphate rock is exposed at surface and Fertoz can use standard small scale grinding and screening circuits. A large bulk sample collection will now be completed with farm trials and organic certification of the product as the next steps.

Market Cap \$17m

FTZ steady at 44 cents

*MRY: Grants SEMAFO 3yr option to acquire 3 of its Burkina Faso properties

Monteray **Mining Group** Ltd announced it has signed an agreement with a Burkina Faso subsidiary of SEMAFO Inc of Texas to grant SEMAFO a three year working right and option to acquire its Bilakongo, Tigan and Kana permits in the Burkina Faso portfolio while the **company** continues its search for additional **acquisition** opportunities. The cash payment to a total of \$US800,000 for a 90% interest in the Bilakongo and Tigan permits and a 100% interest in the Kana permit will also serve to fund the **company's** obligation to the original Kana permit vendors to make a final **acquisition** payment on June 30 of \$US90,000.

Market Cap \$915,000.

MRY untraded last at 1.4 cents

*NVG: NavGas preferred tenderer for ATP 1183 on Roma Shelf

Navaho **Gold** Ltd advised 98.5% owned subsidiary NavGas Pty Ltd has been named preferred tenderer for ATP 1183 (formerly Petroleum Land Release 2013-1-4) considered prospective for **oil**, gas and condensate targets. ATP1183 extends over a highly prospective area of the Roma Shelf and surrounds the Riverslea **Oil** Field and Major Gas/Condensate field, both of which are excluded from the permit under the Petroleum Leases.

Market Cap \$1.1m

NVG steady at 0.4 cents

*RER: Ngoy Project, Congo maiden estimate is 2Mt at 3.3gpt Au for 213,000 oz

Regal Resources Ltd announced a maiden JORC compliant mineral resource estimate for the Ngoy Project in south Kivu, Democratic Republic of Congo is for 2Mt at 3.3gpt Au for 213,000 ozs. Considerable upside remains to expand the resource base within the Ngoy **gold** corridor where multiple **gold** bearing structures remain open along strike and at depth.

Market Cap \$9.2m.

RER steady at 8 cents

*SUH/Other: Up to 3.18% Cu in further channel sampling at Los Rulos j/v Chile

Southern Hemisphere **Mining** Ltd announced more high grade **copper** results from channel sampling at Los Rulos j/v, (SUH/Lundin **Mining** 50/50) Central Chile, grading up to 3.18%Cu and 0.44gpt Au in a 1.5m channel sample. The results help to further define drill targets ahead of the upcoming drilling campaign.

Market Cap \$13.4m.

SUH untraded last at 5.4 cents

*SVM: New zone in Central Malawi Graphite Project grades up to 12.1% TGC

Sovereign Metals Ltd announced results from the initial trench sampling program at the newly discovered Dedza Mountain East flake graphite prospect within its 100% owned Central Malawi Graphite Project.

Substantial widths of high grade flake graphite have been intersected in trenches at DME where a discrete zone of graphite mineralisation was mapped by **company** geologists over 4 km.

Trenching results from DME include 14m at 10.8% TGC including 6m at 12.1% TGC in DZTR0001 and 18m at 9.5% TGC in DZTR0002.

A total of 8 trenches for 502m were sampled over DME and showed consistent widths and grades of flake graphite mineralisation, hosted within soft and highly weathered saprolite.

Market Cap \$16m.

SVM steady at 20 cents

*TAP/ROC/Other : Myanmar awards PSC for Block M97 in Moattama basin

Tap **Oil** Ltd advised it has been notified by the Myanmar Ministry of **Energy** of the award of a Production Sharing Contract for shallow water Block M07 in the Moattama basin, offshore Myanmar. The PSC award is subject to finalisation of terms with the Ministry of **Energy**. TAP will hold 35.625% with ROC **Oil** 59.375% and operator, Smart E&P International Ltd 5%.

Market Cap \$88m. / \$306m

TAP up 1.5 to 36.5 cents / ROC up 0.5 to 44.5 cents

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