

HD MARKET ROARS UP TO NEW 6 YR INTRA DAY HIGH

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The S&P/ASX200 is up 41.6 points to 5630 at midday on average volume worth \$1.8 **billion**. There are 546 issues higher and 316 down. The SPI Futures is up 42 points to 5581 on good volume of 12,618 contracts. Aussie 10 year bond yields are up 1 point to 3.47%. The \$A is at 93.82US c, steady with opening numbers.

*The banks have contributed 11 positive points to the index, insurers have contributed 2.8 positive points, resources have contributed 5 positive points, **property** trusts have contributed 0.7 positive points, retailers have contributed 3.8 positive points and retailers 3.8 positive points. Telstra has contributed 0.5 positive points.

*The Nikkei Dow futures are up 20 points to 15,660 points, Shanghai CSI physical is up 6.87 points to 2190.07, Hang Seng futures is up 219 points to 24,849 points, S&P futures is up 2.8 points to 1965.80, Nasdaq futures are up 8.75 points to 3961, Dow futures are up 6 points to 16,871 points.

Spot **gold** is down \$1 to \$1300. Crude futures are down 9c to \$100.88.

Japan IP down 3.3% in June, expected to rise in coming months

Reuters reports Japan's industrial output fell 3.3 percent in June as companies curbed production due to a pile-up in inventories, government data showed on Wednesday, but manufacturers expect output to rise in the coming months.

The month-on-month fall compared with economists' median estimate of a 1.2 percent decline in a Reuters poll of economists. It followed a 0.7 percent increase in May, the Ministry of Economy, Trade and Industry data showed.

Manufacturers surveyed by the ministry expect output to rise 2.5 percent in July and increase 1.1 percent in August, the data showed. The ministry lowered its assessment of factory output, saying it has weakened.

*Our market has seen a welcome burst of optimism, with the rising tide lifting all ships this morning.

The rise may have been inspired by a rush into equities on newspaper speculation that the RBA may cut rates next Tuesday - also ahead of the profit reporting season and following encouraging **company** news so far - as well as on 'safe haven' buying with **China** holding up and troubles in many regions. All sectors have gained, and the market is at a new post 2007 high (the market hit an all time record high of 67828.7 on November 1 2007).

"Down slightly .. close probably dictated by Asia"

"Bernborough said, "I'll call it down slightly, giving back yesterday's rally, with the close probably dictated by Asia. I have no strong view at present. Down about 6 on the day".

The S&P/ASX200 closed up 11 points to 5588.4 last evening.

TOP STOCKS

*Genworth is up 22c to \$3.49 on 2.3m shares on its interim result below.

*Computershare is up 8c to \$12.91 on 750,000 shares despite the report below.

*LNG is up 43c to \$3.68 on 10.17m shares on the report below.

*ALQ recovered 31.5c to \$7.81.5 on 1.14m shares, QBE recovered 40c to \$10.97 on 7.8m shares.

Among the financials, AMP is up 2c to \$5.43 on 3.16m shares, ANZ is up 20c to \$33.89 on 1.58m shares, CBA has gained 88c to \$83.23 on 991,201 shares, NAB is up 7c to \$35.18 on 1.7m shares. Westpac has gained 12c to \$34.39 on 1.77m shares.

Among the TMT's Telstra is up 1c to \$5.47 on 6.9m shares, Telecom NZ is down 3.5c to \$2.53.5 on 1m shares, SingTel is up 2c to \$3.43 on 105,144 shares.

Among the resources BHP is up 12c to \$39.18 on 2.3m shares, RIO is up 70c to \$66.45 on 1.2m shares. Fortescue has gained 15.5c to \$5.01.5, Iluka is up 17.5c to \$8.99.5 on 607,868 shares, AWC is up 1.7c to \$1.61.7 on 11.68m shares, Panoramic is up 4.5c to \$1.05 on 1.7m shares, also report below.

Among the oils, Woodside is up 47c to \$43.10 on 725,975 shares, Santos is up 8c to \$14.46 on 1.24m share. **Oil** Search is up 7c to \$9.51 on 996,627 shares.

Among the golds, Newcrest is steady at \$10.90 on 844,316 shares, Alacer is down 4c to \$2.54 on 363,883 shares, also quarterly below. Oceana is down 6c to \$3.42 on 239,637 shares, Resolute is down 1.3c to 61.7c on 1.3m shares.

AT THE SMALLER END

*Caravel untraded last at 1.2c also report below.

*Allegiance **Coal** is up .3c to 1.3c on 50,000 shares, also report below.

NEW LISTING

Metro Performance Glass Ltd (MPP) is trading at \$A1.60.5 on 300,000 shares following an issue of 185.03 **million** shares at \$NZ1.70 per share.

Metroglass produces a range of customised glass products mainly used in **residential** and non **residential** construction of windows, doors, internal partitions, balustrades, facades, showers, mirrors furniture and splashbacks.

It is the largest value added glass processor in New Zealand with 17 decentralised sites including five major processing sites, a fleet of over 260 service vehicles and more than 700 employees.

The main purpose of the offer is to enable Metroglass to **purchase** all of the shares in Metroglass Holdings from the Selling Shareholders and Senior Management, providing an opportunity for them to realise a portion of their investment.

Listing will also provide access to capital markets, lift its profile, reduce debt levels and broaden its investor basis.

On completion of the offer, the selling shareholders and senior managers will own 22.4% of the total share on issue.

Statutory net profit for the year ended March 2014 was \$NZ12 **million**, forecast to reach \$NZ14.3 **million** in 2015 and \$NZ21.2 **million** in 2015. NPAT last year was \$NZ8.3 **million**, for 2012 it was \$NZ8.8 **million**.

A 3.6NZ c dividend is forecast for next year, 7.7NZ c dividend for 2016.

Directors:

Sir John Goulter, 72, KNZM, JP, Independent, Non-Executive Chairman.

Chairman of the Audit and Risk Committee.

Sir John has long standing experience in the New Zealand corporate sector in executive and non-executive roles across a variety of industrial and services organisations in both the public and private

sectors. He brings a significant range and depth of **business** and corporate governance experience to the **Board**.

He currently acts as Chairman of the New Zealand **Business** and Parliament Trust, Northland Port Corporation (NZ) Limited, Northport Limited and Ururangi Limited.

Sir John has served on a number of boards, including the Reserve Bank of New Zealand, Vector and TVNZ. He has been the Chairman of a number of companies, including the New Zealand Lotteries Commission, United Carriers **Group** and Kapiti Coast Airport.

Prior to his non-executive roles, Sir John was the inaugural Managing Director of Auckland International Airport Limited.

In 2003, Sir John was appointed the New Zealand Herald **Business** Leader of the Year and a Distinguished Companion of the New Zealand Order of Merit (DCNZM) for services to **business** and the community. This honour was re-designated as Knight Companion of the New Zealand Order of Merit (KNZM) in 2009.

Sir John is a graduate of Harvard **Business** School (Advanced Management Program), a Justice of the Peace and a Fellow of the New Zealand Institute of Management. He was inducted as a Laureate into the New Zealand **Business** Hall of Fame in 2003.

Nigel Rigby, 47, Executive Director and Chief Executive Officer

Nigel was appointed as Chief Executive Officer of Metroglass in 2012.

Nigel has over 15 years' of experience working in the building products sector in New Zealand, Australia, Asia and the United States.

Prior to joining Metroglass, Nigel was with the James Hardie **group** for 13 years, including Executive General Manager – USA for James Hardie. In this role he led James Hardies largest international **business** division, which included managing large and complex capital projects as well as the day-to-day management and responsibility

for the performance of this division.

Russell Chenu, 64, Independent, Non Executive Director and Chairman of Audit and Risk Committee

Russell has significant experience in the corporate sector with more than 22 years in senior management roles.

He has considerable experience in financial roles, including with building products companies.

Russell is currently an independent director of ASX listed Leighton Holdings Limited (where he chairs the Audit Committee).

Russell had a 23-year career at James Hardie, holding various management and executive positions in a number of countries, including most recently serving as **group** Chief Financial Officer from 2004 to 2013.

Before this role, Russell served as Chief Financial Officer for several ASX-listed companies (Tab, Delta **Gold**, Australian National Industries and Pancontinental **Mining**) and Mighty River Power. Russell was also previously Treasurer of Pioneer International.

Russell has a Bachelor of Commerce from The University of Melbourne, an MBA from Macquarie Graduate School of Management and is a Member of the Society of Certified Practising Accountants (Australia).

Willem (Bill) Roest , 66, Independent, Non Executive Director and Member of Audit and Risk Committee

Bill has extensive experience in the New Zealand corporate sector both in executive and non-executive functions, in particular in the domains of finance and corporate governance.

He is currently on the boards of Synlait **Milk** (where he chairs the Audit and Risk Committee), Fisher & Paykel Appliances (where he chairs the Audit Committee) and New Zealand Housing Foundation.

Prior to his non-executive roles, Bill held the position of Chief Financial Officer at Fletcher Building for 12 years. Before this, he held several leadership roles within the Fletcher **Group**, including Managing Director of Fletcher **Residential** and Fletcher Aluminium.

Bill is a member of the New Zealand Institute of Directors, a Fellow of the Association of Chartered Certified Accountants (United Kingdom) and an Associate Chartered Accountant in the New Zealand Institute of Chartered Accountants (New Zealand).

Neville Buch, 56, Non Executive Director

Neville is a Partner at Crescent Capital Partners, an Australian private **equity firm**, specialising in high growth companies and certain industry sectors, including building products. Neville has particular expertise in operational management of industrial businesses.

Neville was Chairman of Metroglass Holdings from 2011 to 2014.

Neville is also Chairman of Crescent Capital portfolio companies Steel-Line **Group** and Groundprobe.

Before joining Crescent Capital Partners, Neville was Chief Executive Officer of Wormald Australia and a senior executive of Tyco where he held the roles of Global Vice President – Fire and Safety Division and Deputy Chairman – Tyco Securite Europe.

Neville holds a Bachelor of Science in Electronic Engineering (Hons Computer Design) and a Masters of **Business** Administration from the University of Witwatersrand in South Africa.

As a result of his affiliation with Crescent (which will have an interest in 8.3% of the Shares following the **Transaction**), Neville is not considered to be an independent director.

Neville was the nominee director of Crescent Capital Partners to the **Board** of one of Crescent Capital Partners investee companies – Rosella Food HoldCo Pty Limited.

This **company** and other Rosella **group** companies voluntarily entered into external administration due to insolvencies during the time Neville was a director.

NEWS OF THE DAY

Changes in substantials reported July 28 and 29 inc reported separately.

LARGE CAP INDUSTRIALS

*BWP: Non core **property** divestment for \$41 **million**

BWP Management Ltd the responsible entity for the BWP Trust announced the divestment of four non core properties in four separate **transactions**. The divestments, all supported by independent valuation provide an opportunity for the Trust to re-focus its **property** portfolio on assets that are better positioned for rental and capital growth into the future.

The combined **sale** price of the properties is \$41 **million**.

It includes the Hemmant industrial facility, Queensland, Coffs Harbour Bunnings Warehouse, NSW, Ex Bunnings Warehouse **property** in Sandown, Victoria and Regency **Park** Industrial facility, South Australia. (Jul 29)

*BXB: Graham Kraehe AO to retire in Sept, Stephen Johns the new chair

Brambles Ltd announced Graham Kraehe AO has notified the **board** of his intention to retire as chairman and stand down at end September 2014. The **board** has appointed Stephen Johns as Chairman-elect.

Mr Kraehe has been Brambles' Chairman since February 2008. He was first a non exec director of the **company** between December 2000 and March 2004 when he retired because of increased responsibilities in his then role as Chairman of National Australia Bank. He rejoined the Brambles **Board** in December 2005.

*CPU: UK Govt decision means CPU's CVS biz will enter into rundown in 2016

Computershare Ltd announced it has today received notice that the UK Government has concluded its consultation process on the provision of childcare accounts within the new UK tax free childcare scheme. The scheme is scheduled to commence in the second half of calendar year 2015.

The UK government has determined that National Savings and Investments, a government agency will be the Scheme's account provider, working in partnership with Her Majesty's Revenue and Customs.

This will not impact CPU's UK based Voucher Services **business** (CVS) in 2015. However it is now expected that the CVS will move into run off mode in full year 2016 and is expected to progressively **wind**

down over the subsequent two years. The CVS **business** has in recent years contributed in the range of 2/3% of CPU's consolidated EBITDA.

An update will be provided at CPU's full year results released on August 13 on the potential implications of this development on the carrying value of goodwill associated with the CVS **business**, which is approximately \$US130 **million**.

CPU President and CEO Stuart Irving said, "While we have previously flagged the regulatory risk associated with our CVS **business**, we are naturally disappointed by today's announcement by the UK government".

*GMA: Pro forma int profit up on IPO f/cast, div 2.8c ff, no DRP

Genworth Mortgage Insurance Australia Ltd for the half year ended June 30 announced a statutory net profit of \$42.489 **million** on revenue worth \$94.507 **million**. There are no comparable statistics (listed on May 20, formed on May 19 when the **company** gained 100% of all Australian subsidiaries).

The pro forma NPAT is \$151.4 **million**, up 130.4% on the pcp. The underlying pro forma NPAT is up 40.7% to \$133.1 **million**.

A 2.8c fully franked interim dividend was announced, record date August 15.

NTA backing per security is \$3.59. There is no DRP.

Basic eps is 6.5c, diluted eps is 5.8c.

Cash and cash equivalents at end of the half year are \$77.731 **million**.

The results have been achieved through stable earned premium and low net claims incurred and strong financial income assisted by favorable unrealised gains on the fixed interest securities due to credit spread movements, the **company** said in the report and compare favorably to the proforma underlying net profit after tax of \$133.1 **million**.

Analysts expectations: NPAT \$137.5 mln, div 2.1c ff.

A leading broker on July 23 retained a "**buy**" on Genworth Mortgage Insurance ahead of its first half profit .

The broker expects underlying NPAT of \$118.6 **million** and statutory NPAT of \$137.5 **million** with a 2.1c interim dividend, fully franked.

The broker said the **company**'s reported earnings will include any mark to market gains/losses on its investment portfolio. "With bond yields having come down during the half, we are expecting it to book an unrealised gain of around \$27 **million** pre tax".

Genworth listed on May 20, closing at \$2.99 after an offer of 220 **million** shares at a price of \$2.65 a share for 650 **million** shares on issue, with the rest retained by the US parent **company**. Goldman Sachs Australia Pty Ltd has been appointed stabilisation manager in connection with market stabilisation arrangements. Twenty **million** share under the offer have been designated as over allocation shares.

Genworth independent director and chairman of Genworth Mortgage Insurance Australia Ltd said in the covering letter to the prospectus, "Australia has experienced consistent GDP growth, sustained credit growth, relatively low unemployment levels and net population growth over the last decade. Australia has a well capitalised banking system which remains in a relatively strong position. .. The four Australian Major Banks accounted for 78% of **residential** mortgage loans outstanding as at December 31 2013.. Genworth Australia has consistently delivered profits through varied economic environments with pro forma net profit after tax of \$179 **million** and underlying NPAT of \$221 **million** in full year 2013"..

"**Property** News' added, "Goldman Sachs and CBA Equities, Macquarie and UBS launched a book build last week following the decision of the US parent to sell down a 34% **stake** in its Australian subsidiary. It has a 45% share of the lenders' mortgage insurance (LMI) market in Australia, in an oligopoly as Genworth and the other main player, QBE LMI, have a combined share of around 78%.

*TAH: Acquiring ACT TAB for \$105.5m 'a unique opportunity'

Tabcorp Holdings Ltd announced it has agreed with the ACT Government to **acquire** ACT TAB for \$105.5 **million**.

ACT TAB is a Territory owned provider of totalisator and fixed odds wagering, Keno and Trackside products. As part of the **acquisition** the ACT Government will issue to Tabcorp a 50 year exclusive

totalisator licence, a sports bookmaking licence for an initial term of 15 years with further rolling extensions to a total term of 50 years and ongoing approvals to offer Keno and Trackside products for 50 years. There is no wagering tax payable to the Territory on the totalisator licence. The wagering tax payable to the Territory on the sports bookmaking licence currently has an expected effective tax rate of less than 1% of turnover.

Managing director and CEO David Attenborough said in the report the **acquisition** of ACTTAB presents a unique opportunity for Tabcorp to secure long term licences on highly favorable terms.

LARGE CAP RESOURCES

*AQG: On track to meet full yr guidance/cash in hand \$US292 mln, no debt

Alacer **Gold** Corporation CEO Rod Anstal and Mark Murchison in the 2nd quarter results said Copler is on track to meet guidance - it has achieved 500 days without a lost time injury as of July 8 2014, with production of 39,836 attributable ounces at low All-in Costs of \$806/ozs. Oxide **ore** treated was 1.5Mt at 1.46gpt Au, **gold** recovery ratio was 70%. Sulfide **ore** stockpiled is 0.3Mt at 3.56gpt Au. The total stockpile is now at 2.4Mt at 4.69gpt Au.

Operating cash flow was \$12.5 **million**.

For the quarter profit from continuing **operations** before income tax was \$US17.653 **million** vs \$US42.227 **million** for the previous corresponding period and for the six months was \$US41.112 **million** vs \$US92.922 **million** for the pcq.

On **gold** sales worth \$US63.7 **million** vs \$US89.6 **million** for the previous corresponding period (pcq) and \$US78.308 **million** vs \$US68.130 **million** for the pcq.

Copler is on track to meet 2014 guidance of 160,000/180,000 attributable ounces at an All-in Cost of \$US730 to \$US780 per ounce.

Alacer has cash in hand of \$US292 **million** and no external debt as at June 30. Annual payments made in the first half 2014 that will not re-occur this year include shareholder dividends, Lidya profit distribution, annual royalty payment, end of year tax payment.

Net current assets have increased by \$US10 **million** during the first half 2014.

Alacer has reduced overheads by \$US16 **million** per annum.

*LNG: Raises \$38.6 **million** before costs via placement at \$2.60 for Bear Head

Liquefied Natural Gas Ltd advised the **company** has raised \$A38.6 **million** before costs via a placement of 14.873 **million** shares at \$2.60 to US and Australasian institutional investors.

The capital raising will be used to fund the **acquisition** of 100% of Bear Head LNG Corporation from a subsidiary of Anadarko Petroleum Corporation for \$US11 **million** and fund the development (including the FEED Study, permit and regulatory approvals and all Project Documentation) of the Bear Head LNG Export Project through to a possible Final Investment Decision in 2016. The Bear Head LNG Project is located in Richmond County, Nova Scotia, Canada.

*NST: Jundee resource estimate rises 68%

Northern Star Resources Ltd advised it is poised to significantly increase mine life at its Jundee **gold** mine in WA after growing the project's total JORC compliant resource estimate by 68% to 851,000 ozs.

The reserve component decreased by only 28,000 ozs despite the production of 138,000 ozs in the first six months of calendar 2014. The previous estimate was 411,000 ozs for December 2013.

Jundee recovered 75,310 ozs in the June quarter (NST took ownership on July 1 2014).

*RIO/PAN: Rio in earn in with option to j/v PAN/RIO PGM projects in Ontario

Panoramic Resources Ltd announced its wholly owned subsidiary Panoramic PGMs (Canada) Ltd has signed an earn in with option to j/v agreement with Rio Tinto Exploration Canada Inc, a wholly owned subsidiary of Rio Tinto, to consolidate their respective Platinum **Group** Metal projects in Ontario, Canada.

Consolidation includes PAN's Thunder Bay North Project and RTEC's Escape Lake Project. Escape Lake is surrounded on all sides by PAN's project.

RTEC has an option to spend up to \$20.25 million over the next 5.5 years to earn a 70% interest in Thunder Bay North. If RTEC do so, PAN will acquire a 30% interest in Escape Lake.

PAN has been granted certain rights to acquire 100% of Escape Lake in the event RTEC does not proceed with the earn in and j/v.

Panoramic believes RTEC's interest in the Thunder Bay North and Escape Lake projects potentially gives the Consolidated Project significant critical mass.

MID TO SMALL INDUSTRIALS

*CND: Loss for year to June 30 pre tax, cautiously optimistic on 2015

Clarius Group Ltd in 2014 guidance said the group's unaudited result for the year to June 30 is a pre tax loss of \$2.5 million vs a loss of \$1.9 million for the first six months.

As previously announced the group experienced improved trading conditions in May and June and directors and management are cautiously optimistic that these will continue in full year 2015. All aspects of the business are under review. The continued roll out of the group's investment in technology is beginning to deliver benefits.

*GID: First patients enrolled in study sponsored by French Ministry in France

GI Dynamics Inc announced the first patients have been enrolled in a large, randomised, multi center, clinical utility study of EndoBarrier Therapy sponsored by the French Ministry of Social Affairs and Health.

EndoBarrier Therapy is the world's first endoscopically delivered device therapy approved for the treatment of type 2 diabetes and/or obesity.

*KOV: Korvest reports for the year.

Analysts expectations: \$5.2 mln, full yr div 52c.

*On July 24 a leading broker said following the operational update and special dividend announced in May we expect little surprise. There is some risk with regard to full year 2015 project delivery timing but strong order backing should support current earnings.

Company guidance:

*On May 13 Korvest Ltd announced a special fully franked dividend of \$1 per share to be distributed to shareholders as part of Korvest's significant retained earnings as a fully franked dividend. Ex date is June 6, the record date is June 11 and it will be paid on June 27. The Special Dividend represents a total dividend of approximately \$8.8 million.

The DRP will be implemented and will apply to the Special Dividend, at a 5% discount to VWAP. The DRP will be fully underwritten by Taylor Collison Ltd with the support of new and existing institutional, professional and sophisticated investors.

*On April 30 Korvest in an update on January 2014 guidance said it now expects second half trading will be at levels approximately 20% higher than those of the first half. The board of Korvest has decided that the EzyStrut business has capacity challenges at its Kilburn manufacturing site due to expansion, and has agreed that it will take over the Kilburn facility currently occupied by the smaller Indax business.

Management will explore the best options for a disposal of the Indax business.

*NBL: Confirms it expects full yr loss, plus impairment charges

Noni B Ltd advised following the May 28 report that due to lower sales it was expecting a full year after tax loss before impairment of between \$1.8/2.2 million, due to continued weakness in the specialty retail market, Noni B expects an unaudited full year after tax loss of 42.2 million before any audit, or tax adjustments and impairment charges. The board expects an impairment charge to intangible assets as outlined on May 28 (\$5.5 mln).

The strategic review is continuing, at this stage there can be no assurance that a transaction will eventuate. (Jul 29)

Our Week's Special dated May 18 2012, NBL was trading at 72c. . NoniB has been profitable since listing in 1999 up until this year. Focused on design and manufacture of quality womens' apparel for the 40+ age

group, well run and never having held debt, the sharp fall in sales is perhaps a pointer to tough times facing older Australians.

*PGL: Medigen continuing Phase III trial of PI-88/results at end trial may differ

Progen Pharmaceuticals Ltd announced PI-88 licensee Medigen Biotechnology Corp is continuing PI-88's Phase III PATRON clinical trial for PI-88.

While results of the interim analysis carried out on the Phase III clinical trial indicated it did not meet the primary endpoint of Disease Free Survival and that further analysis by an independent medical imaging **company** in the US, BioClinica will be conducted by the end of the year and will be an important reference for the efficacy of PI-88.

While the interim analysis conducted on July 27 mainly analysed the primary endpoint of Disease Free Survival the final analysis will analyse all of the efficacy endpoints including Disease Free Survival, time to recurrence, tumor recurrence rate and overall survival.

Both the interim and final analysis use the two tailed P-value to determine statistical difference between the treatment and placebo groups. The smaller the P-value the more significant the difference. The interim analysis was based on only 60% of available data and therefore the P-value was set very low at 0.01806. the final analysis will be conducted on the data from the total targeted recurrent 218 patients, with the statistical significant difference set at a P-value of 0.04148. (Jul 29)

*RUL: RungePincockMinarco Ltd asked for a trading halt pending an announcement with regard to a proposed capital raising.

MID TO SMALL RESOURCES

*AHQ: JOGMEC to provide \$3m for exploration for **coal** in Bowen Basin

Allegiance **Coal** Ltd and JOGMEC, a Japanese government owned corporation announced they will jointly undertake an extensive exploration program in Queensland's Bowen Basin.

JOGMEC will provide \$3 **million** of exploration funding over 3 years in exchange for a 40% interest in the Kilmain **Coal** project located in Queensland's Bowen Basin. The funding package will allow substantial exploration of the **coal** within the project area.

The joint exploration agreement is subject to final execution of the documents and approval by the FIRB.

*CAV: Option over Nevada Au/Ag/Cu assets via backdoor listing for Tojo Carnavale Resources Ltd announced it has entered into an agreement giving it the option to **acquire** the rights to two highly prospective **gold/silver/copper** projects in Arizona and Nevada via the **acquisition** of unlisted **company** Tojo Minerals Pty Ltd following the issue of 10.5 **million** shares to Tojo shareholders as an option fee, with Carnavale required to spend \$US500,000 on the two US projects by February 28 2015 before any withdrawal.

On exercise of the option Carnavale is required to issue 21 **million** fully paid shares to Tojo shareholders to **acquire** 100% of Tojo.

Carnavale has entered into an option agreement with Tojo Minerals Pty Ltd which has options agreements over the two US projects. Capital raising plans have been finalised to raise approximately \$520,000 via a private placement. Andrew Beckwith has been appointed to the **board** as managing director. Ron Gajewski will remain chairman.

Mr Beckwith was previously with AngloGold Ashanti, Acacia, Normandy, North Flinders, BBP Minerals and more recently at Westgold Resources. Awarded the "2008 explorer of the year" for the Rover 1 discovery.

Tojo is a private Australian exploration **company** that has identified and acquired the rights to explore advanced highly prospective Au.AgCu projects in Arizona and Nevada.

In Arizona, best results from limited drilling include 137m at 11.33gpt Au including 4.5m at 33.65gpt Au and 42.7m at 2.04gpt Au including 18m at 4.17gpt Au.

The Nevada project is prospective for large multi **million** oz Carlin style Au-Ag potential. Tojo has the right to earn up to a 75% interest in the project.

Carnavale has finalised plans for the issue of 34.66 **million** shares at 1.5c per share together with 34.66 **million** attaching options.

A shareholder meeting to seek approval is expected to be held in September.

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