

HD MARKET MILDLY LOWER AT MIDDAY**BY** Jenny Prabhu**WC** 5,169 words**PD** 7 April 2014**SN** OzEquities News Bites**SC** NBOZEN**LA** English**CY** Copyright 2014 News Bites Pty Ltd. All rights reserved.**LP**AUSTRALIAN **COMPANY** NEWS BITES

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The S&P/ASX200 is down 11.3 points to 5411.5 at midday on light volume worth \$1.2 **billion**. There are 331 issues higher and 516 down. The SPI Futures is down 15 points to 5407 on light volume of 7441 contracts. Aussie 10 year bond yields are down 3 points to 4.15%. The \$A is at 92.85US c, steady with Saturday levels.

*The banks have contributed 2.4 negative points to the index, insurers have contributed 0.5 negative points, resources have contributed 0.6 negative points, **property** trusts have contributed 0.1 negative points, retailers have contributed 1.3 positive points and Telstra has contributed 1.2 negative points.

*The Nikkei Dow futures is down 210 points to 14,870 points, **China** appears to be closed on holiday (official holiday was Saturday 5), the Hang Seng futures is down 146 points to 22,384 points. S&P futures is flat at 1859.30, Nasdaq is down 3 points to 3534.5 points, the Dow is down 11 points to 16,345 points. **Gold** futures are up 50c to 41304. Crude futures are down 26c to \$100.88.

While our market is slightly lower following the US sell off on Friday (which included Aussie stocks in ADR form across the **board**) Asian markets are mixed, with some relieved that poorish US numbers will mean tapering will be cautious with no rate hike foreseeable.

"Wouldn't be surprised if our market rose ... closing up 15"

"Maree" said, "Our market may get some underlying support from expectations of a boost from the Free Trade Agreement. I wouldn't be surprised if our market actually rose today, closing up 15".

Maree, just back from the US added, "We are in a different environment to the US. There is no way there is an economic recovery happening in the US. The malls are empty, Las Vegas is very quiet - and it was one of the big seasons for travel. Workers are low paid, and eking out their salaries with whatever they can make on the side. The US is going to have very low interest rates for quite a while as yet".

The S&P/ASX200 closed up 12.9 points to 5422.8 on Friday.

ECO NEWS

Australian job advertisements in newspapers and on the internet rose for a third straight month in March, a further sign that demand for labour is picking up after a long fallow period.

A survey by Australia and New Zealand Banking **Group** showed total job advertisements rose a seasonally adjusted 1.4 per cent in March, from February when they had climbed a revised 4.7 per cent.

The average number of job ads per week was 132,925, from an upwardly revised 131,089 in February. That was down 2.7 per cent on March last year, but a big improvement from the middle of last year when the annual drop reached 18.8 per cent.

Job ads on the internet rose 1.3 per cent in March to 128,786 and were down 2.3 per cent on the year. Newspaper ads bounced 4.5 per cent, a rare increase amid a prolonged structural shift to other forms of advertising.

"There is now clearer evidence that labour demand is strengthening," said ANZ chief economist for Australia Ivan Colhoun. "Importantly, there has been strength in job advertising in some key industries, including construction, education and health."

Official employment figures for March are due on Thursday and median forecasts are for a modest rise of 5,000 following a surprisingly large 47,300 increase in February. The jobless rate is seen staying at 6.0 per cent.

The ANZ job ads survey's correlation with employment has weakened over the last couple of years, in part due to firms using other methods of reaching job seekers such as social media.

TOP STOCKS

*Wesfarmers is up 40c to \$41.97 on 687,640 shares on the report below.

*Mesoblast is down 30c to \$4.79 on 442,626 shares - also a "biotech wreck" in the US on Friday, sector seen as overheated.

*Perpetual Trustees is down 38c to \$49.94 on 20,000 shares, also report below.

Among the financials, AMP is down 2c to \$5.04 on 2m shares, ANZ is up 12c to \$33.49 on 1.4m shares, CBA is down 16c to \$76.82 on 568,181 shares, NAB is down 16c to \$35.22 on 1.39m shares, Westpac is down 10c to \$34.50 on 914,216 shares.

Among the TMT's Telstra is down 3c to \$5.03 on 4.29m shares, Telecom NZ is up 1c to \$2.35 on 634,923 shares, SingTel is down 1.5 to \$3.09.5 on 193,683 shares.

Among the resources BHP is down 6c to \$37.69 on 1.6m shares, RIO is up 13c to \$63.85 on 562,814 shares. Fortescue is down 1c to \$5.44 on 2.9m shares. OZL is up 6c to \$3.87 on 718,049 shares, Paladin is down 2c to 43.5c on 3.99m shares. CuDeco is down 13.5c to 41.79 on 316,142 shares, also report below. **Alumina** is down 3c to \$1.24 on 4m shares. Base Resources is steady at 42c on 33,000 shares, also report below.

Among the oils, Woodside is up 20.5c to \$38.96.5 on 550,340 shares, Santos is down 3c to \$13.44 on 670,306 shares. **Oil** Search is down 3c to \$8.42 on 905,988 shares.

Among the golds, Newcrest is up 38c to \$10.30 on 2.3m shares, Oceana is up 3c to \$2.51 on 225,097 shares, Saracen is up .5c to 34c on 954,043 shares, Regis has gained 7c to \$2.29 on 1m shares. Medusa is down 5.5c to \$1.95.5 on 2m shares.

AT THE SMALLER END

*Lucapa is steady at .7c on 21.2m shares, also report below.

*SmartTrans is up .4c to 1.5c on 4m shares on its sales report, still to be entered apologies.

*Smart Parking is up 2c to 17.5c on 491,954 shares.

*Papillon is up 3.5c to \$1.28 on 724,000 shares on the report below.

NEWS OF THE DAY

Changes in substantials reported April 2, 3 and 4 inc posted separately.

*Reuters reports India's Sun Pharmaceutical Industries Ltd said it will **buy** generic drug maker Ranbaxy Laboratories Ltd, which has hit regulatory snags in its key U.S. market over quality issues, in an all-share deal with total **equity** value of \$3.2 **billion**.

Record **iron ore** exports to **China** from Port Hedland in March

Bloomberg reported exports to **China** from Australia's Port Hedland climbed to a record last month as signs of rising steel production in the world's biggest buyer boosted demand and miners increased supply.

Shipments from the world's largest **ore**-export terminal totalled 27 **million** metric tons in March compared with 21.3 **million** tons in February and 19.1 **million** tons a year earlier, data on the port authority's

website show. Total exports were also a record at 34.4 **million** tons last month, rising from 27.8 **million** tons in February and 24.9 **million** tons in March 2013, the data show.

"You see a pick-up in March as the steel industry starts ramping up," said Daniel Morgan, an analyst for UBS AG in Sydney. "It's a healthy indication of supply side picking up and demand side picking up post winter."

LARGE CAP INDUSTRIALS

*ASX: March activity subdued vs the pcp

The value of ASX listed stocks as measured by the All Ordinaries Index was down 0.2% in March 2014 vs the previous month. The UK was down 3.1%, **Hong Kong** was down 3%, Germany was down 1.4%. The ASX was weaker than Japan which fell 0.1%, Singapore which rose 2.5% and the US which gained 0.7%.

Volatility measures for the Australian **equity** market remained below long term averages during March.

In March total capital raised including scrip for scrip totalled \$4.3 **billion**, down 3% on the previous corresponding period (pcp).

In March the average daily number of trades was down 2% on the pcp. The average daily value traded on market was \$3.7 **billion**, down 2% on the pcp. The average number of derivatives trades decreased 9% on the pcp with both single stock and index options lower.

In March 2014 the average daily futures and options on futures volume on ASX24 fell 8% on the pcp, with both futures and options volumes lower.

Participant margin balances held on balance sheet averaged \$3.5 **billion** in March vs \$3.9 **billion** for the previous corresponding period with a month end balance of \$3.4 **billion** in March vs \$3.6 **billion** in March 2013. (Apr 3)

*PPT: Sells NZ Guardian Trust to Complectus for \$N68.3mln, cash rec'd

Perpetual Ltd announced the **sale** of The New Zealand Guardian Trust **Company** Ltd in New Zealand to Complectus Ltd for \$NZ68.5 **million**, equivalent to \$A63.3 **million**.

This follows Perpetual's December 2013 **acquisition** of the Trust **Company** which owned Guardian Trust. The NZ **business** was considered non core to Perpetual's strategy and best placed with an experienced local owner to take the **business** forward.

Perpetual CEO and MD Geoff Lloyd said Guardian Trust is a trusted **brand** and a good fit for the buyer, which is well established in New Zealand. Guardian Trust's clients and employees will move forward with a trust **business** that has a 130 year history in New Zealand.

Meanwhile, Perpetual's T15 growth agenda has been accelerated by the Trust **Company acquisition** which is expected to deliver synergy benefits of at least \$15 **million** per annum after tax. The divestment of the NZ **business** will not impact previously stated synergy estimates.

The **sale** of Guardian Trust was simultaneously executed and settled on April 7 with 100% cash consideration.

There is no relation between Perpetual Ltd in Australia and Perpetual Trust in NZ.

*TME: Mar qtr job listings lifts 21% on pcp, employment confidence all time hi

TradeMe in its job market report for the first quarter head of Trade Me Jobs Peter Osborne said the number of job listings on the **site** had lifted 21% year on year in the first quarter following on from a 17% lift in the final quarter of 2013.

"The national employment market is flourishing with Auckland, Wellington and Canterbury all seeing positive growth" Mr Osborne said in the report. He cited Westpac McDermott Miller, which found that employment confidence is at an all time high since the recession.

More than half of employees (62%) cited better pay as their primary motivation for considering moving to a new location.

*TWE: CEO Michael Clarke to address the market tomorrow

Treasury Wine Estates Ltd advised its CEO Michael Clarke will be undertaking an introductory call to the market at 10 a.m. AEST tomorrow.

*WES: Sells insurance broking + premium funding to AJ Gallagher for \$1.01bln

Wesfarmers Ltd announced it has agreed to sell the insurance broking and premium funding operations of its insurance division to subsidiaries of Arthur J Gallagher & Co listed on the NYSE for \$1.010 billion. In addition to the purchase price, Wesfarmers will receive a distribution of approximately \$150 million to repay funding of the premium funding operations.

On successful completion of the transaction, Wesfarmers expects to record a pre tax profit on the sale of approximately \$310/335 million.

Wesfarmers insurance broking business comprises OAMPS Insurance Brokers in Australia, OAMPS UK and Crombie Lockwood in New Zealand. The premium funding operations in Australia and New Zealand comprise Lumley Finance and Monument Premium Funding.

Arthur J Gallagher & Co is one of the largest risk management and insurance broking companies in the world, headquartered in Illinois, founded in 1927, it employs over 16,000 insurance professionals in 25 countries.

The sale is subject to a number of conditions precedent including FIRB approval, Overseas Investment Office approval in NZ and the Financial Conduct Authority in the UK.

LARGE CAP RESOURCES

*BHP: Japanese steelmakers continue to resist monthly price sets for coking coal

The Financial Times in London reports a push by BHP Billiton, the world's biggest resource company by market value, to have coking coal prices set by an index-based pricing system has encountered further resistance.

BHP has been attempting to establish market-linked pricing in the Asian market since 2010. However, many steelmakers, particularly in Japan, continue to favour longer-term fixed pricing arrangements, which give greater certainty over price and supply of brands they prefer.

In the latest pricing round, many of BHP's rivals were able to settle quarterly contracts with major Asian steel mills on the traditional fixed-price basis, at around \$120 a tonne, according to traders. That was down 16 per cent quarter-on-quarter and below the levels seen during the global financial crisis.

In contrast, Asian mills shunned BHP's monthly index-linked offers and the Melbourne-based miner was forced to sell a greater amount of coal directly into the Chinese spot market. The coal was sold at a discount to the quarterly contract price, according to the McCloskey Coal Report.

"Japanese steelmakers continue to demonstrate support for the quarterly pricing system, prioritising supply security and stability," said Macquarie analyst Stefan Ljubisavljevic.

BHP declined to comment on the negotiations, the Financial Times reported.

*BSE: First ilmenite shipment of 25,000 tonnes exported to China

Base Resources Ltd in its March quarter highlights included the maiden shipment of 25,000 tonnes of ilmenite departed port in February bound for China from its Kwale project in Kenya. First product sales proceeds were received in March. Zircon production through the mineral separation plant commenced in February with containerized zircon sales commencing in April. The fifth and final \$US25 million drawdown on the Kwale Project Debt Facility was completed in January.

The Kwale Project has now made the transition to the Kwale Operations.

The estimated cost at completion for the Kwale Project remains at \$US310 million.

In January an additional \$US25 million project finance facility executed in December 2013 was drawn, bringing the total debt facilities drawn to \$US215 million.

*CDU: Minsheng Banking Corp finalises \$US65m facility for Rocklands Project

CuDeco Ltd announced it has been formally advised by the Minsheng Banking Corporation Ltd of China that the Credit Facility for the Rocklands Project has been approved. Minsheng Bank is the largest privately owned bank in China. The terms are more attractive than the first term sheet offered.

The facility amount is \$US65 million, interest rate is LIBOR currently 0.25%) plus margin of 3.5% per annum. The upfront fee in a once only payment is 2%, the management fee is 2% flat fee per annum of the aggregate drawdown amount of the facility plus 1% for any undrawn amount of the total facility. At this time this translates into an interest rate of approximately 5.75% p.a.

*OGC: Full yr, qtr results announcement on April 29

OceanaGold Corporation's full year and March quarter results will be announced on April 29.

*SBM: Trading halt to assess damage from Solomon Islands floods

St Barbara Ltd asked for a trading halt pending an announcement on the damage to the Gold Ridge Operations arising from the flood disaster in the Solomon Islands as first announced on April 3.

*SFR: Stake in Toronto company in j/v in Cu-Au project in Misima, PNG

Sandfire Resources NL advised it has reached agreement to acquire an interest in Toronto listed WCB Resources Ltd, a copper gold explorer by subscribing for shares in a \$A5.9 million private share placement.

WCB is earning a 70% interest in the Misima copper-gold project through a j/v with Pan Pacific Copper, an integrated copper mining and smelting company jointly owned by JX Nippon Mining & Metals Corp and Mitsui Mining & Smelting Co Ltd.

The investment provides Sandfire with exposure to a potential Tier-1 porphyry copper-gold exploration opportunity with outstanding upside. Misima is located adjacent to an historical gold mine formerly owned by Placer Dome Asia Pacific which produced 4M ozs of gold and 20M ozs of silver.

MID TO SMALL INDUSTRIALS

*ANP: Additional patent granted in US for MS drug ATL1102

Antisense Therapeutics Ltd announced the US Patent Office has allowed US Patent 61/132973 entitled "Methods for treating multiple sclerosis using antisense oligonucleotides". This covers the use of the ATL1102 compound to reduce brain lesions in relapsing-remitting multiple sclerosis and progressive forms of MS including secondary progressive MS and primary progressive MS and at the desired doses until June 23 2029 with potential for an extension of up to 5 years.

The new US patent forms part of the company's extensive portfolio of intellectual property protecting ATL1102 and its uses in MS.

The annual sales for drugs treating RRMS in 2013 were approximately \$US14 billion.

*AOG: Strong sales continue, 2014 profit to be up on 2013

Aveo Group announced continuing strong sales from its Retirement Established Business division and its Residential Communities and Apartment division as its transformation to a pure retirement group accelerates. As a result, net cash flows from Aveo's operating activities in full year 2014 are forecast to be stronger than full year 2013. Aveo Group also confirmed previous guidance that full year 2014 underlying profit is forecast to be up on 2013 results.

*AYI: Receives \$200,000 as part of \$3 mln funding committed

AYI Ltd announced pursuant to the announcement on March 24 the company has received \$200,000 from Sol Holdings as part of their commitment to the \$3 million funding. The loan will be converted into ordinary shares, subject to shareholder approval.

*BKI: Acquires synergistic long term unlisted investor for 2.4m shares

BKI Investment Company Ltd announced it has completed the acquisition of all the issued capital of an unlisted investment company with net assets of approximately \$4 million. Consideration for the acquisition will be 2.4 million new BKI shares. BKI CEO Tom Millner said the private company has been a long term investor for 50 years and has developed a portfolio of investments that is complementary to BKI's existing portfolio. The BKI Board looks forward to engaging in similar transactions in the future. (Apr 4)

*CTE: Founding director Gordon Milliken retires, Exec director acting CEO

Cryosite Ltd announced retirement of managing director Gordon Milliken on April 9. Gordon was a founding director of CTE, appointed MD prior to its listing in May 2002.

He has overseen the growth of CTE from a concept, to a listed **company** to a **company** that at June 30 2013 employs 35 people, had sales of \$9 **million**, net profit of 41.2 **million** and positive cashflow of \$1.3m. The **company** pays regular dividends, has no debt and a strong balance sheet.

Executive director Graeme Moore will take on the role as acting CEO on Gordon Milliken's retirement.

Our Week's Special dated June 22 2012. CTE was trading at 19c.

From our report: Graeme Moore joined Cryosite in July 2005 after a decade with the Australian Red Cross Blood Service. Graeme has over 20 years experience in biomedical science, manufacture of therapeutic goods, quality management and regulatory affairs.

*FFF: CBA extends snr debt facility maturity date to July 7/alt offers rec'd

Firstfolio Ltd advised the Commonwealth Bank of Australia has extended the maturity date of its senior debt facility with the **company** to July 7 2014. As announced on January 28, due to material delays in completing the IZN Recapitalisation proposal the **company** commenced a process to seek alternative proposals to meet its immediate and longer term funding requirements.

The **company** has received and is considering non binding indicative proposals from a number of parties regarding potential alternative **transactions** based on initial due diligence.

*GID: Israel establishes reimbursement policy for EndoBarrier Therapy

GI Dynamics Ltd announced that Clalit Health Services, Israel's largest and one of the world's largest health maintenance organisations has established a reimbursement coverage policy for EndoBarrier Therapy, an endoscopically delivered device therapy approved for the treatment of type 2 diabetes and obesity. According to the Israel Diabetes Association there are an estimated 600,000 Israeli adults currently living with diabetes, and approximately 1/3rd of these are undiagnosed.

*PPY: Patent granted in EC, approval signalled in US for banana fibre to paper

Papyrus Australia Ltd announced the US Patent Office has issued a Notice of Allowance on the Papyrus patent application covering an improved banana fibre furnish, signalling its intention to shortly grant a US patent for the technology.

The European Patent Office granted a patent for the same technology on March 26 2014.

Chairman Ted Byrt said the developments represent an important milestone for the **company**. PPY's improved banana fibre furnish, based on an inventive arrangement of banana petiole fibres, finds uses in the manufacture of paper and paper based products such as panel boards and paier mache products for packaging as an alternative to wood based products, with improved water resistance and fire retardant properties.

*PYC: U/written rights issue 87% subscribed, progress with Janssen j/v

Phylogica Ltd advised its non renounceable rights offer, fully underwritten by its largest shareholder Bernard Hockings, was 87% subscribed, providing Phylogica with a cash runway of about two years, to be used to commercialise the **company**'s drug discovery platform.

Phylogica in conjunction with Janssen has been making significant progress towards validation of one of its proprietary technologies, the Endosomal Escape Trap, to discover novel cell penetrating peptides. The EET is a unique technology that enables Phylogica to screen **billions** of Phylomers for the relatively rare peptide that can escape from endosomes to deliver its cargo more efficiently into cells.

In February Phylogica had highlighted several key milestones achieved with the Endosomal Escape Trap.

*SPL: 2nd expanded AstraZeneca agreement for SPL technology

Starpharma Holdings Ltd announced the signing of a second expanded agreement with AstraZeneca in the field of cancer medicine using Starpharma's proprietary DEP dendrimer drug delivery technology. The agreement follows on from an evaluation by AstraZeneca which began in "September 2012 of Starpharma's delivery technology. The new agreement will see the application of Starpharma's technology to a cancer drug from AstraZeneca's pipeline.

Under the new agreement, AstraZeneca will provide funding for a preclinical stage cancer research program to be conducted jointly.

MID TO SMALL RESOURCES

*ACB: Raising \$5.8m via \$1.32m UK placing + 1 for 3.5c u/writ issue at 5.5c

A-Cap Resources Ltd announced the **company's board** of directors has resolved to raise \$5.8 **million** by way of a placement to raise \$1.32 **million** from institutional investors in the UK and a non renounceable entitlement offer to shareholders on a 1 for 3.5 share basis at 5.5c per share to raise approximately \$4.5 **million**, which will be fully underwritten.

Funds raised will be used to enable the **company** to complete further feasibility work necessary for a **mining** licence application in the first half of next year at the **company's** Letlhakane **Uranium** Project in Botswana. Funds received from the placement will enable critical path drilling, process design and environmental work to commence immediately.

*ANW: Positive PFS on tech, eco viability of Taronga Tin Project, NSW

AusTin **Mining** Ltd announced the pre feasibility study demonstrates the technical and economic viability of Taronga Tin Project in northern NSW. The maiden **ore** reserve is for 22Mt at 0.16%Sn for 35,600 tonnes contained tin.

Open cut **mining** and conventional processing are expected to generate an average 2,815 tpa of recovered tin in concentrate over the 9.3 year life of mine.

Revenue of \$A705 **million** from recovered tin only is forecast, at C 1 cash costs of \$A16,553/t of recovered tin during the proposed financing period.

Initial capital and pre-production costs of \$A87.8 **million** are envisaged, NPV of \$A63.2 **million** and IRR of 27.3%. A number of areas for potential upside have been identified.

The **company** will progress discussions for next stage funding.

*BBX: To receive advance payment for R\$2 mln, approximately 4A943,000

BBX Minerals announced via its 100% owned subsidiary Mineracao BBX do Brasil Ltda and ENGEPE Engenharia e Pavimentacao Ltda and Enggold Mineracao Ltda have signed an advance payment agreement whereby BBX do Brasil will receive 3 advance payments from Enggold now the assigned counterparty under the Chapada sales contract.

*HAZ: Ferrotungsten grade increases further in 4th campaign

Hazelwood Resources Ltd announced daily production rates during the 4th quarter at the AIC Ferrotungsten Project in Viet Nam are at or above design criteria. The product grade has further increased, exceeding expectations.

The fourth campaign is now operating at or greater than the design throughput of 22 tonnes per day of tungsten concentrate feedstock. It is at the highest level since commissioning in 2013 and is currently averaging 78.55. Product is being packaged for despatch to global customers. The rolling average for the campaign in progress is 78.5% tungsten content.

Ferrotungsten output of approximately 1,500 tonnes FeW is targeted for full year 2014, generating strong cashflow and profitability for Hazelwood, with further output increases planned into full year 2015.

*IRD: Fed Govt grants major project status for Central Eyre **iron** project

Iron Road Ltd announced Major Project Facilitation status has been granted by the Australian Federal Government for its Central Eyre **iron** Project on the Eyre Peninsula. The project is the only one in South Australia to currently hold MPF status.

*LOM: Raises \$5.5m at .6c with 1 for 2 options/proposed 30:1 consolidation

Lucapa Diamond **Company** Ltd managing director Miles Kennedy announced the **company** has raised \$5.5 **million** less costs at .6c per share to advance its Lulo Diamond Concession in Angola.

The placement, which was heavily over subscribed was **lead** managed by Canaccord Genuity (Australia) Ltd and supported by CPS Capital **Group**.

The placement which remains subject to the clearance of funds involved the issue of approximately 917 million shares at .6c per share with 458 million free attaching listed options on a 1 for 2 basis.

Canaccord and CPS Capital Group will be paid a fee entitled to 6% of gross proceeds and subject to shareholder approval will also be entitled to 75 million listed options.

The Lucapa Board has also resolved to put a resolution to shareholders at the AGM to seek approval for a 30:1 consolidation of shares and options, both listed and unlisted, on a post placement basis. And also to issue loyalty options on a 1 for 2 basis on the same exercise terms of .6c per share.

*MDO/RMX: Sells further 51.8 mln Red Mountain shares

Mindoro Resources Ltd announced it has sold an additional 51.8 million shares in Red Mountain Mining Ltd at an average price of \$C0.015.4 per share for additional proceeds of \$C792,686 net of broker's fees.

Mindoro retains 2.1% in Red Mountain.

*PGI: Sub contractor fatality at Las Lagunas project

PanTerra Gold Ltd advised an employee of its civil engineering subcontractor at the Las Lagunas project in the Dominican Republic has died as a result of an accident on April 2 involving the excavator he was operating. The company has informed all relevant authorities and will assist with providing assistance, including counselling services to family and affected employees. (Apr 4)

*PIR: New hi grade gold discovery, Fekola DFS in 2nd half, \$41.286m cash

Papillon Resources Ltd for the quarter ended March 31 said the company's operations continued to focus on the progress of the Fekola gold project located in south western Mali (Fekola 90%, local partner Mani 10%).

Highlights for the quarter included a new gold discovery at Menankoto Sud, located 3 km north of Fekola with outstanding initial drilling results including 13m at 7.13gpt Au from 33m, 13m at 2.36gpt Au from 10m and 11m at 2.16gpt Au from 28. The grades and widths are similar to the original Fekola discovery with analogous geological features. Multiple anomalous gold targets have been identified within a 4.5 km x 3 km corridor.

Papillon has commenced the Definitive Feasibility Study for Fekola, appointing Lycopodium Minerals Pty Ltd as lead engineer, assisted by leading industry consultants with expertise in the design and construction of gold mines in West Africa. The DFS is scheduled for completion in the second half of 2014.

In other highlights, the mining permit was granted by the Malian government, valid for an initial period of 30 years. The mining permit is the final major approval required to develop and mine the Fekola deposit.

Also positive early results continue to be received in a program focussed on extending near surface mineralised trends within approximately 2 km of the Fekola deposit. Best grades include 3m at 36.19gpt au.

Cash in hand \$41.286 mln.

*RLC: Cliffs Natural Resources, Sojitz to sell their stake to offeror

Reedy Lagoon Corporation MD Geof Fethers announced the company has been notified by its j/v partners in the Bullamine j/v (Cliffs Natural Resources Inc and Sojitz Mineral Development Pty Ltd (RLC retains a 25% free carried interest until decision to mine with funding repayable only out of its portion of product) that they have received an offer for all their interests in the j/v which they propose to accept. Reedy Lagoon has pre-emptive rights over these interests and has 30 business days in which to decide whether or not to exercise those rights.

Directors view this progress in the sale process for the Bullamine j/v interests as positive for the company.

*UNV: First thermal coal sales from Kangala mine delivered to Eskom

Universal Coal plc announced first thermal coal sales from its Kangala mine in South Africa's Witbank coalfield has been delivered. Under the terms of the original coal sales agreement, Universal Coal will provide ESKOM with sales from Kangala for the next 8 years with an extension in place for 16 years. Remaining production will target the more lucrative export markets, via South African coal producer Exxaro Resources. First export sales are on track to commence by July 2014.

*XAM: \$1.47 mln in private placement, raises over \$US10mln for Kharmagtai Xanadu Mines Ltd announced it has raised \$1.47 million in a fully subscribed private placement, subject to shareholder approval of the Kharmagtai acquisition. Bell Potter Securities Ltd acted as sole lead manager.

Xanadu has arranged over \$US10 million of new funds for the acquisition and exploration of the Kharmagtai copper-gold project.

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