

HD MARKET MANAGES TO CLIMB TO NEW POST 2008 HIGH

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The S&P/ASX200 closed up 11 points to 5588.4 on lightish volume worth \$3.5 **billion**. There were 537 issues higher and 486 down. The SPI Futures closed up 10 points to 5539 on lightish volume of 14,307 contracts. Aussie 10 year bond yields were up 2 points to 3.46%. The \$A is at 93.97 US c, up about 10 points from last evening.

*The banks contributed 9.7 positive points to the index, insurers contributed 7 negative points, resources contributed 1.8 positive points, **property** trusts contributed 0.3 positive points, retailers contributed 3.1 positive points and Telstra contributed 1.4 positive points.

*At 4pm AEST the Nikkei Dow futures was up 110 points to 15,620 points, Shanghai CSI physical was up 9.8 points to 2187.75, Hang Seng futures was up 142 points to 24,530 points, S&P futures was down 0.10 points to 1972.80, Nasdaq futures was steady at 3960 points, Dow futures was up 2 points to 16,918 points.

Gold futures rose \$1 to \$1306. Crude futures were down 30c to \$101.37.

Our market closed at a new post April 2008 record high, just point 6 higher than the high of last Thursday, led by Asian markets, with Japan soaring on better than expected earnings from Nissan.

Volume may have been light however with Indonesia, Malaysia, the Philippines, Sri Lanka and India for the end of Ramadan holiday.

Japan household spending up, jobless rate rises, retail sales fall in June

Reuters reports Japan's household spending rose 1.5% in June from the previous month in seasonally adjusted terms, falling short of economists' median estimate of a 2.2% increase - reversing the contractions seen in April and May. In May, household spending fell 3.1% from the previous month. In April, household spending tumbled 13.3% as the sales tax hike went into effect.

On an annual basis, Japanese household spending fell 3.0% in June from a year ago, less than the median market forecast for a 3.8% annual decline and well below the 8.0% decline in the year to June.

Japan's retail sales fell 0.6% in June from a year ago, slightly more than the median estimate for a 0.5% annual decline and faster than a 0.4% decline in the year to May. The pace of decline was slower compared with 1997 when the sales tax was last raised. The government raised the national sales tax to 8% from 5% on April 1 to pay for rising welfare costs.

Japan's jobless rate unexpectedly rose to 3.7% in June from 3.5% in May, but labour shortages in construction and retail suggest the jobless rate is not likely to rise sharply.

The jobs-to-applicants ratio rose to 1.10 in June from 1.09 in the previous month, data from the labour ministry showed on Tuesday, matching a high last seen in June 1992.

"Down another six as people watch and wait"

"Bernborough" said he expects the market to be line ball again today. As to whether up or down a few, he said, "I suggest you toss a coin. But a bit of weakness may continue today - I'll call it down another six as people continue to watch and wait".

The S&P/ASX200 closed down 6.1 points to 5577.4 last evening.

ECO NEWS

*The Westpac-Melbourne Institute Index of Consumer Sentiment showed a 1.9% increase, from 93.2 in June to 94.9 in July. The rise came in below expectations, and revealed continuing weakness in consumers' labour market expectations and the five-year economic outlook.

Westpac chief economist Bill Evans said the expected recovery after a sharp drop in May had failed to materialise.

However, it was not all bad news: family finances appear to be improving, with a 1.9% rise in a sub-index that tracks household finances compared with a year ago. Sentiment about family finances looking forward a year also recouped some of the losses sustained after the budget.

Supporting the dollar is ongoing speculation the Reserve Bank could lift interest rates early next year, amid optimism for a lift in exports as a series of gas export projects in Queensland start up during 2015.

*The Housing Industry Association new home sales report, based on a survey of Australia's largest volume builders showed an increase of 1.2% in the month of June 2014, and a rise of 2% in the June quarter. Sales of multi units drove the monthly result, up 15.9%. Detached house sales fell 1% in June.

Detached house sales increased by 2.6% in the June quarter despite falling in the final month, HIA Chief Economist Dr Harley Dale said in the report.

TOP STOCKS

*QBE fell \$1.32 to \$10.57 on 27.5m shares on its lowered guidance today.

*ALQ fell 52c to \$7.50 on 4.5m shares on its lowered guidance.

*Navitas fell 28c to \$4.70 on 1.8m shares, also report below.

*Crown rose 25c to \$16.08 on 1.5m shares.

*Healthscope rose 2c to \$2.23 on 37.4m shares.

Among the financials, AMP closed down 2c to \$5.41 on 10.4m shares, ANZ rose 17c to \$33.69 on 3m shares, CBA rose 35c to \$82.35 on 1.8m shares, NAB rose 42c to \$35.11 on 4.17m shares, Westpac gained 9c to \$34.27 on 4.2m shares.

Among the TMT's Telstra closed up 3c to \$5.46 on 14.98m shares, Telecom NZ fell 9c to \$2.57 on 2.36m shares, SingTel (ex div) rose 2c to \$3.41 on 336,943 shares.

Among the resources BHP closed down 4c to \$39.06 on 4.8m shares, RIO closed up 39c to \$65.75 on 1.67m shares. Fortescue rose 11c to 44.86 on 35.5m shares, BCI gained 13c to \$3.40 on 988,215 shares, Atlas was up 2.5c to 59.5c on 13.39m shares, Lynas rose 1.5c to 21.5c on 22.25m shares, Paladin fell 1.5c to 39c on 9.3m shares.

Among the oils, Woodside rose 12c to \$42.63 on 976,109 shares. Santos fell 5c to \$14.38 on 1.7m shares, **Oil** Search fell 6c to \$9.44 on 2.6m shares, Beach fell 5.5c to \$1.70.5 on 9.6m shares, also quarterly below.

Among the golds, Newcrest rose 12c to \$10.90 on 1.9m shares, Oceana rose 6c to \$3.48 on 810,080 shares, Resolute rose 1c to 63c on 2.6m shares, also quarterly below. Medusa was up 3.5c to \$1.786.5 on 1.13m shares.

AT THE SMALLER END

*UXC lifted 7c to 82c on 3m shares after raising its guidance.

*Progen lost another 6.5c to 23c on 889,935 shares.

NEWS OF THE DAY

Western Australia likely to beat official forecasts for wheat output, 2014/15

Reuters reports Australia's largest grain producing state Western Australia is likely to beat official forecasts for wheat output in the 2014/15 season by about 1 **million** tonnes, or 12 percent, wheat exporter CBH **Group** said on Tuesday.

The state's wheat crop is expected to hit 9.4 **million** tonnes out of total grain production of 15.4 **million** tonnes, CBH **Group's** manager for marketing and trading Jason Craig told reporters on the sidelines of a grains conference.

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) last month forecast Western Australian wheat production at 8.4 **million** tonnes, down from a bumper harvest of 10.5 **million** tonnes in the 2013/14 season.

An increase in Western Australian wheat production would supplement national production, already seen under pressure from dry weather across Australia's east coast.

The state typically accounts for more than a third of Australia's wheat output.

Ex div: SGT ex div.

LARGE CAP INDUSTRIALS

*ALQ: Min sector still faces challenging conditions/int to end Sep down 26.5%

ALS Ltd chairman Mrs Nerolie Withnall and managing director Greg Kilmister addressed the AGM.

The chairman undertook some major acquisitions including the **acquisition** of Reservoir **Group** in August 2013, an **oil** and gas services **group** with an enterprise value of \$A608 **million**, the Reliance Technical Services, a consumer products testing **group**, **Oil** Check, that undertakes equipment lubricant analysis and Advanced Inspection Technologies that undertakes asset care.

The **company** also raised \$A242 **million** from a 1 for 11 renounceable rights issue in August 2013 and \$A322 **million** in long term debt in the US private placement market in September 2013.

Of the 12,000 ALS employees globally, 2/3rds are employed outside of Australia with 40% female employees.

The chairman also referred to the retirement in 2015 of Ray Hill and Bruce Brown, while Grant Murdoch and John Mulcahy are up for election at the AGM.

Guidance

For the half year ended September 30 2014 underlying net profit after tax will be approximately \$74 **million**, 26.5% below the \$100.7 **million** achieved in the first half of last year.

The chairman said the minerals division and the geochemical **business** in particular continues to face very challenging market conditions. While pricing for ALQ's services remains stable, geochemical sample flows in the June quarter are down 27% on the pcq, with Canada particularly challenging.

The September quarter is looking strong across all ALS's **Oil** and Gas **business** streams.

The Life Sciences Division is expected to perform slightly ahead of the first half year. The Industrial Division's June year to date revenue and EBIT are up 20% and 44% respectively on the same period last year, mainly on the back of the Asset Care **business**.

The strong \$A is also impacting.

Market Cap \$3b.

ALQ down 52 cents to \$7.50

*AUB: Buys 50% of WA gen insur broker Nexus, also buys AMIR for \$7.6m + Austbrokers Holdings Ltd announced it has acquired a 50% interest in Nexus (Aust) Pty Ltd, a general insurance broker based in Bunbury, Western Australia.

Nexus places \$56 **million** in general insurance **business**, generating income of \$12 **million**.

AUB has also acquired through Austagencies, a 75% interest in Asia Mideast Insurance and Reinsurance Pty Ltd (AMIR), a niche offshore **energy** underwriting agency. AMIR underwrites in excess of \$10 **million** premium annually.

The acquisitions are expected to add approximately 2.5% to earnings per share for 2015 after funding costs. The total completion payments paid of \$7.6 million have been funded from cash held.

The final payment for Nexus will be determined based on results for 2016.

Market Cap \$585m

AUB down 4 cents to \$9.76

*FSF: Milk prices fall on inc prod, lower demand/f/casts higher profit, div

Fonterra Co-operative Group Ltd reduced its forecast Farmgate Milk Price for the 2014/15 season from \$NZ7 to \$NZ6 per kgMS and announced an estimated dividend range of 20/25NZ c pere share, amounting to a forecast cash payout of \$NZ6.20/6.25 for the current season.

Chairman John Wilson said the lower forecast Farmgate Milk Price reflects strong production globally, a build up of inventory in China and falling demand in some emerging markets in response to high dairy commodity prices. Also the New Zealand dollar has remained strong.

Milk collection across New Zealand last season rose 8.3% to 1,584 mln kgMs.

CEO Theo Spierings said during the first half reduced cost of goods is expected to have a positive impact on returns. "We continue driving our V3 strategy throughout the previous season and that is why we can support an increased estimated dividend range for the 2014/15 financial year". Annual results will be announced on September 24.

Market Cap \$596m.

FSF up 7 cents to \$5.54

*LEI: Consortium reaches financial close on \$NZ1 bln motorway in PPP

Leighton Holdings Ltd announced Leighton Contractors as part of the Wellington Gateway Partnership (WGP) has reached financial close on an availability based Public Private Partnership with the New Zealand Transport Agency to deliver the \$NZ1 billion Transmission Gully Motorway. The WGP will finance, design and construct the project and then operate and maintain the 27 km Transmission Gully Motorway from 2020 for a period of 25 years. The contract value to Leighton Contractors is approximately \$NZ800 million.

It is New Zealand's first state highway to be delivered as a PPP.

Market Cap \$7.33b

LEI down 45 cents to \$21.65

*MND: Awarded \$160 mln contract with Sino Iron Pty Ltd for Karratha project

Monadelphous Group Ltd announced it has been awarded a \$160 million contract with Sino Iron Pty Ltd at the Sino Iron Project, located at Cape Preston, near Karratha in Western Australia. The contract comprises of structural, mechanical and piping installation and commissioning works within Concentrator Lines 3 to 6.

Market Cap \$1.5b.

MND down 17 cents to \$15.93

*NVT: Ongoing incomplete negotiations with number of Uni's, including US

Navitas Ltd referred to recent media speculation regarding a partnership with a sixth institution in the US that it expects to reveal as early as this week, confirmed it is in ongoing negotiations with a number of potential partner universities including some in the US. At this stage negotiations are ongoing and incomplete.

Market Cap \$1.77b.

NVT down 28 cents to \$4.70

*QBE: Lowers interim forecast well below analysts current forecasts

QBE Insurance **Group** Ltd announced while it expects to report its interim result on August 19, it expects the result to differ from consensus expectations.

The first half result has been impacted by a claims reserve strengthening of around \$170 **million** in Latin America, the majority of which relates to QBE's Argentine workers' compensation **business**, higher than expected large individual risk claims which contributed to a large individual risk and catastrophe claims charge of around 10% of net earned premium and an adverse discount rate impact of around \$120 **million** excluding Argentina.

As a consequence the **Group's** combined operating ratio for the first half is now expected to be 96/97% vs consensus expectations of around 93% and the **Group** insurance profit margin for the first half is now likely to be 76/8% vs consensus expectations of around 10%.

QBE's global portfolio is otherwise performing broadly in line with internal plans. Net profit after tax for the first half is now expected to be around \$390 **million**.

Analysts current NPAT expectations range from \$US475 mln to \$US535.8 mln.

Market Cap \$13.5b.

QBE down \$1.32 to \$10.57

LARGE CAP RESOURCES

*BPT: Record full yr production, cash \$411 mln/prod flat to slightly lower 2015

Beach Petroleum Ltd announced in highlights for the year full year production was a record 9.6Mmboe, up 20/5 on the previous corresponding period (pcp) mainly due to record **oil** production.

Quarterly total production was 2.3Mmboe, 1% up on the prior quarter, mainly due to increased SACB J/V gas and gas liquids production, supported by steady **oil** production.

Record full year sales volumes were 10.8Mmboe, 20% up on the prior quarter, mainly due to favorable timing of shipments and increased winter gas demand.

Record full year sales revenue was \$1.05 **billion**, up 51% on the pcp, resulting from record **oil** production and a strong \$A Brent **oil** price.

For the quarter, sales revenue was \$264 **million**, up 14% on the prior quarter, mainly due to timing of **oil** shipments and higher gas demand.

Beach participated in 33 wells with a success rate of 82%.

In events subsequent to the end of the quarter, Beach included the farm out of the Lake Tanganyika South Block to Woodside.

Full year 2015 production guidance is 8.6/9.4 Mmboe. Capital expenditure guidance is \$450/500 **million**.

Cash reserves are \$411 **million** with an undrawn secured debt facility of \$300 **million**.

Market Cap \$2.2b

BPT down 5.5 cents to \$1.705

PRU down 0.5 to 45.5 cents

*RSG: **Gold** prod up in June qtr, cash cost down/cash in hand \$69 mln

Resolute **Mining** Ltd for the quarter to June 30 announced total **gold** production was 81,877 ozs at a cash cost of \$888 per oz vs 78,490 ozs at a cash cost of \$922/oz for the previous quarter, resulting in annual **gold** production of 342,773 ozs vs 435,855 ozs last year at a cash cost of \$922 per oz (vs \$811 per oz for the pcp), both broadly in line with guidance.

During the quarter Resolute acquired the Bibiani **gold** project in Ghana.

At Syama in Mali (RSG 80%) **gold** produced was 53,136 ozs at a cash cost of \$US782 per oz vs 39,828 ozs at \$US983 per oz for the previous quarter.

At Ravenswood in Australia (RSG 100%) **gold** produced during the quarter was 28,741 ozs vs 37,870 ozs for the previous quarter as the Mt Wright production front moved through a lower grade section.

At Golden Pride in Tanzania, the treatment plant decommissioning is progressing well, preparations are underway to relinquish the licence in December 2014.

RSG also updated significant development and exploration on the Nyakafuru project in Tanzania (RSG 100%, the Finkolo Project in Mali, (RSG 85%) at the Goureme and Toumodi research permits in Cote d'Ivoire and elsewhere.

Cash bullion and investments in hand at June 30 had a market value of \$69 million vs \$68 million at end March quarter.

2015 Production guidance:

Production guidance for full year 2015 is 315,000 ozs at an average cash cost of \$890 per oz and all in sustaining cost of \$1,280 per oz.

Production in 2015 is impacted by the closure of Golden Pride in Tanzania and slightly lower grade ore at Ravenswood in line with the life of mine plan. However the company will benefit from increased production at Syama from the new parallel oxide processing plant.

Whilst cash costs are forecast to reduce in 2015 all in sustaining costs will be impacted by an increase in waste removal volumes at Syama for the year, expected to diminish in following years.

Market Cap \$404m.

RSG up 1 to 63 cents

*SEA: Sells remaining non operated Bakken assets for \$US14.5 mln

Sundance Energy Ltd announced the divestiture of its remaining non operated Bakken assets. The sale price of \$US14.5 million includes \$US10 million in cash and relief of a net liability from Sundance to the Buyer of \$US4.5 million. The transaction is expected to close in the third quarter of 2014.

The company's Goliath prospect includes approximately 3,300 net acres primarily in Williams County, North Dakota that produced approximately 124 boepd in the first quarter of 2014.

Market Cap \$735m

SEA up 2 cents to \$1.34

MID TO SMALL INDUSTRIALS

*AEI: Acquires Smartcool Systems, CEO and Op Mgr join Aeris

Aeris Environmental Ltd announced it has completed the acquisition of the business of Smartcool Systems Australia Pty Ltd providing the company with a significantly expanded offering and capability in the international energy efficiency sector.

The consideration for the transaction will be the issue of share options to the principals of Smartcool and is subject to significant performance hurdles. Specifically Aeris acquired the staff, trading business, knowhow and related distribution rights from Smartcool, which had turnover in the past year of over \$1 million.

Smartcool is the exclusive distributor of a full range of energy and system efficiency solutions. The CEO Chris Rogerson together with the National Operations Manager Scott Gregson will join Aeris full time.

As consideration Aeris will issue Chris Rogerson and Scott Gregson an initial tranche of 250,000 Aeris share options each exercisable at 20c each and a 3 year vesting period.

Market Cap \$12.4m

AEI untraded last at 10.5 cents

*ELD: 8 point plan for agribusiness in both Australian and internat markets

Elders Ltd announced an eight point plan to create an agribusiness in both Australian and international markets. The plan included geographical coverage, retail products, maximising the Elders brand and positioning, offering financial services, strategy services, feed and processing services, live export services with continuous efficiency gains with cost and capital reduction. (Jul 28)

Market Cap \$109m

ELD up 2 to 24 cents

*IDT/MYX: MOU with MYX in US to distribute IDT's generic Temozolomide

IDT Australia Ltd announced it has entered into a binding MOU with Mayne Pharma's US products division to distribute IDT's generic Temozolomide product in the US. Temozolomide is indicated for the treatment of melanoma and glioblastoma multiforme and had US sales of approximately \$US340 million in the 12 months ended May 31.

The Abbreviated New Drug Application submission for Temozolomide is the first of IDT's generic filings, as announced on November 18 2013. It has now been accepted for review by the US FDA and is progressing through the FDA's review process.

IDT to maximise value of mfr facility developing its own generic drug portfolio

Managing director Dr Paul MacLeman said the deal fits within IDT's strategy to maximise the value of its globally accredited drug manufacturing facility and to develop a generic drug portfolio in IDT's own right, rather than solely as a contract manufacturer.

IDT intends to develop/acquire additional generic drugs over the next 12/18 months.

Market Cap \$21m. / \$525m

IDT up 1 to 27 cents / MYX up 2 to 89.5 cents

*LIC: Conditional purchase of site in Rosebud, Vic for \$7.5 mln

Lifestyle Communities Ltd announced it has executed a conditional contract to purchase a site in Rosebud, Victoria for \$7.5 million. The contract is conditional on LIC receiving planning approval to develop the site.

Market Cap \$150m.

LIC steady at \$1.50

*RHP: Wholly owned subsidiary NewLease a Microsoft SPLA in Indonesia

Rhype Ltd announced its wholly owned subsidiary NewLease has been appointed as a Microsoft SPLA in Indonesia. This new appointment will authorise NewLease, a wholly owned subsidiary of Rhype Ltd, to sell Microsoft software licenses under Service Provider Licensing Agreements (SPLA) in this market.

Market Cap \$79m

RHP up 3 to 82 cents

*UXC: PBT in line with forecast/net debt \$4.4 mln vs \$34 mln guided earlier

UXC Ltd advised in market guidance it expects to report a substantially lower Net Debt position than expected. The net debt is expected to be \$4.4 million vs guidance of \$34 million.

A significant contribution to the June cash collection came from material payments, ahead of terms, as a result of successfully delivered milestones on key projects. This coupled with an improved level of general cash collection is a reflection of the strong support from customers to pay within terms which correlates to high customer satisfaction levels.

Revenue, underlying EBITDA and PBT are expected to be \$640/650 million, \$35.2/37 million and \$25/26.5 million, within June 18 guidance range.

The board expects to announce its full year results and final dividend on August 28.

Market Cap \$264m

UXC up 7 to 82 cents

MID TO SMALL RESOURCES

*ABU: Ext at Old Glory averages 37.82gpt Au, peak 120gpt, 12m downhole

ABM Resources NL advised in an update on extensional drilling at the Old Pirate High Grade Gold Project located at the Twin Bonanza Project in the Northern Territory, extensional drilling at the Old Glory

Prospect 300m south of the main Old Pirate Deposit has intersected a new high grade zone of mineralisation on the southern extensions of Old Glory including 6m averaging 37.82 gpt Au with a peak value of 120gpt Au from 12m down hole and 4m averaging 33.47gpt Au with a peak value of 106gpt Au from 12m down hole and 1m grading 122gpt Au from surface.

*ABU: High grade **gold** results continue at Twin Bonanza infill program

ABM Resources NL in an update on the Old Pirate high grade **gold** deposit located at the Twin Bonanza Project in the Northern Territory said grades overall were consistent with previous drilling. Results have been received and compiled from 70% of the infill drill program at Old Pirate. Further to previously reported results, new results include grades up to 4m averaging 19.43gpt Au with a peak value of 63.3gpt Au.

At Western Limb at Old Pirate a further 1m grading 30.9gpt Au was intersected.

To date over 14,000 **m** of drilling have been completed and the **company** has received and compiled assay results for approximately 10,000m of this drilling. (Jul 28)

Market Cap \$110m.

ABU up 1 to 40 cents

*AQO/DLS: Panel orders supplementary bidder's statement by DLS

The Takeovers Panel has made a declaration of unacceptable circumstances and orders on an application dated June 10 by Magnum Hunter Resources Corporation with regard to DLS's 1 for 5.4 share offer for Ambassador **Oil**.

DLS also announced it had acquired 19.9% of Ambassador via the interest held by Mrs Fotoula Hatziladas and Eye Investment Fund Ltd who together held 17.6% of Ambassador, and the directors of Ambassador who collectively held 7.4% of Ambassador.

The Takeovers Panel listing details of offer and counter offer by Magnum and Drillsearch, said Magnum submitted that among other things DLS was associated with each of the shareholders who gave an Intention Statement and therefore acquired its pre bid **stake** in breach of s606.

Drillsearch was associated with each of Mr and Mrs Hatziladas, Mr Guglielmo, Mr Shaw and Mr Correia. As a result DLS had voting power of at least approximately 19.55% of Ambassador prior to acquiring the 19.9% **stake**.

Panel orders

The Panel has made orders that Drillsearch lodge with ASIC, ASX and dispatch to Ambassador shareholders a supplementary bidder's statement in a form approved by the Panel.

DLS must ensure that its offer remains open for a period of not less than 21 days after the date on which its supplementary bidder's statement is sent to shareholders.

Mrs Hatziladas, Eye Investment, Mr Guglielmo and Mr Shaw's acceptances of Drillsearch's offer are reversed and they must wait 14 days from the release of DLS's supplementary bidder's statement before deciding whether to accept DLS's offer. (Jul 28)

Market Cap \$50m. / \$718m

AQO up 1 to 35.5 cents / DLS up 3.5 cents to \$1.61

*BLK: TOV application by BLK re. Mr Gutnick, Mordechai Gutnick and Polo

The Takeovers Panel announced it has received an application from Blackham Resources Ltd with regard to its affairs. A Sitting Panel has not been appointed and the Panel has made no decision as to whether to conduct proceedings.

Details

Blackham Resources on July 16 received a requisition from Mazil, an entity 50/50 owned by Mr Gutnick and his son Mordechai Gutnick, seeking the removal of Blackham directors Bryan Dixon, Gregory Miles and Alan Thom and the appointment of Ian Daymond and Stuart Munroe to the Blackham **board**.

Blackham submits there are common dealings between Mr Gutnick, Great Central, Mazil, Perfectus Management and Polo Resources, including Polo Resources investment in Perfectus Management (setting out details of their inter-relationship) and seeks orders that the alleged associated parties be prevented from acquiring further share in Blackham, that Mr Gutnick be excluded from Blackham **board** meetings dealing with any of the alleged associated parties and that legal title to and beneficial ownership in the shares held by the alleged associated parties be vested in ASIC for **sale**.

Market Cap \$22m.

BLK steady at 19 cents

*GOR: Infill, deep extension drilling confirm continuity at Gruyere

Gold Road Resources Ltd announced it has completed all the planned resource definition drilling on the Gruyere Deposit in June 2014. Assays from infill and deep extensional drilling confirm exceptional continuity along strike and at depth. 31 diamond holes and 24 RC holes have been completed on an even 100m section spacing to at least 350m depth.

Localised high grade zones include 19m at 6.35gpt Au and 10m at 5.94gpt Au.

Best intersections include 52.2m at 3.17gpt Au, 169.2m at 2.15gpt Au and 238.3m at 1.21gpt Au. (Jul 28)

Market Cap \$147m.

GOR steady at 28.5 cents

*GTG: Encouraging early results from Malolos-1

Gas2Grid Ltd advised the Malolos-1 well **operations**, onshore Cebu **Island** in the Philippines are continuing with a daily cycle of wellhead pressure buildup followed by gas flaring and wellhead pressure reduction which has been associated with some **oil** production.

The well has been shut in overnight over the past few weeks resulting in the wellhead pressure building up to between 100-220 psi. The pressure buildup is associated with an increase in **oil** and natural gas in the tubing. Last Thursday morning the well produced 3.75 bbls **oil** in one hour under natural pressure when the well was first opened with an associated overnight wellhead pressure build up of 128 psi.

The recent wellhead pressure increase and minor **oil** production provides encouragement for the **commercial** viability of the Malolos **Oil** Field.

The **company** has submitted an application to the DOE under the terms of SC44 for a further period. The **company** will also seek a farminee to fund field appraisal and development.

Market Cap \$21m.

GTG down 0.1 to 3.3 cents

*KDR: Maiden Cu equivalent resource at Home of Bullion, NT

Kidman Resources Ltd announced a maiden resource for its Home of Bullion project in the Northern Territory at Barrow Creek, completed by SRK Consulting. The resource is for 2.5Mt grading 1.8% Cu, 2%Zn, 36gpt Ag, 1.2% Pb, 0.14gpt Au at 0.5% CuEq6 cut off for 2.8% Cu Eq.

Market Cap \$15m.

KDR down 3.5 to 13 cents

*MCR: NPAT for yr \$1.5/2 mln vs loss last yr/cash costs in 2015 may rise

Mincor Resources Ltd in highlights for the June quarter said production was strong at 2,396 tonnes of nickel in **ore** at a cash cost of \$A5.12/lb payable nickel.

For the full year, production was 10,219 tonnes at a cash cost of \$4.96/lb payable nickel, substantially outperforming guidance.

Estimated full year operating surplus is \$40.15 **million** before capital and near mine exploration costs of \$33.71 **million**.

Ramped up exploration drilling was highly successful at Mariners and Miitel Mines, with positive implications for the **ore** reserves and mine life of both **operations**.

Drill intersections at Miitel include estimated true widths of 8.8m at 3.12% Ni and 3m at 4.97% Ni, representing significant southward extensions to the N30 **ore** body.

There is a potential new exploration discovery at the emerging Voyce Prospect, just south of the Mariners Mine, with high grade nickel intersections confirming the presence of a discrete, strongly mineralised channel structure. Drill intersections include estimated true widths of 5.6m at 6.3% Ni and 3.4m at 7.06% Ni.

After all capital and development, underground drilling expenditure and **acquisition** of new equipment, Mincor had cash at bank of \$50.65 **million** vs \$51.37 **million** at end March qtr.

2014 NPAT guidance

Mincor estimates the **company** made a net profit after tax for the full year 2014 of between \$1.5/2 **million** vs a loss of \$22.45 **million** last year.

Outlook for 2015

Despite the closure of Otter Juan and McMahon, Mincor's production target remains unchanged for 2015 from the previous year at approximately 8,500 tonnes of nickel in **ore**, give or take a few.

Due to a lower overall budgeted grade from the previous year as well as recent substantial increases in power costs, severe pressure is expected on cash costs through 2014/15. Mincor's cost target at \$5.30/lb may be hard to achieve.

Market Cap \$152m

MCR down 6.5 to 80.5 cents

*PRU: Full yr **gold** prod 180,519 ozs/AISC for Jun qtr \$US1,324/cash \$US48.7m

Perseus **Mining** Ltd for the June quarter announced **gold** production at the Edikan **gold** mine in Ghana **gold** production totalled 42,534 ozs for the quarter, 86,330 ozs for the half year and 180,519 ozs for the full financial year.

All in **site** costs averaged \$US1,324/oz for the quarter .

During the June quarter 45,767 ozs of **gold** were **sold** at an average **sale** price of \$US1,333/oz.

Exploration at Edikan included high grade drill intercepts recorded from a 37 drill hole program on the Bokitsi South deposit confirming the potential for high grade mill feed to be mined earlier than envisaged in the current Edikan Life of Mine Plan.

At the Sissingué **gold** project in Cote d'Ivoire, metallurgical test work and preliminary economic assessment of alternative project configurations and flow sheets has been completed and a selection of the preferred process for detailed feasibility is imminent.

On the corporate front, VAT refunds totalling \$US15.8 **million** have been received from the Ghanaian government to date. Available cash and bullion is \$48.7 **million** as at June 30 2014 including \$10 **million** of funds in escrow and Ghanaian C17.6m VAT receivable after the end of the quarter.

Perseus has 125,000 ozs of **gold sold** forward at an average price of \$US1,468/oz, valued at \$US19 **million** at year end.

Market Cap \$240m

*RXM: Receives formal offer of mineral tenements for Hillside Cu project, SA

Rex Minerals Ltd announced in its June quarter report it has received a formal offer of mineral tenements for its Hillside **Copper** Project on South Australia's Yorke Peninsula from the South Australian government.

These SA Government approvals are a major milestone for Rex, some 6.5 year after exploration commenced and following 3.5 years of community consultation and regulatory review.

Rex is in the final stages of collating a range of independent assessment reports associated with the Hillside Feasibility Study.

Cash balance as at June 30 was \$21.6 **million**. On April 22 Rex announced completion of Tranche 2 of its March 5 Placement, adding 3.6 **million** shares at 40c each to raise \$1.4 **million** before costs.

Rex will continue to progress **commercial** discussions which are largely awaiting finalisation of the Feasibility Study work.

Market Cap \$88m.

RXM up 2.5 to 40 cents

*SEH/IMD: Imdex sells rem shares in Sino Gas & **Energy** for net \$14.2m profit

Imdex Ltd advised it has today **sold** its remaining shareholding in Sino Gas & **Energy** Holdings Ltd, selling 91.9 **million** shares at 18.5c per share to realise gross cash proceeds of \$17 **million** and a book profit of \$14.2 mln.

Market Cap \$301m. / \$142m.

SE.H down 0.5 to 19.5 cents / IMD steady at 67 cents

*SLR: **Gold** sales totalled 217,349 ozs for yr/f/casts lower sales in 2015

Silver Lake Resources Ltd in quarterly activities for the quarter ended June 30 announced mill production totalled 44,523 ozs, **gold** sales totalled 43,886 ozs at an averaged realised price of \$A1,435/oz inclusive of hedging for \$63 **million** in revenue. Bullion refined and not **sold** at end of quarter totalled 5,880 ozs. .

Full year **gold** sales totalled 217,349 ozs.

Mount Monger mill production was 37,194 ozs, full year **gold** sales totalled 172,838 ozs, exceeding guidance.

Murchison mill production was 7,329 ozs, the operation was placed on care and maintenance this month.

Cash and bullion held totals \$34 **million**.

Guidance for year ending June 30 2015

Guidance for 2015 **gold** sales is 125,000/135,000 ozs. **Ore** feed in 2015 at Mount Monger **operations** for the Randalls 1.2Mtpa mill consists of the Daisy Complex and Cock-eyed Bob underground mines, the Wombola Dam open pit and surface stockpiles.

Several projects are currently being evaluated to displace lower grade stockpile feed in 2nd half 2015. Depending on the outcomes of these evaluations, guidance may be reviewed in late 2014. (Jul 28)

Market Cap \$237m.

SLR down 1 to 47 cents

*TRY: Open cut mine at Karouni in prod first half 2015, 3 yr + at AISC \$602/oz

Troy Resources Ltd advised a study of measured and indicated resources mineable by open cut at Troy's 100% owned Karouni project in Guyana following on from the Preliminary Economic Assessment (PEA) and JORC Scoping Study, that looked at both open cut and underground **mining**, as announced on January 21.

On April 28 the **company** had announced it intended to bring production forward to the first half of calendar 2015.

Considering only resources that can be mined by open cut, resources within the open pits are either measured (82%) or indicated (18%) vs indicated (49%) and inferred (51%) in the PEA.

Assuming a **gold** price for the base case of \$US1250/oz, the study envisages 3 year open pit mine life with annual average **gold** production of 101,000 ozs and production in the first 12 months of 104,400 ozs via a combination of two open cut mines feeding a convention carbon in leach **gold** plant with a nominal capacity of 1Mtpa. The life of mine all in cash cost is envisaged at \$602/oz, after tax payback of 1.2 years, after tax NPV at 6% of \$72 **million**, after tax IRR of 50.2%.

Management is confident it will continue to add to the resource inventory. (Jul 28)

Market Cap \$179m.

TRY down 26.5 to 92 cents

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