

HD MARKET WEAKENS FURTHER

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The S&P/ASX200 closed down 26.8 points to 5070.3 after losing 90.8 points yesterday, on strong volume again worth \$4.7 **billion**. There were 418 issues higher and 573 down. The SPI Futures closed down 32 points to 5018 on good volume of 28,649 contracts

*The banks contributed 11.4 negative points to the index, resources contributed 0.6 negative points, **property** trusts contributed 0.2 negative points, retailers contributed 0.1 negative points and Telstra contributed 2.3 negative points.

*At 4pm AEST the Nikkei Dow futures was up 230 points to 14,150 points, Shanghai CSI physical is on holiday, the Hang Seng futures fell 96 points to 21,351 points, S&P futures fell 3.65 points to 1740.10, Nasdaq futures fell 6.5 points to 3445.50, Dow futures was down 15 points to 15,322 points. **Gold** futures rose \$2.70 to \$1253.90, crude futures rose 43c to \$97.62.

*While from the volume on our market, not a good sign when the market is falling, makes it apparent that large investors are retreating, its hard to believe our market is not set for a strong rebound!

CBA, announcing for the half year on the 12th (next Wednesday), going ex what will undoubtedly be a very handsome fully franked dividend on February 21, closed weaker today.

In fact only five stocks among the Top 20 closed higher and all 20 report this month and pay handsome dividends!

*Investors buying the metals are perhaps punting on a strong lift in demand and price for metals once **China** returns to the markets on Friday.

"Ceiling will be 5130. Floor will be 5090. Close at 5112, up 14.9 points"

Daniel Goulding, the author of "The Sextant Market Report" said, "Our market looks set to open slightly higher with the local futures contract up 4 points.

"There is sufficient evidence to suggest that global equities may have potentially found a few days of respite from the selling that has taken place over the past few weeks.

"While yesterday's low will be tested at some point going forward, the weight of evidence still points to a challenge of October's highs.

"The decline here in Oz simply remains too lethargic at present to be sinister in nature.

"But none of this matters for today. The ceiling will be 5130. The floor will be 5090. When the dust has settled, the market will have closed at 5112, up 14.9 points.

The S&P/ASX200 plunged 90.8 points to 5097.1 last evening.

TOP STOCKS

*Echo Entertainment fell 14c to \$2.18 on 5.66m shares after its profit result today.

*Troy Resources rose 10.5c to \$1.25 on 1.2m shares.

*Antares fell 11.5c to 40c on 2.4m shares after deciding to develop its Permian assets instead of selling them.

*Acrux fell another 16.5c to \$1.91.5 on 5.4m shares as investors taking a gloomy view of almost everything shrugged off explanations.

*AGK fell 14c to \$14.92 on 1.7m shares, EPW rose 1c to \$2.48 on 134,000 shares - Bloomberg reported AGK, Marubeni Corp and ERM Power have submitted their bids for two NSW state owned power plant for a sum likely to be north of \$1.5 **billion**.

Among the financials, AMP closed up 1c to \$4.13 on 7.16m shares, ANZ fell 28c to \$29.02 on 7.8m shares, CBA fell 71c to \$72.49 on 3.88m shares, NAB shed 25c to \$32.14 on 5.8m shares, Westpac shed 9c to \$30.31 on 7.4m shares.

Among the TMT's Telstra fell 5c to \$5.03 on 38.7m shares, Telecom NZ fell 1c to \$2.14 on 2.5m shares, SingTel closed steady at \$3.05 on 2.12m shares.

Among the resources BHP fell 22c to \$35.28 on 8.9m shares, RIO rose 48c to \$64.59 on 1.7m shares. Fortescue gained 11c to \$5.30 on 17.4m shares, OZL fell 1c to \$3.31 on 2m shares. Sandfire rose 12c to \$5.80 on 390,046 shares. Iluka fell 4c to \$8.40 on 3.17m shares.

Among the oils, Woodside was down 9c to \$36.97 on 1.98m shares, Santos rose 3c to \$3.33 on 3.6m shares, **Oil** Search added 6c to \$8.07 on 6.2m shares.

Among the golds, Newcrest fell 4c to \$10.12 on 4.1m shares, Oceana rose 7c to \$2.10 on 777,312 shares, Regis fell 1c to \$2.70 on 1.3m shares.

AT THE SMALLER END

*Metals X rose .5c to 20c on 4.3m shares, good volume for the stock.

*Unilife fell 10.5c to 73c on 2m shares after its December quarter result posted yesterday (despite a recent handsome sales agreement with Hikma for its pre-filled syringes).

*Logicamms fell 11c to 99c on 1.12m shares after yesterday's profit downgrade although a leading broker retained an "add" on Logicamms overnight with a price target lowered to \$1.55 from 1.74 on a 12 month view. (Differentiated service offering, strong cash position and potential dividend of around 8c fully franked, the broker pointed out in the report).

NEWS OF THE DAY

Changes in substantials reported February 3 and 4 inc posted separately.

LARGE CAP INDUSTRIALS

*AGK/EPW/Other: AGL **Energy**, ERM Power and Marubeni file MacGen bids

Bloomberg reports AGL **Energy** Ltd, Marubeni Corp and ERM Power Ltd have made final bids for the NSW State's two power plants that may fetch more than \$A1.5 **billion**.

Bloomberg said spokesmen for ERM and AGL and NSW State Treasurer Mike Baird all declined to comment.

Market Cap \$8.3b. / \$592m.

AGK down 14 cents to \$14.92/ EPW up 1 cent to \$2.48

*ANZ/IMF: Late fees constitute penalty at law, to be claimed by class action

Bentham IMF Ltd and ANZ announced Justice Gordon has delivered judgement today in the matter of Paciocco vs ANZ Banking **Group** Ltd in the Victorian Registry of the Federal Court ruling that late payment fees constitute a penalty at law and **equity**. Certain inter account exception fees were charged in breach of contract and other fees paid including honour fees and dishonour fees on bank accounts, and over limit fees on credit cards were not penalties and did not breach other statutory provisions.

IMF believes late payment fees represent approximately 25% in value of all claims brought by class action members of ANZ. The same percentage is likely to apply to all the other major banks except for Citibank where late fees are expected to represent over half the claim.

IMF will seek to expedite recoveries in respect of late fees from ANZ and all the other banks.

Market Cap \$80b. / \$276m

ANZ down 28 cents to \$29.02 / down 3.5 cents to \$1.68

*ASX: January activity subdued vs pcip in all particulars

ASX Ltd announced in its monthly activity report for January 2014 the value of ASX listed stocks as measured by the All Ordinaries Index fell 2.8% in January while in Japan the value of stocks was down 8.5%, in **Hong Kong** down 5.5%, Singapore down 4.4%, US down 3.6%, UK down 3.5% and Germany down 2.65.

Volatility measures for the Australian **equity** market was 0.5% in January down from 0.6% in December.

In January total capital raised including scrip for scrip totalled \$800 **million**, down 51% on the previous corresponding period (pcip).

Three new listed entities were admitted vs 11 in the pcip.

Total listed entities at end of January were 2,189 vs 2,183 for the pcip.

Initial capital raised was \$23 **million** vs \$411 **million** for the pcip.

Secondary capital raised was \$491 **million** vs \$564 **million** for the pcip.

In January the average daily number of trades was 3% higher than the pcip. The average daily value traded on market of \$2.8 **billion** was 2% lower than the pcip.

In January the average daily number of derivatives traded on the ASX fell 21% on the pcip with both single stock and index options lower.

In January 2014 average daily futures and options on futures volume on ASX24 increased 25% on the pcip, with both futures and options volumes higher.

Market Cap \$6.67b.

ASX down 51 cents to \$34.43

*EGP: John Redmond to retire in 2nd half, return to US, Matt Bekier succeeds

Echo Entertainment **Group** Ltd announced Managing Director and CEO John Redmond will retire from the **company** in the 2nd half and return to the US. He has begun the transition of his responsibilities to Matt Bekier who will become MD and CEO, having served as CFO and an executive director of Echo since the **company's** establishment as a separate listed entity.

*EGP: Normalised NPAT up 1.3%, 4c ff div, DRP at no disc, outlook positive

Echo Entertainment **Group** Ltd and controlled entities for the half year ended December 31 2013 announced a net profit after tax of \$46.1 **million** vs negative \$30.5% for the previous corresponding period (pcip).

Normalised NPAT excluding significant items was up 1.3% to \$71.5 **million** vs the pcip. The result includes \$7.3 **million** before tax of additional levies imposed in NSW and QLD during the first half 2014.

Normalised EBITDA excluding significant items was up 0.2% to \$210.3 **million**.

A 4c fully franked dividend was announced, steady, ex date February 10, record date February 14. The DRP is available at no discount.

NTA backing per security is \$1.28 vs \$1.24 for the pcip.

EPS is down 30.9% to 5.6c.

Net debt is \$765.8 **million**.

The Star in Sydney's actual EBITDA was down 4.3% or up 4.1% normalised to \$134.6 **million**. Revenue was down 6.5% (down 3.9% normalised). Trading was soft, impacted by subdued discretionary spend and lower hold rates in the private gaming rooms. Operating expenses were down 2.8% to \$249.4 **million** on cost reduction initiatives.

*The Queensland casinos actual EBITDA was down 15.5% to \$61.8 **million**, impacted by the same factors as the Star.

Development approvals are being sought for \$345 **million** expansion and refresh of Jupiters **Gold** Coast. The investment is expected to commence in full year 2015 subject to third party approvals.

Agreement has been entered into for the **sale** of Jupiters Townsville for \$70 **million** subject to regulatory approval.

There was revenue growth on the pcg across every **property** in January 2014. Domestic revenues were down 3.5% due to soft consumer sentiment and lower hold in private gaming rooms. The VIP business normalised gross revenue was down 9% on the pcg, earnings flat as a result of reduced average commission and rebates. Operating expense were down 4.5% on the pcg due to cost optimisation program delivering benefits in excess of target.

Outlook

CEO John Redmond said in the report the **group** has made an encouraging start to the year. The cost optimisation program is largely complete, the new **group** loyalty program is launched.

Echo is facing a period with exciting growth opportunities particularly in South East Queensland.

Analysts expectations: NPAT \$75 mln div 5c/\$67.5 mln, div 4c.

Analysts comment: on January 14 a leading broker initiated coverage on Echo Entertainment with an "underweight" and a \$2.20 price target. The broker said EGP had a mature Australian casino business, set to enjoy several more years of mild positive growth, but then a sharp step down in earnings/value in 2019 as it loses its monopoly in Sydney and faces an aggressive competitor for the first time.

"We estimate fundamental value in the range of \$A2.03/\$A2.55 with a price target of \$2.20 per share" the broker said in the report.

Another leading broker had a "hold" on EGP on January 30.

Market Cap \$1.8b.

EGP down 14 cents to \$2.18

*KMD: David Kirk appointed chairman

Kathmandu Holdings Ltd announced David Kirk (Kirk, who captained New Zealand's All Blacks in the 1987 Rugby World Cup) has been appointed chairman of the **board** after joining the **board** as non exec director in November 2013. Mr Kirk replaced John Harvey, who has been acting chairman since March 2013.

David Kirk is also chairman of Trade Me **group** and since July 2009 has been chairman of Hoyts **Group** Ltd. He is co-founder and managing partner of Ballador Investment Management, its portfolio companies and a Director of Forsyth Barr **Group** Ltd. He is Chairman of Trustees of Sydney Grammar School, a Director of the Sydney Medical School Foundation and FoodShare.

Market Cap \$561m.

KMD down 12 cents to \$2.80

*NAB: Geraldine McBride appointed a non exec director

National Australia Bank Ltd chairman Michael Chaney announced the appointment of Ms Geraldine McBride as a non exec director with effect from March 4. Ms McBride was a former president of global software **company** SAP for North America and has held senior executive positions with SAP in Asia Pacific and Japan and Dell and IBM in her career spanning 26 years.

Ms McBride is the founder and CEO of MyWave, a software and services **company** developing consumer and enterprise relationship solutions using personal cloud technologies.

*SKT/TEL: SKY will not renew current resale of services to Telecom customers

SKY Television confirmed it has agreed with Telecom NZ not to renew the current agreement for resale of SKY's services to Telecom customers. SKY is working closely with Telecom to minimise any impact to telecom customers with a SKY TV Bundle, ensuring continuity of television services as they are migrated back to SKY. The migration is expected to be complete by end May 2014.

While the non renewal of the reselling agreement will effectively end SKY's current contractual relationship with Telecom, Sky and Telecom remain open to working together in the future.

Market Cap \$2.05b. / \$3.9b.

SKT up 4 cents to \$5.28/ TEL down 1 cent to \$2.14

*WOR: \$C68.5m j/v contract for Redwater NGL Fractionation Plant in Canada

WorleyParsons Ltd announced the award of a contract for the general mechanical construction of a greenfield fractionation facility north of Pembina's existing Redwater NGL Fractionation Plant near the town of Redwater in Alberta, Canada. This project effectively duplicates the existing Redwater fractionation facility built in 1998.

WorleyParsonsCord the construction **group** for WorleyParsons in Canada will be responsible for execution of the project scope. Estimated revenue to WorleyParsons from this contract is \$C68.5 **million**.

Market Cap \$3.74b.

WOR down 48 cents to \$15.38

LARGE CAP RESOURCES

*BPT/TLU: ATP 904P surrendered by Beach, TLU **purchase** voided

Tellus Resources Ltd announced in an update on the present status of ATP 904P in the Surat Basin, Queensland, following extensive negotiations and talks with the Queensland Department of Natural Resource and Mines, Beach was advised that as the permit was not in substantial compliance it was very unlikely to receive ministerial approval for the transfer or the later work program.

Beach has consequently notified Beach that it wished to withdraw the later work program application and relinquish the whole of the area of the Permit, bringing the Permit to an end. The Qld govt DNRM has subsequently advised BPT that ATP 904P has been relinquished with effect from January 24.

Market Cap \$1.78b. / \$8.75m.

BPT down 3 cents to \$1.39/ TLU down 0.6 to 7 cents

MID TO SMALL INDUSTRIALS

*ACR: FDA continuing to evaluate/Axiron already carries several warnings

Acrux Ltd announced while the two recent publications published on November 5 2013 have resulted in considerable media interest and coverage in the last 24 hours, the FDA, that has issued a Drug Safety Communication, has been and continues to monitor this risk and will publish its recommendations once evaluation is completed.

Lilly provides several warnings and precautions related to cardiovascular risk in product labels for Axiron. Including warnings and precautions on risks of thickening of the blood and associated blood clots, swelling with heart failure in patients with pre-existing heart disease and changes to blood cholesterol.

Acrux added FDA's Drug Safety Communications, issued ahead of any conclusion, are not uncommon.

Market Cap \$319m.

ACR down 16.5 cents to \$1.915

*CVC/TGP: 360 Capital to purchase RE for CJT from CVC

360 Capital **Group** and CVC Ltd announced following recent discussions, the companies have entered into a conditional share **sale** agreement whereby 360 Capital will **purchase** a 100% interest in the responsible entity of CJT from CVC at a **purchase** price which is not material to either **company**.

TGP will over the coming months undertake a strategic review of CJG with a view to determine how best to actively engage the expertise and capabilities of TGP to improve the value of the CVC **Property** Fund for the benefit of all unitholders and the mutual benefit of CJG and TGP. An update will then be announced to market.

Market Cap \$136m / \$162m.

CVC down 13 cents to \$1.12/ TGP steady at 65 cents

*DYE: Turkey Co in \$US1.9 mln contract for equipment for prototype factory

Dyesol Ltd announced a feasibility study to substantiate plans for mass production of glass Dye **Solar** Cell (DSC) products by Nesli DSC in Turkey, first announced in 2009 and then delayed by the uncertain global economic climate, are again active, with the execution of a \$US1.9 **million** contract for the supply of equipment by Dyesol-Timo (DYE's 50.1% subsidiary) to Nesli DSC to establish a prototype production facility in Turkey.

Market Cap \$69m.

DYE down 0.5 to 28 cents

*FRI: j/v 4,000 sq **m** development at 172 Railway Parade, West Leederville

Finbar **Group** Ltd announced details of a j/v for the development of a 4,000 sq **m site** located at 172 Railway Parade in West Leederville. The **site** known locally as the former Hisco **Site** is prime development land located 1.5 km from the Perth CBD and is situated in a very accessible suburb with established urban amenities and a vibrant and transforming precinct.

The **site** is well serviced by public transport including both the Leederville and West Leederville (Fremantle line) train stations located just 300m away.

Finbar will contribute \$4.75 **million** in working capital with the land owner contributing the land, with profits to be divided 50/50 with Finbar also earning a management fee.

It is proposed the West Leederville **property** will be developed into approximately 142 **residential** apartments plus three **commercial** strata lots in an eight and nine level structure which will be developed in a single stage. The estimated end value is \$90 **million**, expected to contribute to Finbar's earnings in full year 2016/17.

Design works have commenced immediately.

Market Cap \$361m.

FRI up 1 cent to \$1.635

*ISN: New **board** chaired by Leon L'Hullier, Stephen Tunnell becomes MD

Isona Ltd announced a new **board** of directors to advance its asthma management platform from development to commercialisation.

Joining Tim Oldham on the **board** will be Leon L'Hullier, chairman, Bruce L Mathieson and John Ribot. Stephen Tunnell, SVP **Operations** since 2011 has been promoted to managing director and will also join the **board**.

Incoming chairman Leon L'Hullier paid tribute to the outgoing **board** members and said the technology offers significant improvement in the management of asthma for **millions** of sufferers around the world. (Feb 4)

Market Cap \$88m.

ISN up 1.5 to 33.5 cents

*KAM: NPAT strong profit lift for half year, 6c ff div

K2 Asset Management Holdings Ltd announced a net profit after tax for the half year up 220.15% to \$14.8 **million** on revenue up 176.54% to \$34.05 **million**.

A 6c fully franked interim dividend was announced, record date February 14.

NTA backing per security is 9c vs 5c for the previous corresponding period (pcp) .

Robust performance for all K2 funds saw significant performance fees payable for the half year totalling \$27.263 **million**.

Funds under management increased by 17.6% since June 2013 also resulting in management fees increasing, contributing \$6.276 **million**. Funds under management at December 3 were \$873.2 **million**.

The product suite of funds offered by K2 also expanded during the half year with K2 Australian Small Cap Fund launching on December 1 2013. Further expansion is also expected for the second half with the K2 International Opportunities Fund launching on February 1 2014 and providing K2's first long only product.

Market Cap \$187m.

KAM up 7 to 80 cents

*QHL: 1st C-130J wing flaps to Lockheed Martin ahead of schedule/new order

Quickstep Holdings Ltd announced it has delivered its first Lockheed Martin C-130J wing flaps to Lockheed Martin.

It has also secured a \$US9.8 **million purchase** offer under the MOA for a further 12wing flap sets to be delivered beginning of 2015.

Managing director Philippe Odouard said in the report the delivery of the first C-130J wing flaps ahead of schedule marks an import milestone for the **company**, demonstrating its ability to provide high volume carbon fibre composites manufacturing for complex international supply chains.

Over the life of the agreement, QHL will supply 120 shipsets of carbon fibre flaps through to 2018. Each C-130J shipset has four wing flaps which each include more than 200 individual parts including carbon ribs, spars and skins. QHL manufactures these components at its Bankstown Airport aerospace facility and has already built a team of more than 40 skilled personnel to service the project.

The C-130J is operated by 16 countries and is the latest model of the C-130J Super Hercules military transport aircraft which has been in continuous production for more than 60 years.

Market Cap \$87m.

QHL steady at 22 cents

*RFX: Flextronics confirmed as **m**'fr partner for ZBM flow battery

Redflow Ltd announced further to the announcement on January 29, Flextronics has been appointed as the selected manufacturing partner for the ZBM flow battery. Flextronics is one of the world's largest end to end supply chain solution companies with facilities in over 30 countries and annual revenues of nearly \$25 **billion**.

Redflow CEO Stuart Smith said in the report the Redflow ZBM battery will be the first flow battery globally to enter large scale production. Currently several are being integrated into prototype **energy** storage systems with large system integrators.

Flextronics president **Energy** at Flextronics said in the report "We look forward to working with Redflow in addressing the growing need for **energy** storage with this innovative product that can be implemented across multiple system integrators and applications".

Market Cap \$26m.

RFX down 1.5 to 15 cents

*RIC: RIC divests Qld salt fields in Bowen/set to become major algae producer

Ridley Corporation Ltd announced the **sale** of Bowen Land Development Corporation Pty Ltd which holds Ridley's former salt field assets at Bowen to Futura for \$1.25 **million**.

Advanced Algal Technologies, parent of the purchasing entity Futura said procurement of the salt farm in Bowen provides AAT the opportunity to produce algae on a large **commercial** scale. While the technologies patented by AAT were primarily designed for sequestering carbon dioxide from **coal** fired power stations, the size of the production area will allow AAT to capture the global market for human food, animal feed and pharmaceuticals, making AAT the largest production facility of algae in the world.

Ridley said production activity at the former salt field had ceased several years ago. The **sale** relieves Ridley from ongoing maintenance and the ultimate rehabilitation of the **site**.

Market Cap \$243m.

RIC down 0.5 to 79 cents

*TGA: CEO will stay till June, remain consultant/profit growth limited this yr

Thorn **Group** Ltd announced managing director John Hughes has agreed to delay his retirement until the end of June to assist transition. The **Board** also announced the **company** will enter into a 12 month consulting agreement with Mr Hughes on his retirement, with the intention he will then re-join the **board** as a non exec director in 2015.

The **board** also announced that Korn Ferry has been appointed to conduct a search for John's replacement, in addition to their search assignment for a non exec director to fill a current vacancy.

With regard to full year results, the **company** said as stated at the interim results in November 2013, Thorn's ongoing diversification strategy to become a broader based provider of alternative financial services is showing results as some initiatives have now been launched and growing returns are expected to come from these investments in the medium to longer term.

As Thorn continues to invest in new business opportunities, growth will be limited in the 2014 financial year.

Full year results for the year ended March 31 2014 will be announced on May 20.

Market Cap \$296m.

TGA down 1 cent to \$1.98

*UNS: Revenue up sharply, loss per share improves

Unilife Corporation Ltd in financial results for the three months ending December 31 advised revenue was \$3.6 **million** vs \$700,000 for the previous corresponding period (pcp) while the net loss was \$16.3 **million** or 17c per share vs \$14.6 **million** or 19c per share for the previous corresponding period.

Adjusted net loss for the three months ended December 31 2013 was \$8.3 **million** or 8c per share vs \$9.7 **million** or 12c per share for the pcp.

Basic and diluted loss per share was 17c vs 19c for the previous corresponding quarter and for the six months was 29c vs 35c for the previous corresponding half year.

Unilife reported \$6.7 **million** in total cash and cash equivalents including restricted cash as of December 31 2013, not including \$6.2 **million** in cash generated under the **company's** ATM facility with Cantor Fitzgerald in January 2014.

Market Cap \$194m.

UNS down 10.5 to 73 cents

MID TO SMALL RESOURCES

*AKK: Chairman Richard Cottee announces \$2.86m raising for Pierre drilling

Austin Exploration Ltd advised it has completed a placement of \$2.86 **million** through the issue of 260 **million** new shares at 1.1c per share. The placement to sophisticated investors was completed at a 15% discount to Austin's last closing price on the ASX. DJ Carmichael Pty Ltd acted a bookrunner and **lead** manager to the placement.

Chairman Richard Cottee said the drilling in the Pierre is highly attractive to Austin because it is expected to bring forward a strong revenue stream in return for a modest investment. The program aims to prove up the prime Niobrara **property** to facilitate further development opportunities including possibly attracting a farm out partner for Austin's 11,560 acre flagship Pathfinder project.

Market Cap \$21m.

AKK down 0.1 to 1.2 cents

*AZZ: Decides to retain and develop Northern Star assets, funding in train

Antares **Energy** Ltd advised in a material update that it will continue funding the field development of Northern Star since it believes Northern Star's operational success is repeatable and has withdrawn from the **sale** process for its Permian assets, intending to develop them instead. .

Cozart 19 No 1 has been Antares' most successful well and continues to be a solid producer. "Most importantly it has evidenced the sustainability of Northern Star production. Antares has now had over 18 months experience working with the Northern Star project since spudding Cozart 19 No. 1.

The development of Northern Star will now progress with 3D Seismic and the drilling of the first horizontal well.

Antares will report stabilised flow rates for all three new Northern Star well as soon as stabilised flow rates have been achieved.

Northern Star Field Development Funding.

Antares has a \$A100 **million** capacity within its convertible notes AZZG of which \$A30 **million** has been issued and \$A70 **million** is available. A US entity has given written advice that they would like to **buy** 100% of the convertible notes.

Secondly, Antares has a \$US200 **million** Term Debt Facility with Macquarie Bank drawn to approximately \$US60 **million**, repaid to its current balance of approximately \$US33 **million**. Preliminary discussions with Macquarie Bank with regard to the development of Northern Star and the rolling over of this facility for another term have been positive.

Market Cap \$102m. AZZ down 11.5 to 40 cents

*BCD/FNT: First shipment of **gold** loaded carbon from Stormont

BCD Resources NL announced with regard to its 50% j/v with Torque **Mining** Ltd and Frontier Resources Ltd at Stormont in Tasmania, BCD manager, **mining** of **ore** from the open pit commenced in the second half of December and processing at the **company's** Beaconsfield facility commenced in the first half of January. **Mining** of **ore** has reached targetted volume rates while the head grade of **ore** into the mill is now above 4.5gpt. Achieved recovery rates have been excellent with **gold** recoveries now exceeding 905.

The first shipment of **gold** loaded carbon has left Beaconsfield to be processed.

Market Cap \$4.9m / \$2.54m

BCD up 0.7 to 4.2 cents / FNT up 0.2 to 0.8 cents

*FAR: Contingent Resources for E Sinapa discovery 13.4 mln barrels, FAR 2m

FAR Ltd announced it has undertaken a detailed geotechnical evaluation for its 3 offshore blocks in Guinea-Bissau and completed an assessment of hydrocarbon resources.

Contingent resources for East Sinapa **oil** discovery are confirmed at 13.4 **million** barrels (unrisked 2C, 100% basis) and 2 **million** net to FAR.

Total Prospective Resources for the 3 blocks assessed at 954 **million** barrels of **oil** (unrisked Best Estimate, 100% basis) and 143 **million** net to FAR. The large West Sinapa prospect is scheduled to be drilled in late 2014.

shallow water depths and strong evidence of functioning hydrocarbon system (with 2 existing discoveries) provide for a low cost environment with moderate exploration risk.

Market Cap \$105m FAR up 0.1 to 4.2 cents

*FTZ: Secures advanced stage phosphate exploration area near Canada projects

Fertoz Ltd announced it has secured advanced stage phosphate exploration ground Marten Project near its existing Barnes Lake and Crow's Nest Projects in British Columbia, Canada.

Marten represents an additional small scale, low capital cost opportunity secured in the Sparwood area.

Extensive exploration in the 1930's included two shallow shafts from surface outcrop and a 60m drift. Historical work provides a solid base for exploration in 2014. It is close to major infrastructure including roads, **mining** towns and a rail link across Canada.

Market Cap \$14.56m.

FTZ up 3.5 to 39 cents

*KNL: MOU to combine its graphite project with Richland's plant in Tanzania

Kibaran Resources Ltd announced it has signed a non binding MOU to consolidate its Merelani-Arusha Graphite project with the Richland **group's** graphite assets in Tanzania following the recent signing of a binding off take agreement for Kibaran's Epanko Graphite.

The objective is to combine the graphite mineral rights and assets which include TanzaniteOne **Mining** Ltd's graphite processing plant, with the goal of recommencing graphite production. A j/v would provide Kibaran with a second source of graphite in Tanzania and a clear strategy to expand the **company's** future graphite production.

Richland owns the historic Merelani Graphite Mine plant built with a nameplate capacity of 15,000 tpa. TanzaniteOne **mining** has in place a processing plant and infrastructure including tailing storage facility, power, water, administration facilities, **site** camp and services on a **commercial** basis.

Kibaran has a 90 day exclusive due diligence period to evaluate the processing plant and the cost of refurbishment to return it to operational status for graphite production. The graphite plant was closed in the late 1990s due to a change in focus to the production of Tanzanite.

Market Cap \$11.6m.

KNL up 0.5 to 14 cents

*TZN/MGV: Up 3,942gpt Ag intersected at Menninnie Dam

Terramin Australia Ltd announced high grade silver including 10m grading 990 gpt Ag, 0.3gpt Au, 0.2% Cu, 0.4% Pb and 0.3% Zn from 43m including 2m t 3,942gpt Ag, 1gpt Au, 0.9% Cu, 0.7% Pb, 0.8% Zn has been intersected in drilling at Menninnie Dam.

The program was completed by Musgrave Minerals Ltd (earning 51% in the Menninnie Dam Project by spending \$6 **million** in the first phase and up to 75% by spending an additional \$3 **million** if TZN elects not to contribute to the j/v).

Market Cap \$44m. / \$10.3m.

TZN steady at 3.5 cents / MGv up 1.5 to 8.5 cents

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