

HD MARKETS CLOSES STRONGLY HIGHER LED BY THE MINERS

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The S&P/ASX200 closed up 49.8 points to 5498.2 after a high of 5504.6, on strong volume worth \$4.7 **billion**. There were 565 issues higher and 441 down. The SPI Futures rose 50 points to 5487 on good volume of 21,802 contracts. Aussie 10 year bond yields were steady at 3.83%. The \$A is at 93.42US c, down about 20 points from last evening.

*The banks have contributed 12.1 positive points to the index, insurers contributed 1.9 positive points, resources contributed 14.6 positive points, **property** trusts contributed 0.4 negative points, retailers contributed 2.9 positive points and Telstra contributed 1.9 positive points.

*JP Morgan's positive call on miners last night and takeover activity in our market today - rejected takeover offer for PanAust, Northern Star **acquisition** of Jundee from Newmont, Aurora offer lifted by Baytex - took our market briefly over the 5000 mark before settling just below it - apparently shaking off the Budget blues.

However, there is just a chance today has been a "bear trap".

*Short covering in the miners would have played a part in the rise - and tomorrow Macquarie, NAB and Westpac go ex div and we will also have the outcome of the Budget.

China eco news

***China**'s Industrial Production in April fell to 8.7% from 8.8% and vs 8.9% expected.

*Retail sales rose an annual 11.9% vs a Reuters forecast of 12.2% while fixed asset investment grew 17.3% in the first four months from a year earlier, against a 17.7% rise expected.

***China**'s central bank has asked **commercial** banks to quicken the pace of extending home mortgages and to set mortgage rates at reasonable levels, underlining efforts to support the cooling **property** market, Reuters writes quoting four unnamed sources.

The sources said the request came at a meeting between the People's Bank of **China** and some **commercial** banks on Monday.

On the other hand, there was some genuine, albeit tentative good news in the Ukraine which could see markets rise sharply tonight (more in "News of the Day" below).

*At 4pm AEST the Nikkei Dow futures was up 260 points to 14,430 points, Shanghai CSI physical was down 8.40 points to 2044.47, Hang Seng futures was up 21 points to 22,139 points. Spot **gold** was down 4 point to 1292 points, crude was down 1c to \$100.58.

Ceiling will be 5477. Floor will be 5432. Close at 5455, up 6.6 points

Daniel Goulding, the author of "The Sextant Market Report" said, "Our market looks set to open higher with the local futures contract up 30 points. Our market has been marking time the past few trading

sessions and I expect today will be no different with the budget front and centre on investors' radars today.

"Over in the US, index leadership is bearish. While the S&P 500 and Dow Jones were able to print new highs or at least new closing highs, the tech heavy NASDAQ and small-cap Russell 2000 are well of the pace.

"It is not a sign of a healthy market when growth and risk are underperforming.

"If markets are on the cusp of tracing out important highs, volatility needs to pick up. "As a result, I am looking for some decent downside over the next one to two weeks. But none of this matters for today.

"The ceiling will be 5477. The floor will be 5432. When the dust has settled, the market will have closed at 5455, up 6.6 points'..

The S&P/ASX200 closed down 12.4 points to 5448.4 points last evening.

ECO NEWS

Seasonally adjusted value of housing loans falls in March vs Feb

The ABS reported for March 2014 compared with February 2014:

The trend estimate for the total value of dwelling finance commitments excluding alterations and additions rose 0.2%. Investment housing commitments rose 0.4% and owner occupied housing commitments rose 0.1%.

In seasonally adjusted terms, the total value of dwelling finance commitments excluding alterations and additions fell 1.1%.

March 2014 compared with February 2014:

In trend terms, the number of commitments for owner occupied housing finance fell 0.1%.

In trend terms, the number of commitments for the **purchase** of new dwellings fell 1.4% and the number of commitments for the **purchase** of established dwellings fell 0.3% while the number of commitments for the construction of dwellings rose 1.7%.

In original terms, the number of first home buyer commitments as a percentage of total owner occupied housing finance commitments rose to 12.6% in March 2014 from 12.5% in February 2014.

March quarter house prices rise 1.7%, up 10.9% vs pcq

*The ABS reported preliminary estimates show that the price index for **residential** properties for the weighted average of the eight capital cities rose 1.7% in the March quarter 2014. The index rose 10.9% through the year to the March quarter 2014.

The capital city **residential property** price indexes rose in Sydney (+2.3%), Melbourne (+2.1%), Perth (+1.1%), Brisbane (+0.8%), Adelaide (+0.7%), Hobart (+1.4%), Darwin (+1.1%) and fell in Canberra (-0.1%).

Annually, **residential property** prices rose in Sydney (+15.7%), Melbourne (+10.9%), Perth (+7.3%), Brisbane (+6.1%), Adelaide (+4.9%), Hobart (+4.8%), Darwin (+4.1%), and Canberra (+1.1%).

The total value of **residential** dwellings in Australia was \$5,100,821.0 **m** at the end of March quarter 2014, rising \$105,348.0 **m** over the quarter.

The mean price of **residential** dwellings rose \$9,100 and the number of **residential** dwellings rose by 37,400 in the March quarter 2014.

*Consumer confid falls 2.4% to lowest level since May 2009 - ANZ-ROY MORGAN

Consumer confidence has dropped a further 2.4 per cent to its lowest level since May 2009, according to the weekly ANZ-Roy Morgan measure.

Confidence has fallen sharply in the weeks leading up to today's federal budget release and is down almost 11 per cent over the past three weeks when various policy leaks began receiving significant media attention.

Particularly worrying is that the subindex of confidence - perceptions of 'financial situation compared to a year ago' - which is most correlated with households' spending decisions fell sharply last week (-5.7%), ANZ says.

TOP STOCKS

Plenty of green paint, particularly in the majors.

*PanAust shot up 54c to \$2.12 on 31.28m shares after announcing it had rejected a takeover offer.

*Aurora **Oil** rose 23c to \$4.18 on 18.7m shares on a lifted offer from Baytex.

*Northern Star rose 8.5c to \$1.20 on 4.4m shares after announcing it would **buy** Jundee from Newmont to become Australia's second largest **gold** miner with total all in sustaining costs of just a little over \$1000.

*Ramsay Healthcare closed up 72c to \$46.31 on 549,749 shares after its report after hours last evening.

Among the financials, AMP closed up 7c to \$5.30 on 8.58m shares, ANZ rose 22c to \$32.90 on 4.69m shares, CBA gained 52c to \$79.90 on 4.1m shares, NAB was up 32c to \$34.50 on 8.2m shares, Westpac rose 24c to 435.14 on 8.3m shares.

Among the TMT's Telstra rose 4c to \$5.25 on 21.6m shares, Telecom NZ rose 4c to \$2.47 on 1.6m shares, SingTel fell 1c to \$3.23 on 327,801 shares.

Among the resources BHP closed up 80c to \$37.96 on 7.45m shares, RIO rose \$1.85 to \$62.85 on 2.59m shares, Fortescue closed up 8c to \$4.80 on 20.2m shares, IGO rose 13c to \$4.34 on 1.6m shares, Aquila was up 3c to \$3.51 on 1m shares, OZL rose 37c to \$4.08 on 8m shares, Sandfire rose 42c to \$6.02 on 1.24m shares.

Among the oils, Woodside rose 37c to \$41.33 on 1.2m shares, Santos closed up 11c to \$14.26 on 3.3m shares, **Oil** Search rose 12c to \$9.15 on 4.16m shares.

Among the golds, Newcrest closed up 10c to \$10.29 on 2.5m shares, Oceana rose 1c to \$2.74 on 1m shares, Kingsgate fell 1c to 83c on 1m shares, Alacer fell 4c to \$2.37 on 260,849 shares.

AT THE SMALLER END

*Korvest rose 63c to \$7.10 after announcing a \$1 fully franked special dividend.

*Chandler McLeod fell 4c to 34c on 1.18m shares on the report below.

NEWS OF THE DAY

Encouraging news on Ukraine situation

Handelsblatt reports this afternoon the mediation efforts of the Organization for Security and Cooperation in Europe (OSCE) has raised hopes for a peaceful solution. Russian President Vladimir Putin has pledged his support for the mediation initiative in a telephone conversation with the OSCE Chairman Didier Burkhalter, the organization said on Monday. German Foreign Minister Frank-Walter Steinmeier (SPD) set off for Kiev on Tuesday morning from Berlin.

According to the OSCE, the plan provides a "pragmatic" transition from the "logic of escalation" to a "logic of cooperation".

"Whether the negotiations will **lead** to a success, however, is in the stars' Handelsblatt commented - at least the referendum has been concluded without any violence.

LARGE CAP INDUSTRIALS

*ALZ: Secures 2 development sites, in Burwood, Melb and in Botany Bay

Australand announced it has secured a 20.5 hectare **residential** infill **site** in Burwood East, Melbourne and a 4.1 hectare **residential** infill **site** in Botany, Sydney for the combined development of over 1,200 dwellings. The two projects are estimated to have an end value of approximately \$850 **million**.

The Burwood **site** is situated just 800m from the **group's** recently completed Burwood project consisting of the development of 240 medium density dwellings and apartments. The project is subject to planning approvals, but is expected to offer a variety of housing solutions, delivering earnings from 2016.

At Pemberton, approximately 10 km south of the Sydney CBD development rights have been secured with progressive payments being made in line with expected receipt of revenues.

Market Cap \$2.42b.

ALZ down 4 cents to \$4.19

*CAB: ComfortDelGro profit falls in 1st qtr, CityFleet barely profitable

Cabcharge Australia Ltd announced the first quarter results of associate entities ComfortDelGro Cabcharge Pty Ltd and CityFleet **Group**.

Results for ComfortDelGro (CDC) for the first quarter ended March 31 included turnover of \$80.7 **million**, down 11.9% or \$10.9 **million** over the previous corresponding period (pcp). EBIT was \$14.2 **million**, down 12.3% or \$2m over the same period.

The decrease of the business volume at CDC was due to the expiry of the NSW Metropolitan Bus Service Contracts for Regions 1 and 3 in October 2013 offset in part by Eastrans (formerly Driver **Group**) in Melbourne, acquired in July 2013 and from increases of existing bus services.

CityFleet **Group** in the UK had turnover up 18.3% to \$25.9 **million** vs the pcp. EBIT fell 26% to \$600,000.

The UK operation remains profitable but revenue growth continues to be constrained by the lower corporate and Taxicard bookings. During the first quarter both turnover and EBIT of the UK operation benefited from currency translation.

*CAB: Russell Balding AO elected chairman

Cabcharge Australia Ltd announced Mr Russell Balding, AO has been elected Chair of the **Board** of Directors. He has been an Independent director of Cabcharge since July 6 2011. Mr Balding is currently Dy Chairman of the **Board** of Destination NSW, a director of NSW Business Chamber Ltd and a Member of the **Board** of Racing NSW.

Mr Balding was CEO of Sydney Airport Corporation Ltd from 2006-2011 and Managing Director of the Australian Broadcasting Corporation from 2002-2006. Prior to joining the ABC Mr Balding was the director of finance at the NSW Roads and Traffic Authority. (May 12)

Market Cap \$484m.

CAB up 3 cents to \$4.02

*CWP: SPP offered in tranches of \$1/5/10 or 15,000 at \$6.80 per share

Cedar Woods Properties Ltd announced a Share **Purchase** Plan to the value of \$1,000, \$5,000, \$10,000 or \$15,000 at a discount and free from brokerage and **transaction** costs at \$6.80 per share, the same price as the placement price. The SPP is not underwritten and is capped at \$5 **million**.

Market Cap \$539m.

CWP down 7 cents to \$7.29

*IFZ: Turnaround stat profit, 7NZ c final div, outlook positive

Infratil Ltd for the year ended March 31 2014 announced a turnaround net profit of \$NZ198.9 **million** on revenue down 1% to \$NZ2.346.3 **billion**.

A final 7NZ c dividend was announced, record date May 29.

NTA backing per security is \$NZ1.37 vs \$NZ1.16 for the previous year.

Basic and diluted eps is 34.4NZ c vs 0.6NZ c for the previous year.

EBITDA was 5% below the prior year mainly on Trustpower's lower level of New Zealand hydro generation and soft wholesale prices, weakness in the \$A impacting the reported IEA result and a lower contribution from NZ Bus.

EBITDAF was down 6% to \$NZ277 due to a combination of dry weather reducing Trustpower's hydro generation while wholesale **energy** prices were depressed by overall generation over supply.

Australian generation was up 11GWh at Snowtown Stage 1 and 139GWh was produced from Snowtown Stage 2 turbines as the project starts to become operational.

Infratil **Energy** Australia **Group** (LUMO, IEA, Perth **Energy**) had EBITDAF of \$A69, a strong underlying result for the period, down on \$A8 **million** for the prior year but \$A7 **million** occurred in the first half and mainly reflected a lower contribution from generating activities.

NZ Bus made steady progress, over the year 135 new buses were introduced bringing the fleet to 345 now operated in Auckland and Wellington.

Wellington Airport met its earnings budget but experienced modest passenger growth.

Z **Energy** produced a net profit of \$NZ95 **million** for the year ended March 31 2014 and replacement cost EBITDAF of \$NZ219 **million**.

IFZ also updated its Snapper Services in Wellington, it has 19.9% of Metlifecare has established Infratil Infrastructure **Property** in New Zealand and paid \$A100 **million** into Australian Social Infrastructure (ASIP). Leighton Contractors who are part of the ASIP syndicate are currently participating in bids for Queensland schools, NSW rail and Victorian road.

Conclusion

"Infratil is well positioned to maintain robust and growing returns for its shareholders. New Zealand and Australian transport, **energy**, social and age care infrastructure are benefiting from economic and societal trends and Infratil is well placed in each sector".

Market Cap \$1.2b.

IFZ untraded last at \$2.01

*ORI: Int down 7.8%, div 40c part fr, DRP at no disc/full yr flat or up on 2013

Orica Ltd for the half year ended March 31 2014 announced a net profit after tax down 7.8% to \$242.1 **million** on revenue up 1% to \$3.357.3 **billion**.

A 40c interim dividend franked to 16c was announced vs 39c for the previous corresponding period (pcp). Record date is June 2. The DRP is available at no discount.

EBIT was down 7% on the pcp to \$402 **million**.

EBITDA was down 3% to \$553 **million**.

NTA backing per security is 440.9c vs 303.5c for the pcp.

Basic eps is 66c vs 72.4c for the pcp.

Diluted eps is 65.9c vs 72.3c for the pcp.

The **company** said in the presentation the result is in line with the update provided in March indicating first half profit in 2014 would be less than the first half 2013.

Outlook

Group net profit after tax before individually material items in 2014 is expected to be in line with or exceed the restated full year 2013 NPAT of \$592.5 **million** influenced by improved expectations for **mining** services in the second half full year 2014 on improving volumes vs the 2nd half 2013 in most markets while current pricing pressure is expected to continue with challenging ground support markets.

Expectations for chemicals in the 2nd half for volume improvements and resolution of customer operational issues while watercare and caustic soda contributions are expected to remain flat.

Analysts expectations: \$239 mln, div 38.9c.

*The Financial Times reports as of May 9 2014 the consensus forecast amongst 25 polled investment analysts covering Orica Ltd advises that the **company** will outperform the market. This has been the consensus forecast since the sentiment of investment analysts improved on May 29, 2011. The previous consensus forecast advised investors to hold their position in Orica Ltd. There were 5 "**buy**" recommendations, 7 "outperforms", 8 "holds", 1 "underperform" and 1 "sell".

*On May 12 a leading broker retained a "hold" on Orica ahead of its results tomorrow expecting a 4% decrease in EBIT to \$422 million, a 7% decrease in net profit before significant items, and \$249 million pre significant items (vs guidance of \$267 million) and a 37c dividend.

The broker said the stock remains expensive, with concerns around subdued explosives demand, the impact of Chinese imports on Indonesian margins and risks to manufacturing margins at Kooragang Island.

The broker also expects potential deterioration of returns from Minova in the longer term due to a variety of factors.

*On March 26 a leading broker retained an "underweight" for Orica with a target price of \$22.07 after Orica, presenting at an investor conference, maintained full year guidance for NPAT growth in 2014 vs 2013 however they flagged NPAT in the first half is expected to be down due to "market demand and weather".

The broker said although the extent of weakness implied in first half 2014 would suggest similar leverage to that in the second half of 2012, that had been sufficient to meet consensus expectations this year, a first half 2014 decline of 3% implies full year 2014 NPAT of \$613 million, down 7% on consensus and down 1% on the broker's forecast, but still within guidance growth for 2014.

The broker pointed to its March 13 major Australia Chemicals note, when it moved Orica to "underweight" - the only underweight on the Street, the broker said.

Market Cap \$7.8b.

ORI down 85 cents to \$21.09

*RHC: Ramsay j/v seeks to acquire balance of Generale de Sante for Euro 539m

Ramsay Health Care Ltd and Credit Agricole Assurances in joint venture (as Ramsay Sante) have been granted a period of exclusivity until June 6 to enable them to undertake due diligence and consider the submission of a legally binding offer for the acquisition of Generale de Sante, representing 83.43% of the share capital of Generale de Sante at a price per share of Euro 16.75.

Ramsay would potentially pay a maximum of Euro 539 million for 57% of the equity of Generale de Sante. If the proposed acquisition proceeds Ramsay intends to debt fund its equity interest in Generale de Sante and would consolidate Generale de Sante for accounting purposes.

Generale de Sante is a leading private healthcare services group in France with annual revenues of around Euro 1.7 billion and with 19,000 employees including 7,000 nurses and 4,000 care staff in 75 facilities and centers. It covers the entire hospital care spectrum - medical, surgery and obstetrics, oncology, after care and rehabilitation and home medical services. Generale de Sante is listed on the Euronext Paris Euro list. (May 12)

Market Cap \$9.36b.

RHC up 72 cents to \$46.31

LARGE CAP RESOURCES

*AUT: Baytex lifts offer to \$A4.20 per share

Aurora Oil & Gas Ltd announced Baytex Energy Corp has increased its offer to \$A4.20 per share under the scheme of arrangement under which it proposes to acquire all of the shares in Aurora.

All Aurora directors continue to recommend the offer in the absence of a superior proposal. Each director intends to vote the Aurora shares controlled by them in favor of the Scheme in the absence of a superior proposal.

Harbour Advisors and Stirling Global Value Fund Inc who together have approximately 17.4% of AUT share intend to vote in favor of the scheme in the absence of a superior proposal.

Market Cap \$1.88b.

AUT up 23 cents to \$4.18

*NST: Buys Jundee from Newmont for \$A82.5m cash/now 2nd largest in Aust

Northern Star Ltd announced it has agreed to **purchase** the iconic Jundee **Gold** Mine in Western Australia from Newmont **Mining** for \$82.5 **million** in cash. The **acquisition** is expected to lift Northern Star's production from 350,000 ozs pa to 550,000 oz pa in 2015, making it the second largest ASX listed **gold** miner.

Northern Star will fund the **acquisition** with cash reserves and an increased debt facility.

Jundee's all in sustaining cost in full year 2013 was \$A930/oz. Jundee's reserves stand at 411,000 ozs at 4.3gpt Au and resources at 507,000 ozs at 4.4gpt Au with outstanding potential to grow inventory through in and near mine exploration.

NST expects the **acquisition** will lift its **group** production to 550,000 ozs p.a. at an all in sustaining cost of \$A1,050/oz, delivering additional scale and diversity.

Northern Star managing director Bill Beament said Jundee would immediately increase the **company's** free cash flow and has strong potential to increase reserves and resources via exploration at and around the mine.

He said with five operating mines generating 550,000 ozs p.a., Northern Star would meet the key criteria of global investors. "The international funds have made it abundantly clear that they want to invest in **gold mining** companies with a diversified production base and economies of scale that enable costs to be kept as low as possible. The Jundee **acquisition** means Northern Star will tick all these boxes while still enjoying a conservative balance sheet and outstanding potential for growth through exploration at each of its five operating mines.

Market Cap \$694m.

NST up 8.5 cents to \$1.20

*PNA: Guangdong continues due diligence/PNA rejected \$2.30 offer

PanAust Ltd to clarify matters that are the subject of media speculation said on April 10 the **board** received a confidential, non binding, indicative and incomplete proposal from Guangdong Rising Asset Management (GRAM) to acquire all of the shares in the **company** by way of an off market takeover offer at \$2.20 cash, including a number of conditions including regulatory approvals in **China** and Australia and 50.1% minimum acceptance. Guangdong later revised its indicative offer price to \$2.30 cash.

The **company** considered the proposal and the revised indicative offer price advising GRAM that the price remains materially below the level at which the **board** would be prepared to recommend a takeover offer.

The **board** has agreed to permit GRAM access to due diligence information on execution of an appropriate confidentiality agreement. At this stage there is no takeover offer from GRAM that is capable of acceptance and no certainty that one will eventuate.

GRAM has a relevant interest of 23% in PNA.

Market Cap \$1.35b.

PNA up 54 cents to \$2.12

MID TO SMALL INDUSTRIALS

*ABV: Modified SIBS waste truck brake for **commercial** trailers

Advanced Braking Technology Ltd announced it has been assigned an Australian licensing approval number for the installation of SIBS wet brake technology onto trailers used in the heavy truck market. ABV expects final approval and documentation to be issued shortly.

The major components of the SIBS waste truck brake have been used to create a complementary product to address the brake wear issues seen in the road train market. The first of these simplified brakes is currently being prepared for operation in the Pilbara region of WA in a fuel tanker fleet.

The extensive development and validation already completed on the SIBS waste truck brake has resulted in a greatly reduced effort required to commercialise the trailer brake. This simplified trailer brake opens up a significantly larger market, with over 7000 trailers being produced each year in Australia.

Market Cap \$7.75m

ABV steady at 0.7 cents

*ASZ: \$21 mln contract in incremental biz, further \$80 mln tendered

IT services provider ASG **Group** announced it has signed contracts totalling \$21 **million** in incremental business and is in the process of finalising a further \$80 plus **million** worth of agreements as the preferred tenderer in exclusive negotiations. This updates the guidance given in February when ASG identified \$90 **million** in revenue being negotiated or short listed.

Market Cap \$86m.

ASZ up 2 to 41.5 cents

*CMG: Conditions subdued, but 2nd half to be up on pcg

Chandler Macleod **Group** Ltd in a market update said business confidence has softened a little in recent months in the light of a stubbornly high \$A and fears that tonight's Federal budget will have a negative impact on economic conditions.

Chandler Macleod has experienced a healthy trend in blue collar hours worked, however white collar hours worked remain below the level at this time last year.

Demand for permanent recruitment has been sporadic but broadly in line with the prior corresponding period. In Managed Services both AHS and Vivir continue to deliver in line with expectations. As announced previously the 2nd half results in Managed Services will be impacted by the conclusion in March of the Qantas contract at Avalon.

Aurion is on track to deliver a strong second half, but the assessment volumes in Consulting remain below the same period last year.

CEO Cameron Judson said in the report "We remain confident that our strategy is sound and our forecast still indicates a higher profit than the previous half".

Market Cap \$186m.

CMG down 4 to 34 cents

*CNN: More initial orders for biodegradable bags at Brazil trade fare

Cardia Bioplastics Ltd announced it has received increased sales orders in the Brazilian retail market at the APAS 2014 Fair in Sao Paulo Brazil. Several Brazilian retailers have ordered a total of \$250,000 worth of Cardia Bioplastics bags for validating the product quality. The annual supply requirement of these retailers is forecast to be a minimum of \$1 **million** with supply commencement scheduled for July 2014. This takes the total of Brazilian sales orders during the last 3 months to \$2.2 **million** annualised.

Cardia has already won supply contracts to supply bags to Ricoy Supermercados and Drogaria Araujo as well as other retailers.

Market Cap \$11.1m.

CNN steady at 0.3 cents

*FRI: \$6.4 mln **acquisition** results in development of 5,692 sqm **site** in Belmont

Finbar **Group** Ltd announced an **acquisition** that will result in the development of a 5,692 sq **m site** located at 239 Great Eastern Highway, Belmont. Finbar's wholly owned subsidiary has entered into an unconditional contract to **purchase** the **property** for \$6.4 **million** and Finbar has negotiated an extended settlement date which will see the **property** settling on August 28.

The **site** is prime development land located 5 km from the Perth Central Business District and 3 km from Perth Airport.

Market Cap \$383m.

FRI steady at \$1.685

*KOV: \$1 per share ff div, u/writ DRP at 5% disc, ex date June 6

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

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

Market Cap \$63m.

KOV up 63 cents to \$7.10

*RNO: Ind trials find 6.5% in power output for athletes wearing Turbine

Rhinomed Ltd announced results of the independent high performance product trial carried out by Ridewiser in Melbourne has seen 66% of participants using the Turbine record an average increase of 6.5% in power output when working at Threshold Exertion levels. Riders wearing the Turbine travelled 143m further during 40 minute time trial at high intensity when compared to those not wearing the Turbine.

Market Cap \$7.9m.

RNO up 0.1 to 2 cents

*SWK: Revises full yr revenue down slightly, EBITDA expected at \$14/16m

Swick Mining Services Ltd announced unaudited 3rd quarter revenues is \$28.3 million down 19% from \$35.5 million for the prior corresponding period (pcp).

Total fleet utilisation is 68% at end of quarter with 55 of 81 rigs operating. The underground diamond fleet utilisation was 73% at end of quarter (49 of 67 rigs operating).

Due to a rock fall and temporary suspension of work at Nifty Copper Mine, revenue guidance has been revised down to \$113/117 million from \$115/125 million with an EBITDA of \$14/16 million.

Managing director KentSwick said in the report despite Swick's rebound in utilisation the macro mineral drilling market remains suppressed, indicating that the brownfield, predominantly underground strategy employed by Swick is a benefit for the business. The tender pipeline remains strong.

Market Cap \$56m.

SWK steady at 26 cents

*VIE: Lifts stake in Power Infrastructure Services to 65%

Viento Group Ltd announced its wholly owned subsidiary HVLV Pty Ltd has acquired an additional 10% of the shares in Power Infrastructure Services Pty Ltd. HVLV held 55% of the shares in Powins as announced on March 12, lifting its stake to 65%. Senior management retains the balance of shares on issue.

Powins is an electrical switchgear and service solution company that provides electrical services to the mining and heavy industry sectors.

Market Cap \$24m.

VIE untraded last at 27 cents

MID TO SMALL RESOURCES

*DML: Montsant withdraws, recap proposal terminates/new lenders discussions

Discovery Metals Ltd announced a non binding conditional recapitalisation proposal involving Montsant Partners LLC and the Company's lenders.

The company today announced that Montsant has not advised the Directors of its intention to proceed with the recapitalisation program as a result the conditional, non binding term sheet between the company and Montsant is now at an end.

Given the Recapitalisation Proposal will not complete, the Lender Transaction will also not complete and the Lender Term Sheet is now also at an end.

Despite the lapsing of the Recapitalisation Proposal the company is currently in discussion directly with its lenders to negotiate a binding term sheet for the re-profiling of the company's Project Finance Facility and its Single Currency Revolving Facility Agreement.

The **company** will announce further details on the re-profiling of its current debt as soon as they are final.

Market Cap \$15.7m.

DML untraded last at 2.8 cents

*GBG: Ansteel arranges **China** Merchant Bank additional facility for \$US300m

Gindalbie Metals Ltd announced it has executed a binding Facility Agreement with **China** Merchant Bank - **Hong Kong** Branch for a new \$US300 **million** Fixed Term Loan Facility to meet the previously outlined funding shortfall for the Karara Project. The facility has been arranged by Ansteel, which has demonstrated its continued strong support of the Karara Project.

The funds secured will contribute to achieving sustainable production of magnetite concentrate at nameplate capacity. In addition, KML has confirmed it has obtained a waiver from its existing **Chinese** Banking Syndicate for breach of a financial debt service cover ratio under the terms of its Senior Debt Facility for the December 2013, March 2014 and June 2014 quarters.

Market Cap \$81m.

GBG up 0.5 to 5.4 cents

*GGX: Malolos-1 well swabbing continues to result in **oil**, gas leaks

Gas2Grid Ltd advised swabbing **operations** continued at the Malolos-1 well onshore Cebu, Philippines. Whilst drill water is still being swabbed from the well the percentage of **oil** has continued to increase. Associated gas is also breaking out of the **oil** as the back pressure on the **oil** bearing formation is reduced. This morning the gas was flared for 35 minutes before subsiding.

Market Cap \$22m.

GGX down 0.1 to 3 cents

*GUF: Update on project/Canaccord appointed for assistance, seek funding

Guildford **Coal** Ltd announced following an internal review of the **company's** corporate model it is in a position to announce a value range of \$300/400 **million** derived on a pre-tax NPV basis for its Mongolian **operations**. This stems from the exploration target work conducted by Terra **Energy**, its 100% owned subsidiary, this year.

The model basically converts several highly prospective exploration areas within the BNU and Hovguun **Mining** Licenses to mines using assumptions made and proven whilst developing the first mine, the BNU North Mine that continues to receive many visits by potential customers and investors. However, bulk testing cannot be completed until the road permit is in place.

Also Canaccord have been appointed as Financial Advisers to explore more efficient debt avenues and to provide general corporate assistance for the **company's** evolution from explorer to miner..

Market Cap \$58m.

GUF up 1.8 to 7.6 cents

*PAN/THX: Panoramic to buyout remaining j/v interests for \$800,000 cash

Panoramic Resources Ltd announced Thundelarra has agreed to sell its remaining interests in the Copernicus and East Kimberley j/vs to Panoramic Resources Ltd for a total consideration of \$A800,000 in cash. the interests include Thundelarra's 22% of Copernicus, a small open pit nickel sulphide deposit that has been on care and maintenance since 2008 and 31% in a number of regional exploration licences around Panoramic's Savannah nickel **operations**.

The **sale** is conditional on ministerial consent. Nickel is not a core focus of THX's current exploration strategy, it delivers further cash for its exploration strategy at Red Bore, Curara Well and Allamber projects and since THX was not contributing to j/v expenditures its interests were continually diluting.

Market Cap \$214m / \$19.3m.

PAN steady at 66.5 cents / THX up 1.5 to 7 cents

*PRL/Other: Seeks buyer for Lochend Cardmium **oil** assets, Canada

Petrel **Energy** Ltd and j/v partner Bernum Petroleum Ltd have engaged Macquarie Capital Markets Canada Ltd to seek expressions of interest for the **sale** of their Lochend Cardmium assets. Bernum and Petrel will offer approximately 6,541 and 3,019 net acres respectively, including 2 producing Cardium **oil** wells and 2 licenced well locations and associated infrastructure.

On the back of successful program in Uruguay and Spain the decision to sell its interest with Bernum enables Petrel to focus on its core assets.

Market Cap \$91m.

PRL down 0.5 to 21 cents

*SIH: COW extended for Pungkut **gold** project to October 6

Sihayo **Gold** Ltd announced with regard to its 75% owned Sihayo Pungkut **Gold** Project located in North Sumatra, Indonesia, a permit to extend the feasibility study period for the **company's** Contract of Work until October 6 2014 has been received, required to enable submission of the Government of the Republic of Indonesia Feasibility Study.

Market Cap \$21m.

SIH steady at 2.1 cents

*SRM: Further outstanding results from Mabilo Project, Philippines

Sierra **Mining** Ltd announced further outstanding results from its ongoing drilling program at the Mabilo Project in the Philippines.

Drilling extended both the down dip and SE strike extension of the South Body and drill holes extended the known mineralisation along strike to both the north and south of the North Body magnetic model.

Best results include 166.2m at 1.29gpt Au, 1.27% Cu, 8.3gpt Ag and 32.46%Fe in Hole MDH-48.

Market Cap \$87m.

SRM down 1.5 to 36.5 cents

*TDO: HOA may result in exit from VIC/L31+rigr **sale**/retains 24.9% of VIC/P57

3D **Oil** Ltd announced a largely non binding Heads of Agreement with Carnarvon Hibiscus Pty Ltd (CHPL), Althea Corporation Ltd and HIRex Petroleum Sdn Bhd (HIREX) securing short tem funding via a working capital loan and **sale** of portion of VIC/L31 interest. Pursuant to the HOA CHPL will have a limited time option to **purchase** all of TDO'S VIC/L31 interest at Fair Market Value.

CHPL will also **purchase** the Britannia rig from the j/v at **acquisition** cost.

TDO retains a fully funded 24.9% interest in forthcoming VIC/P57 exploration well.

Market Cap \$24m.

TDO untraded last at 10 cents

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