

HD MARKET SAGS ON LIGHT VOLUME, FOCUS ON STOCK SPECIFICS

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The S&P/ASX200 closed down 15.7 points to 5454 on light volume worth \$3.2 **billion**. There were 431 issues higher and 577 down. The SPI Futures fell 18 points to 5459 on lightish volume of 17,383 contracts. Aussie 10 year bond yields rose 8 points to 3.85%. The \$A is at 93.76 US c, up about 15 points from last evening.

*The banks contributed 2.1 positive points to the index, insurers contributed 0.1 negative points, resources contributed 6.3 negative points, **property** trusts contributed 0.1 negative points, retailers contributed 1.7 negative points and Telstra contributed 0.5 negative points.

*At 4pm AEST the NikkeiDow futures was up 70 points to 15,040 points, Shanghai CSI physical was down 3.82 points to 2048.71, Hang Seng futuers was down 69 points to 23,108 points, S&P futures was down 1.6 points to 1948.90. Nasdaq futures was down 2.25 points to 3798.25, Dow futures was down 9 points to 16933.

Spot **gold** was up \$1 to \$1261. Crude futures was up 12c to \$104.47.

*Bloomberg reports The World Bank cut its global growth forecast amid weaker outlooks for the US, Russia and **China**, while calling on emerging markets to strengthen their economies before the Federal Reserve raises interest rates.

The World Bank predicts the world economy will expand 2.8% this year, compared with a January projection of 3.2%. The US forecast was reduced to 2.1% from 2.8% while outlooks for Brazil, Russia, India and **China** were also lowered. The setbacks may be temporary: the 2015 estimate for world economic growth was unchanged at 3.4%.

Although Reuters reports a newly resurgent carry trade in Europe (buying the Euro at negligible cost to seek higher returns in other currencies) Australia does not seem to be the main focus, given the weakness in our **bonds**. The main focus in our market was on stock specific news, but turnover was light.

"Ceiling will be 5500. Floor will be 5431 ... close at 5462 points, down 7.7"

Daniel Goulding, the author of "The Sextant Market Report" said, "Our market looks set to open relatively flat with the local futures contract up 1 point.

"In terms of the bigger picture, I remain steadfast in my view that it is late in the ball game for investors.

"Index leadership is bearish both here and in the US. Sector leadership is largely bearish as well. And you are now seeing Extreme Greed in the US as per CNN Moneys Fear and Greed index.

"Now I still have one more rally high pencilled in for our market in the short to medium term, I am just not sure of the exact timing or level at present.

"But none of this matters for today. The ceiling will be 5500. The floor will be 5431. When the dust has settled, the market will have closed at 5462, down 7.7 points'.

The S&P/ASX200 closed up 5.7 points to 5469.7 last evening.

ECO NEWS

*The Westpac-Melbourne Institute Consumer Sentiment Index gained 0.2% to 93.2, after falling 6.8% in May.

Consumer sentiment is still down 8.8% over the past 12 months.

The doom and gloom surround the Coalition government's first federal budget is still weighing heavily on consumers' minds, with sentiment surrounding family finances versus a year ago down 5.4% from last month. However, households remain optimistic about the next 12 months with a 5% improvement in sentiment surrounding finances in the next year.

"The index is still in firmly pessimistic territory however, down 6.6% from its pre-Budget level in April and 15.6% below its post-election high in November last year," Westpac senior economist Matthew Hassan said.

Following last year's budget, there was a similar plunge in the consumer sentiment index, which fell 7% in May. But, this was followed by a 4.7% recovery in June.

*The Australian Bureau of Agriculture and Resource Economics and Sciences (ABARES) has lowered its forecast for 2014/15 wheat production by nearly 1 percent on Wednesday as dry weather curbs yields, and warned output could fall further if an El Nino weather pattern forms. The world's third-largest wheat exporter is expected to produce 24.59 million tonnes in the current season, down from a March estimate of 24.80 million tonnes, the country's official agricultural forecaster said.

The crop would still be the seventh-largest on record following last year's bumper 27.01 million tonnes, but) cautioned that dry weather could cut yields.

"Sufficient and timely rainfall over winter will be critical to the development of winter crops, particularly in those areas where soil moisture levels are presently low," the bureau said.

"Yields are likely to be lower than currently assumed if sufficient and timely rainfall is not received."

The forecast decline in the wheat crop comes even as the acreage devoted to the grain is expected to rise to a three-year high of 13.84 million hectares.

ABARES cautioned that the impact of an El Nino, seen by most global forecasters as increasingly likely to arrive over the next few months, would be difficult to predict.

TOP STOCKS

*Aquila shot up 12c to \$3.61 on 2.5m shares after a major stake changed hands, thought to be Mineral Resources buying at a higher price than the BaoSteel/Aurizon offer.

AZJ fell 6c to \$4.82 on 6.9m shares.

*Downer EDI fell 59c to \$4.70 on 5.1m shares after BHP/Mitsubishi terminated a mining contract early.

*Ramsay Health Care rose 60c to \$45.14 on a half million shares after buying 85% of a French hospital chain in j/v with Sante.

Among the financials, AMP fell 4c to \$5.35 on 6.9m shares, ANZ rose 14c to \$33.90 on 3.16m shares, CBA fell 22c to \$82.20 on 1.6m shares, NAB fell 1c to \$33.63 on 2.44m shares, Westpac rose 12c to \$34.75 on 3.88m shares.

Among the TMT's Telstra fell 1c to \$5.25 on 12.79m shares, Telecom NZ shed 1c to \$2.43 on 449,016 shares, SingTel fell 2c to \$3.27 on 168,838 shares.

Among the resources BHP fell 34c to \$35.94 on 4.65m shares, RIO fell 24c to \$59.40 on 1.2m shares, Fortescue fell 9c to \$4.54 on 11.3m shares, OZL rose 3c to \$4.27 on 1.9m shares, PanAust rose 3c to \$2.20 on 1.6m shares.

Among the oils, Woodside shed 22c to \$42 on 1.49m shares, Santos rose 1c to \$1.452 on 2.94m shares. Oil Search fell 7c to \$9.71 on 3.1m shares. Karoon fell 11c to \$3.34 on 1.48m shares.

Among the golds, Newcrest rose 17c to \$9.80 on 2.2m shares, Northern Star was up 3c to \$1.19 on 2.7m shares, Oceana rose 10c to \$2.81 on 458,719 shares, Troy fell 4c to 93c on 917,486 shares, also report below. Medusa was down 1.5c to \$1.65.5 on 544,386 shares.

AT THE SMALLER END

*Cynata Therapeutics closed up 4c to 46c on 201,444 shares on the report below.

*Triton rose 4c to 42.5c, also Syrah news on graphite, its Balama project below.

*Admedus rose 1.5c to 13c on 9.5m shares following the close of a well supported SPP (Obtained FDA permission to market its CardioCel in the US in February).

NEWS OF THE DAY

IEA ponders supply/demand for LNG

Reuters reported the International **Energy** Agency expects natural gas demand growth in the next five years to be led by Asia, with the region consuming an additional 250 **billion** cubic metres (bcm) by 2019.

This will be led by **China**, where demand is expected to double to 315 bcm.

While increased domestic output and pipeline from Russia and central Asia will bolster **Chinese** supplies, the IEA still expects LNG to make a significant contribution.

About 100 bcm of additional LNG demand will come from Asia in the next five years, a gain equivalent to about a third of the total LNG market of 322 bcm in 2013.

The 100 bcm of additional LNG required can be mostly met from the plants that are already under construction.

Australia's seven LNG projects currently being built will deliver 61.8 **million** tonnes per annum, equivalent to about 84 bcm, while Cheniere's Sabine Pass, the only U.S. project being built, will add 24.4 bcm.

Other new projects in Russia and Africa will ensure that the LNG market will at worst be balanced and most likely will have a small surplus in the next five years.

However, the IEA points out in its report, LNG demand won't suddenly stop growing in 2020, and given the **lead** time of at least five years, projects will have to get approval soon in order to start up from 2020 onwards.

Since the wave of approvals in Australia for current plants, there has been a dearth of new final investment decisions, with the IEA pointing only to Yamal LNG in Russia.

Australian LNG producers have been arguing in recent months that the country will miss out on the next round of approvals unless costs can be cut.

Even if labour and regulatory costs do come down, it's still questionable as to whether greenfield LNG projects can get a green light, and not just in Australia.

The \$400 **billion** deal between Russia and **China** to supply 38 bcm of natural gas a year has been widely interpreted as setting a new benchmark for what the Asian market can pay for gas.

Although the price wasn't disclosed, sources have put it at around \$10 per **million** British thermal units (mmBtu), close to what Russia receives for supplies sent to Europe.

However, this is well below the LNG price in Asia, with spot currently at \$13.10 per mmBtu, a level likely close to the seasonal low. The peak so far in 2014 was \$20.50 and an average of around \$16-\$17 for the year seems likely.

If LNG buyers insist on prices more closely aligned to the Russia-**China** deal, or to U.S. Henry Hub, they may well be successful in driving costs down as producers compete to sell spot cargoes.

However, any success in lowering LNG costs will merely ensure that new projects don't get built, as a delivered to **China** price closer to \$10 per mmBtu would likely render even the planned plants in the United States uneconomic, despite the lower cost of their shale gas feedstock.

While all LNG buyers say they want lower prices, it may turn out that in the longer term the smart buyers are those that are still prepared to pay more for secure multi-year contracts, especially for deliveries after 2020.

Ex div: ALQ ex 20c; AWN ex 2c; IBC ex 1c; OFX ex div. TWR ex div.

Changes in substantials reported June 10

(No Week's Special for Friday - cannot do justice in a short week).

(We look everyday for Darvas System Specials - essentially a bullish sentiment indicator, they are few and far between. The market is rising on yield seeking, not powered by optimism).

LARGE CAP INDUSTRIALS

*ALZ: Frasers Centrepoint receives waiver enabling t/o offer to be made

Australand **Property Group** announced Frasers Centrepoint Ltd has received a conditional waiver for certain requirements under the SGX Listing Manual so that Frasers can make an offer to acquire Australand stapled securities before Fraser's shareholders make the proposed takeover offer.

Market Cap \$2.65b.

ALZ steady at \$4.58

*CNU/AIZ: CNU to leave NZX 20, AIZ added

The NZX has announced changes to the NZX 20 index that will see Chorus removed from the NZX 20 Index effective at market open on June 23. AIZ will be added to the index.

The changes are determined by the NZX Index Methodology and in no way reflect an opinion on any NZX listed issuer.

Market Cap \$620m. / \$2.26b.

CNU up 1.5 cents to \$1.565 / AIZ steady at \$2.03

*DOW: BMA terminates Goonyella contract early/entitled to compensation

Downer EDI Ltd announced it was informed last night that its overburden removal contract at the Goonyella Riverside mine in Queensland had been terminated by BHP Billiton Mitsubishi Alliance (BMA) with effect from September 9 2014. Downer currently employs 427 people at the operation in four pre strip fleets.

Downer estimates that the early termination of the contract which was due to be completed in June 2016 will have an impact on work in hand of approximately \$360 **million** (\$160 **million** in the 2015 financial year and \$200 **million** in the 2016 financial year).

Under the terms of the contract Downer will be entitled to compensation for early termination.

Market Cap \$2.05b.

DOW down 59 cents to \$4.70

*FLT: Expects record u/lying NPAT, but at the low end of previous forecast

Flight Centre Ltd announced the **company** expects to achieve a record underlying profit before tax in the order of \$370/380 **million** for the year to June 30 2014, a result at the low to mid point of current market guidance. Managing director Graham Turner said the expected result represents 8/11% growth on 2012/13.

He said the **group** remains comfortable with its overall guidance - specifically it aims to deliver an underlying PBT between \$370/385 **million**.

He said the **group's** ability to hit the top of its targeted range has been adversely affected by disappointing leisure travel results in Canada and a tougher trading environment for the large Australian leisure business during the past eight weeks. While Australian leisure continues to grow and increase market share, it is not achieving the high levels of growth during the 4th quarter as it recorded earlier in the year.

This slowdown in growth was most evident in May. While demand often rebounds quickly after a short term downturn, conditions are uncertain, the MD said.

Market Cap \$4.67b.

FLT up 53 cents to \$46.43

*LEI: Bob Humphris retires as chair, CEO apptd Exec Chair, 2 new non execs

Leighton Holdings Chairman Bob Humphris OAM announced his retirement as chairman and resignation as a non exec director effective as of today, as signalled at the AGM in May.

CEO Marcelino Fernandez Verdes has been appointed as executive chair, replacing Mr Humphris.

Also two new independent directors, Russell Chenu and Trevor Gerber were appointed.

Mr Chenu has been CFO of five different ASX listed companies from 1991 to 2013 across a range of industries over the last 20 years.

Mr Gerber has extensive executive and **board** experience across the **property**, funds management, hotels/tourism, infrastructure and aquaculture industries.

Market Cap \$6.7b.

LEI down 40 cents to \$19.81

*RHC: Ramsay Sante j/v acquires 83.43% of Generale de Sante, France

Ramsay Health Care Ltd announced it has signed a contract with Credit Agricole Assurances for the **acquisition** of 83.43% of the share capital of Generale de Sante from Sante SA and Sante Developpement Europe SAS at a price per share of Euro 16 ex dividend (Euro 16.75 cum dividend, as announced on May 112). This will cost Ramsay Euro 429 **million** (approximately \$A627 **million**) for its 57% share off his **acquisition**.

With this **acquisition** Ramsay and Credit Agricole Assurances continue development of their partnership, initiated in 2010 with the creation of Ramsay Sante.

Ramsay will potentially pay a maximum of Euro 515 **million** to acquire a maximum economic interest of 57% in the **equity** of Generale de Sante, a leading operator of private hospitals in France comprising 75 facilities including 61 hospitals in the fields of medicine, surgery, obstetrics and rehab and generating annual revenues of approximately Euro 1.7 **billion**. The **company** employs around 19,000 staff.

The addition of Geneale de Sante's facilities brings Ramsay's total portfolio in France to 115 facilities (including 101 hospitals) and 15,400 beds and places, making it the largest private hospital operator in France.

Market Cap \$9.1b.

RHC up 60 cents to \$45.14

*SGT: Acquiring digital advertising **group** active in US, Australia

Singapore Telecommunications Ltd announced its wholly owned subsidiary Amobee **Group** Pte Ltd has entered into a conditional agreement to acquire 100/% of Adconion Media Inc and Adconion Pty Ltd, a cross channel digital advertising **group** with **operations** primarily in North America nd Australia. The enterprise value of Adconion is \$US 235 **million**. The aggregate consideration is approximately \$US209 **million** excluding debt and is subject to working capital adjustments. The valuation was arrived at on a willing buyer/willing seller basis. Consideration will be paid in cash. The agreement also provides for up to \$US20 **million** in earn out and retention benefits for the key employees of Adconion, subject to the achievement of certain conditions precedent including the receipt of relevant approvals.

Market Cap \$451m.

SGT down 2 cents to \$3.27

LARGE CAP RESOURCES

*AQA/MIN/AZJ/Other: Entity, possibly MIN buys large **stake** at \$3.75 per share

Aquila Resources Ltd announced it has noted that approximately 50 **million** of its shares were traded in a block this morning at \$3.75 per share together with a number of other large trades at the same price. Aquila has not been notified as to the identity or intentions of the **purchaser**, however it notes media speculation and the trading halt requested this morning by Mineral Resources Ltd suggesting the **purchaser** is an entity associated with Mineral Resources.

Aquila's independent **board** sub committee welcomed the recognition that the value of the **company's** shares is well in excess of the current \$3.40 cash per share conditional off market takeover offer by Baosteel Resources Australia Pty Ltd and Aurizon **Operations** Ltd.

Aquila reaffirmed its advice that shareholders should take no action.

Separately Mineral Resources asked for a trading halt regarding speculation in the morning's press regarding Mineral Resources purchasing shares in Aquila Resources Ltd.

Market Cap \$1.5b. / \$1.9b. / \$10.3b.

AQA up 12 cents to \$3.61/MIN down 23 cents to \$10.14/ AZJ down 6 cents to \$4.82

*AQA: One native title claim agreed for West Pilbara **iron ore** project

Aquila Resources Ltd announced the Native Title Agreements have been signed with the Kuruma Marthundera native title claim **group** for the West Pilbara **Iron Ore** Project in which the **company** holds an interest, an important step towards the grant of **mining** leases for Stage 1 of the project. The Native Title Agreements will allow for the development of mine and rail infrastructure on native title claim areas.

Negotiations on Native Title Agreements with the Puutu Kunti Kurrama and Pinikurra claim **group** are also well advanced and is expected to be finalised in the September quarter 2014.

*SYR: Graphite price rising/pursuing negotiations/scoping study for Vanadium

Syrah Resources Ltd announced negotiations for offtake of graphite and vanadium with Chalieco are continuing, meanwhile Heilongjiang Province in **China** has halted production of graphite, accounting for about 45% of **Chinese** production and Shandong Province was ordered to halt production for environmental reasons, representing about 20% of **Chinese** production. Since then, the price of graphite has risen about 30%.

Also Syrah is reviewing a scoping study on the vanadium component at Balama, with requests for data received from global buyers including offtake requests.

Market Cap \$566m.

SYR down 8 cents to \$3.48

*TRY: Casposo rockfall, maint to reduce Jun qtr prod/Andorinhas extended

Troy Resources Ltd advised at the Casposo **gold** and silver mine in Argentina, a series of rockfalls have occurred in one of the high grade stopes within the INCA 1 zone. There has been no injury to employees or damage to equipment. The area impacted is directly above level 9 and 10, the highest grade levels within the INCA 1 zone. A clay rich zone approximately 2m into the hanging wall seems to have caused weakness that resulted in dilution of **ore** with waste, lowering the grade drawn from the stopes and delaying **mining** of the very high grade level 9.

With the help of a specialist external rock mechanics expert, Troy is reviewing the mine plan to minimise the risk of such an incident reoccurring in the very high grade zones. It is too early to determine whether this will impact production guidance for full year 2015.

Separately an inspection of mill liners has resulted in a decision to bring forward into June a 6 day maintenance shut that had been scheduled for early July. This will result in June quarter production being lower than planned at around 27,000 ozs **gold** equivalent. At Andorinhas, the **company** has received the Environmental Permit to mine the Coruja open pit deposit within the Mamao permit at the Andorinhas mine in Para State Brazil.

This will ensure that sufficient high grade **ore** tonnes will now be delivered to the processing plant. Without Coruja, Andorinhas would have closed early in the second half of calendar 2014. The approval means the operation will continue through to end 2015 and is expected to produce 27,000/30,000 ozs in 2015.

Market Cap \$181m.

TRY down 4 cents to 93 cents

MID TO SMALL INDUSTRIALS

*ALA: Contract with Positiv Flo to develop fitness App

Applabs Technologies Ltd announced it has entered into a contract with Positiv Flo Pty Ltd to develop an innovative new product to transform the health and fitness industry named "Positiv Flo". The contract will enable Applabs to develop an iPhone App, Android App and a mobile optimised web application for Positiv Flo Pty Ltd. The contract value is \$115,000 plus GST and it is expected the project will be completed over the next 4 to 5 months, with work to begin immediately. A deposit of 50% has been received by Applabs today. Applabs will retain a 5% **equity** holding in Positiv Flo Pty Ltd for nil consideration.

Market Cap \$7m.

ALA up 0.5 to 20 cents

*CVC: NSW Govt releases Marden **Park** North for housing development

CVC Ltd advised the NSW Department of Planning and Environment has released Marden **Park** North for planning under the NSW Government's Precinct Acceleration Protocol for the North West Growth Centre. This allows for the planning of **residential** lots for approximately 4,000 new homes to be built in the future and is in close proximity to the planned north west rail link.

The precinct planning process will now commence.

Market Cap \$155m.

CVC up 5 cents to \$1.30

*CYP: J/v with Grey Innovation for stem cell treatment of lung disorders

Cynata Ltd announced plans to partner with Grey Innovation to develop potential treatments for lung disorders through enabling the direct delivery of Cymerus stem cells into the lung. This requires a specialised nebuliser system which delivers viable cells. This specialised nebuliser, called Respire has been developed at Monash University and is being commercialised by a team from RMIT, Eastern Health and Grey Innovation.

Prof Graham Jenkin, Dy Director of the Ritchie Centre at MIMR-PHI Institute of Medical Research was quoted as saying, "reliable delivery of stem cells directly to the lungs would be an advance in BPD stem cell treatment".

The need for treatment of a number of serious and debilitating lung disorders includes treating under developed lungs in newborn babies and chronic obstructive pulmonary disease in adults.

Market Cap \$21m.

CYP up 4 to 46 cents

*KPT: **Sale** of 100 ha of land if subdivision is approved, converted to freehold

Kangaroo **Island** Plantation Timbers Ltd announced the **sale** of a 100 ha parcel of land to be subdivided from its tree farm known as Lycurgus on western Kangaroo **Island**. The subdivided land is approximately 80% arable and includes a semi derelict house and some dams. The **sale** price is \$170,000 representing 104% of book value.

The **company** will retain ownership and rights over approximately 50 ha of standing plantation timber, mostly radiata pines, on the subdivided land for a 15 year period. Completion of the **sale** is subject to finalisation of an application to subdivide the land and convert the new 100 ha parcel from crown lease to freehold.

Market Cap \$4.3m.

KPT untraded last at \$2.70

*NSR: Acquiring established self storate asset in Port Adelaide, for \$5.2 mln

National Storage REIT announced it has entered into contract arrangements to acquire an established self storage asset in Port Adelaide, South Australia for \$5.2 **million**. The centre currently managed by Storage King is located in a converted heritage wool store in an urban renewal precinct. The **property** features approximately 500 storage units across three levels over 4,100 sq **m** of net lettable area. The centre is located at 9 Santo Parade and features all weather indoor loading and a truck receiving bay.

The **purchase** will be made on a projected year one passing income yield of approximately 9.8% excluding **transaction** costs and will be funded from NSR's debt facility. The contract is conditional and should it proceed, settlement is expected in July.

Market Cap \$323m.

NSR up 1 cent to \$1.32

*RIC: Partners with Sanctuary Living to develop 465 ha Moolap master plan Ridley Corporation Ltd CEO Tim Hart announced the selection of Sanctuary Living as its partner for the potential development of the 465 hectare former salt field **site** located at Moolap, Victoria. Contractual agreements have been executed today with Sanctuary Living to prepare a development strategy and plans for a world class, environmentally responsible, mixed land use project located just 2 km from the Geelong Central Business District.

Sanctuary Living is a leading Australian developer of master planned communities, showcased by the Sanctuary Lakes Resort and Sandhurst Club projects in Melbourne.

Market Cap \$259m.

RIC steady at 84 cents

*STP: Court orders rec'd approving Scheme of Arrangement, delists on June 12

SteriHealth Ltd announced the Federal Court of Australia has made orders approving the Scheme of Arrangement under which Catilina Nominees Pty Ltd as trustee of the Danny Boulas Daniesl Family Trust will acquire all of the issued shares in SteriHealth that are not already held by Catilina or its associates for \$1.75 cash per SteriHealth share.

Last day of trading in SteriHealth Shares will be June 12.

Market Cap \$34m.

STP untraded last at \$1.735

MID TO SMALL RESOURCES

*APG: Update on Newcastle **Iron** Recovery Plant

Austpac Resources NL in an update on its Newcastle **Iron** Recovery Plant, it is in advanced negotiations with a major international corporation with respect to funding.

The corporation has tested some of the **iron** products from the **company's** pilot scale equipment at Newcastle (separating **iron** from other metals contained in furnace dusts for saleable **iron** and other products) and confirmed they are highly suitable for use in specialty sectors of the steel industry.

Meanwhile construction and commissioning of the Newcastle **Iron** Recovery Plant (NIRP) is continuing.

When the NIRP commences **operations** it will process a bulk sample of waste **iron** oxide dusts containing low levels of zinc that are produced by BSL's furnaces during steel making **operations** at their Port Kembla facilities. BSL will provide the raw materials for the trial and will test the resulting **iron** and other products at Port Kembla.

Market Cap \$20m.

APG down 0.1 to 1.7 cents

*CHK/WPI: Cohiba seeks retain of funds from farm in agreement

The **Board** of Cohiba Minerals Ltd advised it has taken steps to reclaim sums spent pursuant to a farm in agreement with West Peak **Iron** Ltd dated May 19 2011. A writ of summons has been issued in the district court of WA. The amount of the claim is in the order of \$144,365 plus costs, interest and damages if applicable.

Cohiba/s legal advisers have informed the **company** that these two EL's 59/1677 and 59/1678 are in the process of being forfeited.

Market Cap \$1.3m. / \$1.2m.

CHK untraded last at 7 cents / WPI up 0.1 to 1.5 cents

*CRJ/TLU: TLU in scrip **purchase** of CRJ's 25% **stake** in Bezaha **Oil** Project

Caravel **Energy** Ltd announced it has **sold** its 25% interest (ability to earn up to 80%) in Petromad Mauritius Ltd, the **company** that owned a 100% interest in the Bezaha **Oil** Project concession located in Southern Madagascar). The **company** intends to renew its focus on its existing Olympic Dam **copper** assets where significant potential exists to identify and drill **copper** targets.

The **purchaser** Tellus Resources Ltd has agreed to acquire CRJ's 25% **stake** in PetroMad, all of CRJ's rights and obligation with the owner of the remaining 75% interest in PetroMad including an entitlement to earn up to 80% ownership in the project. Consideration is 85 **million** TLU shares of which 60 **million** are to be issued to CRJ and the balance to certain unrelated nominated CRJ creditors. Tellus will also assume certain liabilities associated with PetroMad. Settlement is dependent on CRJ and TLU obtaining shareholder approvals required.

Caravel will focus on its existing portfolio of **copper** licences in the Olympic Dam **copper** province of South Australia.

Market Cap \$12.4m. / \$6.6m.

CRJ untraded last at 1.5 cents / TLU up 0.4 to 4.5 cents

*GGE: Rig secured for Louise Prospect, to spud before end June

GrandGulf **Energy** Ltd confirmed a rig has been secured to drill the Louise Prospect on the Napoleonville Dome, with Templet #1 expected to spud prior to the end of June 2014 and is targeting 600,000/800,000 bbls **oil** in an updip segment of a proven **oil** bearing compartment.

The **company** also updated the Louise Prospect.

Market Cap \$7.5m.

GGE up 0.1 to 1 cent

*ROL: Up to 10.02gpt Au, 1,190 gpt Ag in recent drilling at Perak Basin

Robust Resources Ltd announced it has completed 9 holes in recent exploration drilling at the Perak Basin on its Romang **Island** project, Indonesia. Best results included 12.8m grading 7gpt Au and 8.86% combined base metals from 44.2m depth in LWD 429, including 10.02gpt Au, 1,190 gpt Ag, 6% Cu and 50.9% Base Metals (24.6% Pb, 24.8% Zn, 1.5% Cu). Mineralisation remains open to north east.

Market Cap \$43m.

ROL up 1 to 22 cents

*SBM: **Gold** Ridge personnel return to **site**/agrees works with Govt

St Barbara Ltd announced **Gold** Ridge **Mining** Ltd and the Solomon Islands Government have agreed for **Gold** Ridge personnel to return to the Solomon Islands following the lifting of a government immigration ban to enable a **site** assessment and a range of agreed **site** works to be undertaken. Senior executives from the **company** recently participated in a cultural reconciliation process with the Solomon Islands Prime Minister.

The government has established an Interim Working **Group** to work directly with **Gold** Ridge **Mining** to expedite government approvals and reporting processes.

A preliminary review of the **Gold** Ridge **site** indicates that the key assets and infrastructure have been well secured by the Royal Solomon Islands Police Force. However a large number of illegal miners have returned to the **mining** areas.

The **company** plans to conduct an agreed range of **site** works with a particular focus on lowering water levels in the tailings dam which had risen significantly during torrential rainfall in early April.

The **company** will also continue to reduce holding costs and assess strategic options for the **Gold** Ridge operation. (Jun 10)

Market Cap \$68m.SBM down 1 to 14 cents

*SPQ: Grant of Hedleys **Uranium** Prospect

Superior Resources Ltd announced the grant of EPM 18203 "Hedleys South" covering the Hedleys **Uranium** Prospect. The grant of the EPM provides SPQ with tenure to access the Nicholson Project and the Hedleys **Uranium** prospect.

EPM 182-3 together with adjacent EPM 15670 "Hedleys 2" also covers areas within the Hedleys Graben that have potential for base metal mineralisation of the Mount Isa style.

Market Cap \$1.77m. SPQ untraded last at 1 cent

*UEQ/CHN: Chalice and UEQ relinquish Marla and Oodnadatta projects

Uranium Equities Ltd advised following a review of the results from the recent exploration program Chalice **Gold** Mines Ltd has withdrawn from the farm in j/v over the Marla and Oodnadatta Projects prior to earning any interest in the projects. **Uranium** Equities has also decided to relinquish all tenements for both projects.

Market Cap \$3.34m. / \$39m

UEQ down 0.2 to 1.1 cents / CHN steady at 13.5 cents

*VMS: To adjoin latest appeal against Fed Court decision on Riley DSO project

Venture Minerals Ltd advised it will adjoin the latest appeal against the Federal Court's recent decision to uphold the environmental approvals for the Riley DSO Project. Although the appeal does not directly relate to Venture, it seeks to appeal the Federal Ministers' decision to approve the project, Venture adjoins the proceedings to protect its interest in the case.

The **company** will seek security for costs from the appellant (Tarkine National Coalition) to cover any legal costs associated with this appeal. In addition, the appellant has been ordered to pay costs to Venture for the previously dismissed appeal recently handed down by the Federal Court.

The latest appeal does not affect Venture's **operations** at this stage. The **company** is making preparations for the plant **site**, infrastructure and access roads at the Riley DSO Project.

The **company** will assess the economic environment and other factors before deciding to commence **mining**. In the meantime the **company** is cutting corporate overheads including a 20% reduction in executive and non executive director salaries/fees and a reduction in hours for senior executives.

Market Cap \$29m. VMS steady at 10 cents

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