

**HD CLOSERS WEAKER/SWITCH INTO BONDS AS "SAFETY FIRST" RULES**

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The S&P/ASX200 closed down 31.8 points to 5479 on lightish volume worth \$3.3 billion. There were 403 issues higher and 591 down. The SPI Futures fell 34 points to 5491 on light volume of 16,733 contracts. Aussie 10 year bond yields were down 10 points to 3.7%. The \$A is at 93.50US c, down about 30 points from last evening.

\*The banks contributed 12.2 negative points to the index, insurers contributed 1.6 negative points, resources contributed 5.7 negative points, property trusts contributed 1 positive point, retailers contributed 1 negative point and Telstra was Neutral.

\*Over the week the market held on to an 18.2 point or 0.3% gain.

\*At 4pm AEST the Nikkei Dow futures was down 240 points to 14,060 points, Shanghai CSI physical was down 8.42 points to 2016.56, Hang Seng futures was down 78 points to 22,472 points. S&P futures were steady at 1867.3, Nasdaq futures were up 0.75 points to 3564 points, Dow futures were down 2 points to 16,419 points.

Spot gold was down \$1 to \$1296. Crude was up 38c to \$101.88.

Markets were down in Asia on a variety of factors including the Ukraine and China/Vietnam situations - on a "risk off" scenario. In our market there also seems to have been significant switching into bonds on a flight to safety.

Global markets - at or near their highs - are becoming increasingly nervous since the lift in their sharemarkets are not indications of booming economies but represent a flight of money into handfals of high yielding and safe stocks.

Small companies and those in development as illustrated by the US Russell 2000 and our multitude of explorers, biotechs and hi techs are generally starved of cash.

"Ceiling will be 5499. Floor will be 5448. Close at 5470, down 40.8 points'

Daniel Goulding, the author of "The Sextant Report" said, "Our market looks set to open lower with the local futures contract down 29 points.

"It is likely that global equities have commenced the near-term moderate decline that I have been looking for.

While I can't rule out one last marginal high here, most equity markets are begging to test their March/April lows sooner rather than later.

"I don't have a particular target in mind for our market but a test of the March low would be quite reasonable. Once this pullback is complete, markets should commence their final run higher amongst a backdrop of bullish enthusiasm from market pundits and technicians.

"Only by looking below the surface can one see the dangerous rip tide that has formed in the form of multiple internal bearish divergences. Now to be fair, internal divergences do not always **lead** to significant declines. But from a statistical viewpoint, a significant decline is more likely than not.

"I still have our market visiting circa 4300 or lower. While this would seem impossible to many, the current divergences are of the same magnitude and duration as that witnessed heading into market peaks in 2007 and 2011.

"Don't say you were not warned!

"Today, the ceiling will be 5499. The floor will be 5448. When the dust has settled, the market will have closed at 5470, down 40.8 points'.

The S&P/ASX200 closed up 14.3 points to 5510.8 last evening.

#### THE WEEK AHEAD

May 19: Aussie imp. DLX int. BKC lists debt issuance.

May 20: RBA min. RHL int, TGA fin. Ex div: IPL ex 3.5c. Japan BOJ meets, leading ind, custom trade. German PPI, UK CPI, ONS hous prices, output/input.

May 21: Aussie skilled vac, WPI. WBC consum confid. Ex div: ZMZ ex div. US MBA mort ind, purch mgr ind, crude inv, FOMC Min. Euro current a/c, flash CPI. UK BOE met.

May 22: JHX fin. **China**HSBC Mfr Pmi. US jobless, exist home sales, leading ind. Euro parliament elections (up until May 25). Euro comp PMI. Russian Int forum, (up until May 25). Euro, German flash PMI.

May 23: MYT fin. GMA, SPO may list. US new home sales. German GDP, IFO.

#### ECO NEWS

\*The ABS reported the total value of owner occupied housing commitments excluding alterations and additions rose 0.1% in trend terms, while the seasonally adjusted series fell 1.2%.

The trend series for the value of total personal finance commitments rose 0.3%. Fixed lending commitments rose 0.2% and revolving credit commitments rose 0.3%.

The seasonally adjusted series for the value of total personal finance commitments fell 1.7%. Revolving credit commitments fell 4.2%, while fixed lending commitments rose 0.3%.

The trend series for the value of total **commercial** finance commitments rose 1.4%. Revolving credit commitments rose 2.3% and fixed lending commitments rose 1.0%.

The seasonally adjusted series for the value of total **commercial** finance commitments rose 2.8% in March 2014, after a fall of 2.6% in February 2014. Revolving credit commitments rose 14.5%, after a fall of 5.2% in the previous month. Fixed lending commitments fell 0.7%, following a fall of 1.8% in the previous month.

The trend series for the value of total lease finance commitments rose 1.7% and the seasonally adjusted series rose 5.9%, following a rise of 1.2% in February 2014

#### TOP STOCKS

\*IFL/SFW: IFL rose 12c to \$8.25 on 1.7m shares while SFW was up 13.5c to 86.5c on 3.2m shares on the scrip offer for SFW (equivalent to 85.8c).

\*GFF: Goodman Fielder fell .7c to 66.5c after the Wilmar consortium offered 70c today.

Among the financials, AMP closed down 5c to \$5.33 on 3.3m shares, ANZ fell 26c to \$32.94 on 5.1m shares, CBA shed 80c to \$80.40 on 2.2m shares, NAB fell 10c to \$33.49 on 3.7m shares, Westpac fell 20c to \$34.28 on 3.2m shares.

Among the TMT's Telstra was steady at \$5.29 on 13.2m shares, Telecom NZ fell 1c to \$2.50 on 1.3m shares, SingTel was up 1c to \$3.28 on 300,546 shares.

Among the resources BHP closed down 18c to \$38.08 on 4.8m shares, RIO fell 86c to \$61.95 on 1.8m shares. Fortescue fell 12c to \$4.58 on 19.9m shares, Atlas fell 2.5c to 75c on 12.8m shares. BCI fell 17c to \$3.80 on 1m shares.

Among the oils, Woodside fell 35c to \$41.65 on 1.2m shares. Santos rose 5c to \$14.34 on 1.4m shares, **Oil** Search gained 2c to \$9.20 on 4m shares.

Among the golds, Newcrest fell 10c to \$10.21 on 1.9m shares, Northern Star fell .5c to \$1.19.5 on 1.9m shares, Oceana fell 4c to \$2.76 on 170,698 shares. Perseus rose .5c to 32c on 2.3m shares.

#### WINNERS AND LOSERS AMONG THE TOP 20 OVER THE WEEK

\*Over the week Suncorp was the winner, up 38c or 2.9% to \$13.38 followed by Brambles, up 25c or 2.6% to \$9.78 and BHP, up 74c or 2% to \$38.08. On the downside Fortescue fell furthest, shedding 23c or 4.8% to \$4.58 followed by QBE, down 46c or 4% to \$1163 and NAB, down 89c or 2.6% to \$33.49.

#### AT THE SMALLER END

\*Casino **company** Donaco fell 12.5c to 87c on 14.9m shares in spite of the report below.

\*Phylogica closed down 1.3c to 1.2c on 26.8m shares on the report below.

\*Labtech rose 3.5c to 22c on 834,980 shares.

\*Crowe Horwath rose 6.5c to 52c on 6.2m shares.

#### NEWS OF THE DAY

\*Japan Industrial Production year on year increased to 7.4% in March from the pcp.

\***China** yesterday reported the biggest quarterly increase in bad loans since 2005 as defaults rose. Nonperforming loans rose by 54 **billion** Yuan in the three months through to March to 646.1 **billion**, the highest level since September 2008, accounting for 1.04% of total lending.

The five biggest lenders had 377.1 **billion** Yuan of non performing loans at end March, up 8% from the beginning of the year, a separate **China** Construction Bank Corp report said.

Our Week's Special is on "SZG: Lean And Hungry Newcomers In The **Mining** Services Space Are Worth Watching - As "Cash Preservation" And "Maintenance" Becomes The Focus For Miners Vs Their Earlier Free Spending Ways' posted separately.

Ex div: RMD div

#### LARGE CAP INDUSTRIALS

\*GFF: Revised 70c offer, plus ability to pay 1c per share final div

Goodman Fielder Ltd announced it has received a revised non binding conditional proposal at 70c per share from Wilmar International Ltd and First Pacific **Company** Ltd and in addition also allows for Goodman Fielder to pay a final dividend of 1c per share for the year ending June 30 2014.

The **board** of Goodman Fielder will consider its response to the revised proposal.

Market Cap \$1.3b

GFF down 0.7 to 66.5 cents

\*GPT: Adds **buy** of 50% of 2 Southbank Bve - all 3 Melb assets cost \$548.4m

GPT **Group** Ltd announced the GPT Wholesale Office Fund (GWOFF) has secured 50% of 2 Southbank Blvd in Melbourne, sealing the **purchase** of 3 former CPA assets at a discount to book value.

GWOFF will **purchase** the half **stake** in 2 Southbank Boulevard for \$197.7 **million**. It follows the fund last month exercising its option to acquire 750 Collins St Melbourne for \$249.5 **million** and 655 Collins St Melbourne for \$102.2 **million**.

The total price of \$548.4 **million** represents a discount of 0.5% to CPA's 31 December 2013 book value for the three assets.

GPT **Group** CEO Michael Cameron said the **acquisition** represents a rare opportunity to secure three high quality offices at very competitive prices in an off market process.

Market Cap \$6.5b.

GPT up 1 cent to \$3.85

\*IFL/SFW: SofA for SFG Aust via 0.104 of an IFL share/major lift for advice biz

IOOF Holdings Ltd and SFG Australia have entered into an agreement under which IOOF proposes to acquire all off he shares in SFGA via a Scheme of Arrangement. SFGA shareholders will be offered 0.104 of an IFL share for each SFGA share which implies a value per SFGA share of 90c based in OFL's 90 day VWAP to May 15 2014.

The combined business will be the third largest advice business in Australia by Funds under Advice and one of the largest listed wealth management businesses in Australia.

The proposed **transaction** represents an implied 24.6% premium to SFGA's 90 day VWAP to May 15.

SFGA's **Board** unanimously recommend shareholders vote in favor of the Scheme and SFGA Directors intend to accept for shares in which they have an interest.

A cash alternative subject to a maximum cash omponent of 4100 **million** in aggregate will also be offered.

IOOF intends to maintain the current SFGA brand strategy, operating model and client proposition.

IFL managing director Christopher Kelaher said in the report the addition of SFGA will increase IOOF's Financial Advice and Distribution segment from 14% of revenue to an expected 30% and will enhance IFL's High Net Worth proposition.

IFL expects in 2016 the proposed **transaction** will be approximately 8.3% eps accretive including synergies on an underlying cash NPAT basis and should generate pre tax synergies by 2016 of approximately \$20 **million** p.a.

Market Cap \$1.9b / \$635m.

IFL up 12 cents to \$8.25 / SFW up 13.5 to 86.5 cents

\*LEI: John Holland awarded approx \$100 mln contract by Rio in Pilbara

Leighton Holdings Ltd announced John Holland has been awarded a contract worth approximately \$100 **million** for mine infrastructure by Rio Tinto in the Pilbara region of Western Australia. John Holland Executive GM for Specialist Engineering Brendan Petersen said structural and mechanical engineering is core capability for John Holland.

The project is planned to commence on **site** later this month.

\*LEI: Class action settlement negotiations ongoing, not expected to be material

Leighton Holdings Ltd said it notes media speculation regarding a settlement of the shareholder class action brought against it in relation to the April 11 2011 disclosure of a revision of its profit forecast for the 2011 financial year.

At this stage the parties are in advanced negotiation. A settlement has not yet been signed. Based on current negotiations, Leighton expects the settlement will not have a material impact on the **company**.

Market Cap \$2.6b.

LEI down 35 cents to \$20.55

\*SYD: Outlook positive, 2nd half distrib 11.5c unfr, DRP at no disc

In an upbeat presentation to the AGM CEO Kerrie Mather reflected on the **company**'s strong performance through 2013 and said following the federal government's recently announced decision to select Badgerys Creek as the location for Sydney's second airport said infrastructure surrounding any potential **site** will be the focus in the short term. Sydney Airport had acquired the valuable first right to develop and operate the second airport when the airport was privatised in 2002.

The Duty Free re-tender proposal has been launched, with strong interest. A decision is expected to be announced before the end of calendar 2014.

June 30 distribution

Sydney Airport announced an 11.5c per stapled security distribution for the second half, ex date June 26, record date June 30. The distribution will be unfranked, the DRP will operate at no discount.

April and year to date traffic

Sydney Airport April traffic totalled 3,167 **million** passengers, up 2.3% on the previous April and year to date up 2.4% to 12.648 **million** passengers.

International passengers year to date is up 5.3%, domestic passengers up 1% while Domestic-on-Carriage passengers fell 42%. (May 15)

Market Cap \$9.6b.

SYD down 6 cents to \$4.34

\*TAH: New Racing Vic's Race Fields fees likely to impact by approx \$4m

TABCorp Holdings Ltd announced it has been advised of Racing Victoria Ltd's new model and rates for Race Fields fees for wagering on Victorian thoroughbred racing which will apply from July 1.

If the new fees had applied to Tabcorp's turnover on Victorian thoroughbred racing in full year 2014, and in the absence of any mitigating strategies, the estimated NPAT impact would be approximately \$4 **million**.

Market Cap \$2.67b.

TAH down 9 cents to \$3.50

LARGE CAP RESOURCES

\*ERA: Completes further u/g drilling at Ranger 3 Deeps

**Energy** Resources of Australia Ltd announced it has completed an additional eight cross sections of underground close spaced drilling of the Ranger 3 Deeps resource on the Ranger Project Area, comprising 48 drillholes.

Best results include 23m at 0.494% U3O8 from 240 **m** in R3D\_8C\_007E and 28m at 0.491% eU3O8 from 109m in R3D\_9C\_014.

Results are in line with current geological model and structural interpretation.

Pursuant to ERA's section 41 Authority it is permitted to conduct **mining** and processing **operations** on the Ranger Project Area until January 20120 following which rehabilitation activities will continue.

Market Cap \$683m.

ERA up 1.5 cents to \$1.32

\*OSH: PNG LNG will quadruple OSH's production, will lift div

**Oil** Search Ltd chairman Richard Lee and CEO Peter Botten addressed the AGM.

The chairman said in its 85th year OSH is a **company** in transition - the start of LNG exports is a momentous event and he congratulated ExxonMobil PNG for delivering the large and complex project ahead of schedule and within the revised budget of \$US19 **billion**. It will quadruple OSH's production base and contribute more than \$US1.3 **billion** to the **company's** operating cash flows and more than double PNG's GDP, creating long term steady revenue stream.

Once it has reached financial completion and is producing at full capacity, the **Board** plans to materially increase dividend payments.

The chairman discussed the issues related to OSH's PRL 15 **acquisition** and its potential LNG opportunity and the PNG Government's **acquisition** of a 10% interest in OSH, currently subject to an Ombudsman Commission enquiry.

Production outlook

Managing director Peter Botten in his presentation said production guidance for 2014 increased from 13/16 Mmboe to 14.5/17.5Mmboe due to early delivery of PNG LNG.

Production from **oil** fields of 6.4/6.9 mboe, unchanged are up slightly from 2013.

In the first full year (2015) PNG LNG will add 21 Mmboe net to OSH's production.

Market Cap \$13.77b.

OSH up 2 cents to \$9.20

\*STO: Upbeat addresses at AGM/progressive dividend, other s/holder rewards

Santos Ltd chairman Ken Borda and MD and CEO David Knox addressed the AGM.

The chairman said while Santos has been exporting 300,000 tpa of LNG from Darwin since 2006. Once GLNG and PNG LNG are fully ramped up its LNG exports will increase from 300,000 tonnes per annum to over 3 **million** tonnes per annum. This will forecast a doubling of operating cash flows over the next two years and deliver long term **energy** security for Australian businesses and consumers, as well as to international customers. Santos has the largest exploration and production acreage in Australia.

Santos is also steadily growing its Asian portfolio of assets. Its onshore and offshore **oil** and gas projects in Australia and across South East Asia put the **company** in a strong position to deliver between 80-90 **million** barrels of **oil** equivalent production by 2020 vs 51 **million** barrels produced in 2013.

Capital management

The chairman said this year Santos has moved to a progressive dividend, prudently increasing and maintaining the dividend in line with the **company's** cash and earnings capacity. It has around \$845 **million** in franking credits that belong to shareholders.

Santos will consider all options available to provide returns to shareholders such as special dividends or share buybacks. At this stage Santos sees no reason to discontinue its dividend reinvestment plan or reduce the level of discount.

Managing director David Knox also pointed to Santos' growth, its exploration projects in Australia and 5 other countries.

With regard to the requisitioned meeting to discuss concerns about the use, and contamination of water supplies with its **coal** seam gas exploration at Narrabri the managing director pointed to the rigorous methods employed, both extracting water from well below levels normally accessed by farmers, which is generally unfit for farm use, with plans to purify it so that it will actually add to water supply. He also explained methods that will ensure there is no contamination of farmland from abandoned wells.

Market Cap \$14b.

STO up 5 cents to \$14.40

MID TO SMALL INDUSTRIALS

\*ADJ: Partnership agreement with MediaMath to benefit media buyers

Adslot Ltd announced it has entered into a partnership agreement with MediaMath, a global provider of programmatic trading technology to media agencies and advertisers. The partnership will allow media buyers using MediaMath's Terminal One platform to gain direct access to Adslot's large, diverse pool of premium inventory, including the ability to **purchase** this inventory direct from Adslot publishers.

Market Cap \$96m. ADJ up 0.6 to 9.7 cents

\*AQZ: 5yr contract plus 2 1yr options for FIFO charter flights for BHP

Alliance Aviation Services Ltd announced it has entered into a five year contract inclusive of two one year options to supply dedicated scheduled FIFO charter flights for BHP Billiton **Iron Ore** Pty Ltd.

The contract reinforces visibility of future revenue and earnings with Alliance to fly 36 sectors per week between Perth and the BHPIO owned and operated Coondewanna and Barimunya airports.

The contract is Alliance's first with BHPIO and expands on a 12 year relationship with BHP. It will be the largest customer contract ever entered into by Alliance. The flying schedule will now be fully operational by June 9.

Market Cap \$129m.

AQZ up 6 cents to \$1.22

\*DDR: Interim .007c ff div, DRP at no disc, ex date May 21

DickerData Ltd announced the declaration of an interim .007c fully franked dividend for the year ended June 30 2014. Ex date May 21, record date May 23. The DRP is available at no discount.

Market Cap \$192m.

DDR steady at \$1.50

\*DNA: No signs that **China**/Vietnam tensions have affected its business

Donaco International Ltd in a trading update said there are no signs that recent tensions between **China** and Vietnam have affected the business of the Lao Cai International **Hotel**.

**Chinese** players are continuing to cross the border freely.

The soft opening of the **company**'s new five star **hotel** and casino is on track for Sunday.

Market Cap \$400m.

DNA down 12.5 to 87 cents

\*GID: Study of 100 patients finds EndoBarrier reduces insulin dependence

GI Dynamics announced new findings that show that the EndoBarrier Therapy enabled a rapid reduction in and elimination of insulin therapy by patients with type 2 diabetes and obesity. These findings from a retrospective analysis of 100 patients in Australia were presented at the American Association for Clinical Endocrinology 23rd Annual Meeting and Scientific Congress in Las Vegas, Nevada. Of the 100 patients, 11 required the use of insulin to manage their type 2 diabetes prior to receiving EndoBarrier therapy. Of them 6 were able to completely stop using insulin during EndoBarrier Therapy, the remaining five were also able to decrease their insulin injection frequency. All patients continued their oral diabetes medications.

Patients achieved a median weight loss of 11.1 kg at study follow up.

Market Cap \$265m.

GID up 3.5 to 57 cents

\*GPS: **Acquisition** of Manufacture Element Prefabricate Pte Ltd dropped

GPS Alliance Holdings Ltd chairman Tan Thiam Hee advised the **acquisition** of 100% of the **equity** interest in Manufacture Element Prefabricate Pte Ltd (MEP) as approved by shareholders at the General Meeting on March 10 will not proceed as all conditions have not been fulfilled.

Market Cap \$2.9m.

GPS untraded last at 12.5 cents

\*HSN: Acquires synergistic US utilities billing biz, no price given

Hansen Technologies Ltd announced the **acquisition** of Customer Suite (Banner CIS), the utilities billing and customer care business of Ventyx with effect from May 16.

The Banner CIS solutions complement Hansen's existing billing and customer care solutions for the utilities market in North America and adds a water billing segment to the deep portfolio of existing customers in the gas and electricity markets. Banner CIS customers are located in over 30 states throughout the US as well as Canada and the Caribbean. It adds 33 experts to a North American team that now numbers over 100 staff.

The **purchase** is being funded from a combination of cash resource and existing third party debt facilities.

Market Cap \$196m. HSN up 6 cents to \$1.215

\*MEZ: Final exit via **sale** of **solar** plant to SunEdison in US, to focus on NZ

Meridian **Energy** Ltd announced it has **sold** its US based **solar** plant CalRENEW-1 to SunEdison, marking its final exit from the US.



The **company** will focus on the New Zealand market.

\*MNY/TOP: Thorney **Group** + TOP commit to \$10 mln in Money3 **bonds**

Thorney Opportunities Ltd announced its commitment to subscribe for \$10 **million** as part of a \$30 **million** bond issue completed by Money3 Corporation Ltd. Thorney Investment **Group** Australia Pty Ltd has committed to subscribe for a further \$5 **million** in the issue, confirming the anchor position of TOP and Thorney **Group** in the capital raising.

As outlined in the MNY announcement earlier today, the bond issue will be completed in two tranches. Tranche 1 was completed on May 15. Tranche 2, representing the capital to be subscribed by TOP and Thorney **Group** is conditional on MNY shareholder approval.

Also subject to shareholder approval all bond holders will receive options in the ratio of 1 option for every \$2 of **bonds** subscribed for with a four year expiry period.

TOP Chairman Alex Waislitz said in the report TOP will continue to pursue investment opportunities including opportunities alongside Thorney **Group**.

Market Cap \$119m / \$81m.

MNY steady at \$1.11 / TOP untraded last at 48 cents

\*MNY: \$30 mln bond issue anchored by Thorney **Group**

Money3 Corporation Ltd announced the successful completion of a \$30 **million** unlisted bond issue, anchored by Thorney Opportunities Ltd and Thorney Investment **Group** Australia Pty Ltd with a commitment of \$15 **million**.

\*PIE: To acquire crowd sourced news service NewZulu, change of name

PieNetworks Ltd announced it has agreed the **acquisition** of Newzulu, one of the world's leading crowd sourced news and freelance journalism platforms. The **acquisition** is conditional on several conditions by July 31, including the **company** completing a placement to sophisticated and professional investors to raise \$3 **million** through the issue of 75 **million** shares at 4c per share. Shareholder approval will also be sought at the EGM for a change of name to Newzulu.

Newzulu is one of the world's leading crowd sourced news and freelance journalism platforms operating in partnership with Agence France-Presse, the Press Association in the UK and Ireland and Australian Associated Press in Australia and New Zealand.

Recently Newzulu has agreed with Google's Media innovation fund to extend development of NewZulu technology, and a long term global partnership has been agreed with France's national news agency Agence France Presse.

The **acquisition** provides PieNetworks with the potential to enhance its kiosks to become richer media collection and distribution points and provides Newzulu with an edge in collecting media in regions poorly networked and less accessible to other media groups.

On completion of the **acquisition** Alex Hartman, **group** MD will be appointed a director.

Alex received the Young Australian of the Year Award for Career Achievement in 2001 and was awarded the Pearcey Medal by the Australian Computer Society for outstanding services to computing. The Australian Government has appointed Alex as a director of the Industry R&D **Board**, as chairman of the Youth IT Skills Hub and as a founding director of Headspace, the National Youth Mental Health Foundation.

Market Cap \$4.7m.

PIE untraded last at 6 cents

\*PYC: Janssen exits licensing option/PYC benefits from its \$2.32m input earlier

Phylogica Ltd advised Janssen has decided not to exercise its option to license the outcome of the collaboration that validated the Endosomal Escape Trap (EET) platform although Janssen acknowledged Phylogica had delivered on the technical requirements of the collaboration.

However PYC benefitted from the \$2.32 **million** invested by Janssen in EET, with testing so far revealing it can potentially make some existing major drug treatments 25/50 times more effective.



Meanwhile in April Phylogica had received notice that Le Metier Tribeca, with whom Phylogica has entered into a non exclusive licence to formulate and market Glycinemide into a cosmetic product for sunburn, has filed for bankruptcy.

Phylogica is pursuing alternative opportunities, and has engaged Bio-Link to seek out a possible development partner.

Market Cap \$12m.

PYC down 1.3 to 1.2 cents

\*SOM: Appoints JJ Thompson in UK as agent and logistic hub

SomnoMed Ltd announced it has entered into an agreement with JJ Thompson (Orthodontic Appliances) Ltd in the UK to operate as the service laboratory and logistic hub for SomnoMed in the UK and Ireland. JJT based in Sheffield is one of the largest orthodontic laboratories in the UK and has also been appointed as an agent for SomnoMed, offering the SomnoDent products to their client base of over 1,000 dentists.

Exec chairman and CEO of SomnoMed Dr Peter Neustadt said the UK is essentially a non reimbursed market for its COAT product and still dominated by CPAP. However there are increasing signs of interest in COAT as an alternative and more patient friendly treatment for obstructive sleep apnoea.

Market Cap \$67m.

SOM steady at \$1.50

\*TFS: Suspension prior to capital raising

TFC Corporation Ltd asked for suspension pending a capital raising.

#### MID TO SMALL RESOURCES

\*ATV: Scrip merger with Canadian TSX-V Spur Ventures signed

Atlantic **Gold** NL announced it has signed a merger implementation deed with Canadian TSX-V listed Spur Ventures Inc first announced on April 7 whereby Spur will acquire all the fully paid and partly paid ordinary shares in Atlantic for scrip.

Market Cap \$20m.ATV up 0.4 to 2.4 cents

\*BTR: \$US12 mln from Glencore for Perkoa/will focus on Kitumba, Mumbwa

Blackthorn Resources Ltd announced following its announcement on April 16 it has now entered into a binding definitive **sale** and **purchase** agreement to sell its interest in the Perkoa project and its Burkina Faso exploration licences to wholly owned subsidiaries of Glencore Xstrata Plc.

BTR will receive \$US12 **million** cash as consideration for the **sale** - \$US10 **million** for its interest in the Perkoa project and \$US2 **million** for the exploration licences. In addition BTR will not be required to contribute the \$US9 **million** shares of the \$US30 **million** working capital funding for the project announced in August 2013.

Funds can be applied to exploration of the Mumbwa exploration permits in Zambia initiate the Kitumba **copper** project DFS in Zambia and have the time to come to a balanced arrangement with a partner to develop the project.

Market Cap \$25.5m.BTR up 0.5 to 15.5 cents

\*CDB: Reinstated on confirmation debt funding for **coal** project in train

Condor Blanco Mines Ltd announced the debt funding for the Marianas Magnetite Tailings Project and Signet Hard Coking **Coal** project is progressing with discussions proceeding with the monetising parties' bank and Condor's Australian banks to complete the transfer of the funds.

Binding agreements are in place with the involved financial parties (Shengtang Industry Development Co.,Ltd **Hong kong** on behalf of Emirates Paper Mills Ltd and Mastech Management Consultancy FZC - UAE) with confirmation of good standing and funding ability of the monetising party being provided by HSBC Hong Kong as at May 7.

Receipt of funds is now based on completion of international bank compliance requirements. This follows the leased bond having been accepted for monetisation at 70% loan to value ratio through the parties providing the loan.

Following the announcement Condor Blanco has been reinstated.

Market Cap \$5.5m.

CDB up 0.4 to 0.9 cents

\*FNT: Swit Kia Prospect, PNG **gold** program results delayed to next week

Frontier Resources Ltd announced **gold** assay results from the program announced April 1 exploring for high grade **gold** mineralisation at the Swit Kia Prospect (formerly Sugama Prospect) in PNG will be delayed until late last week. Frontier is seeking clarification of the tenor of **gold** assays in 52 samples due to possible interference from high associated levels of arsenic.

Market Cap \$1.9m.

FNT down 0.3 to 1.2 cents

\*MEL: Further announcement re. suspension of Rosella/referral to ICAC

Metgasco Ltd advised the decision of the NSW Government to suspend its Rosella exploration drilling program came without any warning, months after exploration well commitments were made and within a short period of mobilising the drilling rig for the program.

The Government's reason for the suspension relates to its community consultation program but the suspension letter provides little explanation of what the **company** should have done that it did not do.

Metgasco is seeking to have the government withdraw the suspension to allow the well to proceed. Without immediate lift of the suspension, Metgasco will suffer substantial costs.

Metgasco is also not aware of any matter involving its conduct, its staff or its shareholders that would constitute grounds for an investigation by ICAC.

Metgasco remains in a trading halt.

Market Cap \$22m.

MEL down 3.9 to 4.9 cents

\*MKO/NAV: MKO buys Bronzewing for \$4m in cash + scrip + **bonds**

Following termination of the initial **transaction** to acquire the Bronzewing **Gold** Project, Metaliko Resources Ltd announced it continued discussions with the administrator of Navigator Resources Ltd and has entered into a new agreement with Navigator to acquire all the securities of Navigator's wholly owned subsidiary Navigator Bronzewing Pty Ltd that owns the Bronzewing **Gold** Project in the south Yandal **gold** belt of WA.

The **acquisition** includes the 2MTPA milling/CIP facility and associated infrastructure, Project tenements and contained **gold** resources. The Bronzewing **gold** project operated up until April 2013 when it was placed in Administration.

The **purchase** price is \$4 **million** in the form of \$3 **million** in cash and the issue of 33.333 **million** shares at 3c per share on completion of the **transaction**, vs \$4.82 **million** cash under the initial **transaction**.

The **company** is also required to arrange the release to the Administrator of \$7.08 **million** of bank deposits previously lodged by parent **company** Navigator to cover DMP environmental **bonds**.

Metaliko proposes to cover future environmental obligations by paying the annual rehabilitation levy under the recently legislated **Mining** Rehabilitation Fund in WA. Arrangement of release or replacement of the environmental **bonds** is required by August 31. (May 15)

Market Cap \$2.3m. / \$18m.

MKO down 0.1 to 2.5 cents / NAV untraded last at \$1.00

\*MXR/MOX: Monax farms in initially to earn 80% of Millers Creek project

Maximum Resources Ltd announced Monax Alliance Pty Ltd intends to progress to farm in j/v on the Millers Creek project in the Gawler Craton. MOX can earn 80% in the tenements for \$US3 million expenditure on exploration including \$US100,000 to Maximus.

Should Maximus elect not to enter into the j/v, MOX must purchase the remaining 20% share of the project for \$US4.5 million and retain a 2% Net Smelter royalty.

Alliance also has an option to purchase MXR's 2% NSR.

Market Cap \$2.6m / \$3.7m

MXR steady at 0.3 cents / MOX untraded last at 2.4 cents

\*PCL: 12 month extension for Kenya licence, PCL 18.75%

Pancontinental Oil & Gas NL advised the Government of Kenya has granted a 12 month extension to the current Initial Exploration Period of the L10B offshore licence PCL 18.75%. Pancontinental also intends to use the extended period to secure a farm in agreement for any future L10B drilling.

Market Cap \$29m.

PCL steady at 2.5 cents

\*SXA: All stages of Burkett 5 in Vail Oil project USA now stimulated

Strata-X Energy Ltd announced the company has completed stimulation of the Vail Oil Project/s horizontal Burkett 5-34HOR well in the USA, carried out by Halliburton and consisted of the stimulation of all the Well's 6 unstimulated stages.

The company will now prepare for production testing.

Market Cap \$29m.

SXA steady at 33 cents

\*WCL: WestSide Corporation Ltd directors unanimously recommend shareholders reject Landbridge's inadequate, unsolicited and opportunistic offer.

Market Cap \$182m.

WCL up 2.5 to 41 cents

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