

HD BANKS WEAKER, MINERS UP, ASIA MARKETS STAND STILL

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WC 6,618 words

PD 5 June 2014

SN OzEquities News Bites

SC NBOZEN

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The S&P/ASX200 closed down 7.9 points to 5436.9 on lightish volume worth \$3.5 **billion**. There were 441 issues higher and 552 down. The SPI Futures closed down 4 points to 5441 on good volume of 22,821 contracts. Aussie 10 year bond yields are steady at 3.78%, the \$A is more or less steady at 92.78US c.

*The banks contributed 5.9 negative points to the index, insurers contributed 0.4 positive points, resources contributed 3.8 positive points, **property** trusts contributed 0.7 negative points, retailers contributed 1.8 negative points and Telstra contributed 0.9 negative points.

*At 4pm AEST the NikkeiDow futures was up 30 points to 15,070 points. Shanghai CSI physical was up 2.95 points to 2027.79. Hang Seng futures was down 28 points to 22,964 points.

S&P futures was down 0.6 points to 1925.10, Nasdaq futures was down 1.5 points to 3741.75. Dow futures was steady at 16,718 points.

Spot **gold** was up \$1 to \$1245. Crude was down 36c to \$102.28.

*Markets were basically on hold awaiting the ECB's expected rate cut to zero plus other quantitative measures tonight - in a trading day basically lacking in news.

Our banks were weaker, with media sources running with the Bloomberg story today that a lift in the capital adequacy ratio for banks will preclude their paying higher dividends, citing AMP Capital Investors head Shane Oliver. He said AMP had lowered its bank holdings to "neutral" since late last year.

(Our banks are also very over stretched given their forecast p/es and have been since the rush to acquire yield began).

"Support at 5430 then at 5400, resistance at 5450 then 5465 .. I'll call it up 10"

Ben Faulkner, a senior adviser at Morgans said, "The S&P500 last night had a 10 point range in a pretty quiet night, however closing at a record high, not far off intra day highs. For the S&P500 the picture looks as good as it can be on the technical charts. There are no real areas of resistance given it is testing new highs - 1930 may offer resistance.

"Spot **gold** is consolidating around 1240/1245. I expect a dead cat bounce at some stage.

"**Copper** was a bit weaker last night, broke the \$3.12/lb level of support. It needs to hold the \$3.09/lb level or could head back to \$3/lb.

"It was a pretty uneventful night on the Euro last night, awaiting the ECB meeting tonight.

"US bond yields ticked slightly higher, now sitting just at the 2.6% level - the sell off in **bonds** continues.

"China yesterday broke back below the 20 day moving average. The consolidation there has broken down negatively. Support now is at 2010. The critical level of support is 2000. If we see 2000 broken, it may head back to the lows of March of 1980.

"The Japanese market remains very strong, it has closed above 15,000 for two consecutive days. It has quite a bullish chart.

"The XJO broke down yesterday below the 20 day moving average, it also broke the 50 day moving average for the first time since early May.

"It is short term bearish. For the week we really need to see 5430 hold in my view otherwise we could break down to the previous May lows. Any break of 5400 would see the market potentially test 5300 over the coming weeks. However there is good support at 5430 and then at 5400. Resistance is now at 5450 followed by 5465.

"For the day, under performance on our market has been pretty much every day this week. I expect us to take back some of that today. I will call us up 10 points'.

The S&P/ASX200 closed down 34.9 points to 5444.8, 2 points last evening.

ECO NEWS

Trade balance deficit of \$122m seasonally adjusted for March qtr vs \$1.024 lbn surplus in Dec qtr

The ABS reported in trend terms, the balance on goods and services was a surplus of \$891m in April 2014, a decrease of \$28m (3%) on the surplus in March 2014.

In seasonally adjusted terms, the balance on goods and services was a deficit of \$122m in April 2014, a turnaround of \$1,024m on the surplus in March 2014.

In seasonally adjusted terms, goods and services credits fell \$421m (1%) to \$28,497m. Rural goods fell \$208m (6%), non-monetary gold fell \$131m (11%), non-rural goods fell \$96m and net exports of goods under merchanting fell \$3m (19%). Services credits rose \$17m.

In seasonally adjusted terms, goods and services debits rose \$604m (2%) to \$28,619m. Capital goods rose \$399m (8%) and consumption goods rose \$192m (3%). Intermediate and other merchandise goods fell \$76m (1%) and non-monetary gold fell \$6m (2%). Services debits rose \$96m (2%).

TOP STOCKS

*Wesfarmers closed down 34c to \$42.40 on 1.58m shares on the report below. *Navitas is up 12c to \$7.57 on 166,875 shares.

*LNG closed up 13c to \$1.56.5 on 16.48m shares.

Among the financials, AMP closed up 1c to \$5.28 on 7.5m shares, ANZ fell 16c to \$33.23 on 3.9m shares, CBA shed 20c to \$80.95 on 2m shares, NAB fell 8c to \$33.73 on 3.8m shares, Westpac fell 14c to \$34.20 on 3.7m shares.

Among the TMT's Telstra closed down 2c to \$5.30 on 17.69m shares, Telecom NZ rose 1c to \$2.49 on 806,441 shares, SingTel was steady at \$3.30 on 587,334 shares.

Among the resources BHP rose 4c to \$36.20 on 4.19m shares, RIO rose 21c to \$59.65 on 1.27m shares. Fortescue closed up 19c to \$4.65 on 25.48m shares on the rise in the iron ore price, Atlas rose 1.5c to 68.5c on 12.38m shares, BCI was steady at \$3.63 on 893,026 shares. OZL fell 7c to \$4.23 on 892,928 shares, Paladin was down 1.5c to 35c on 6m shares.

Among the oils, Woodside fell 36c to \$41.53 on 1.4m shares, Santos rose 9c to \$14.41 on 2.28m shares, Oil Search was up 17c to \$9.52 on 5.7m shares. Karoon fell 15c to \$3.27 on 1.9m shares.

Among the golds, Newcrest fell 23c to \$9.61 on 4.2m shares, Northern Star fell 3.5c to \$1.08.5 on 2.3m shares, Oceana rose 6c to \$2.63 on 476,245 shares. Kingsgate was down 3c to 73.5c on 702,504 shares.

AT THE SMALLER END

*iSentia closed at \$2.43 on 23.14m shares in a gala debut vs a float price of \$2.04.

*Austin Engineering was up 28c to \$1.87 on 703,717 shares.

*Alchemia rose 2.5c to 51c on 344,829 shares.

*Calzada was steady at 11.5c on 189,700 shares, also report below.

NEW LISTING

New listing

iSentia **Group** Ltd (ISD) lists, closed at \$2.43 on 23.14 **million** shares in a gala debut following an issue of 139 **million** shares at \$2.04 per share for 200 **million** shares on issue.

Chairman Doug Flynn said in the covering letter to the prospectus the **company's** Software-as-a-Service business that provides many of the world's leading organisations with time critical and relevant media intelligence to assist them to make informed and timely business decisions.

The service is underpinned by iSentia's proprietary software and system that capture, enrich and interpret data from over 5,500 mainstream media outlets, 55,500 online news sources and 3.4 **million** user generated content sources such as Facebook, Twitter and Weibo in real time to alert iSentia's clients to what is being said about their organisations, competitors and industry.

Directors:

Douglas Flynn, Independent Non-Executive Chairman

Douglas (Doug) was appointed to the **Board** in May 2014 as an Independent Non-Executive Director and Chairman.

Doug is also a member of the Audit Committee and the Nomination and Remuneration Committee

Doug has over 30 years of international experience in the media and information and communication technology industries, including holding various senior management and **board** positions. He is a current director of Seven West Media Ltd and NEXTDC Limited and Chairman of Konekt Ltd

Previously, Doug was Chief Executive of newspaper publisher Davies Brothers Limited, which was acquired by News Corporation in 1989 and in 1995 was appointed the Managing Director of News International Plc. After leaving News International in 1998, Doug joined Aegis **Group** Plc and was appointed as CEO in 1999, where he was instrumental in doubling the size of the **company** and established a global market research business Synovate and internet services business Isobar. From 2005 to 2008, Doug served as the Chief Executive of facilities management provider Rentokil Initial Plc. Doug returned to Australia in 2008 and from April

2008 to April 2012 was a consultant to and a director of Qin Jia Yuan Media Services Ltd, the leading private television **company** in **China**

Doug graduated in Chemical Engineering from the University of Newcastle, New South Wales and received a MBA with distinction from the University of Melbourne

John Croll, CEO, Executive Director

John has been active in the media industry since 1982 and was appointed Chief Executive Officer and a Director of Media Monitors (now iSentia) in 1999. Prior to his appointment, John held sales and operational roles with Croll Communications and Media Monitors.

John is currently a director and the former Asia-Pacific Chair of the International Association for the Measurement and Evaluation of Communications (AMEC) and a former Executive Vice-President of FIBEP, the International Federation of Press Clipping Bureaux. John is also a member of the Public Relations Institute of Australia and the Australian Institute of **Company** Directors

In addition to his industry appointments, John is the Vice-President of the Australian Paralympic Committee and has served as a **board** member since 2008, a member of the Media Advisory **Board** for the Salvation Army, Eastern Region and a director of the Australian Science Media Centre. He was also the Media & Communications Director for the Rowing World Cup in Sydney in 2013

Pat O'Sullivan, Independent Non-Executive Director

Pat was appointed to the **Board** in May 2014 as an Independent Non-Executive Director. Pat is also Chair of the Audit Committee

Pat has over 30 years of international **commercial** and business management experience, including holding various senior management and **board** positions

Pat is currently Chairman of HealthEngine.com.au, as well as serving as a director of Carsales.com.au, iiNet and Little **Company** of Mary Healthcare

Previously, Pat was Chief Operating Officer and Finance Director of Nine Entertainment Co., as well as serving as Chairman of NineMSN. Previous to this, Pat was the CFO of Optus, and has also held a number of positions at Goodman Fielder, Burns, Philp & **Company**, and PricewaterhouseCoopers

Pat is a member of the Institute of Chartered Accountants in Ireland and the Institute of Chartered Accountants in Australia and is a graduate of the Harvard Business School's Advanced Management Program

Fiona Pak-Poy, Independent Non-Executive Director

Fiona was appointed to the **Board** in May 2014 as an Independent Non-Executive Director. Fiona is also Chair of the Nomination and Remuneration Committee and a member of the Audit Committee

Fiona brings significant experience gained particularly with engineering and technology companies. Fiona is currently a member of the Australian Government's steady at Innovation Australia **Board** and the National Precincts **Board**, and also serves as a director of Adelaide Research & Innovation

Previously, Fiona served as director and General Partner of Innovation Capital, an Australian/US venture capital fund that invests in Australian technology companies.

Through Innovation Capital, Fiona served on the boards of investee companies including Audinate, Call Journey, Opto Globo and as an alternate director of QRxPharma.

Fiona was also Chair of Innovation Australia's Clean Technology Investment Committee. Prior to this, Fiona co-founded a catalogue and e-commerce business, was a strategy consultant with The Boston Consulting **Group**, was an R&D engineer at Stratco, and also served as a Councillor of the Australian Venture Capital & Private **Equity** Association (AVCAL)

Fiona received an Honours degree in Civil Engineering from The University of Adelaide and a MBA from Harvard Business School

Dr Geoff Raby, Independent Non-Executive Director

Geoff was appointed to the **Board** in May 2014 as an Independent Non-Executive Director. Geoff is also a member of the Nomination and Remuneration Committee

Geoff is Chairman and Chief Executive Officer of Geoff Raby & Associates, a Beijing-based business advisory **firm**. Geoff is also Chairman of ASX-listed SmartTrans Ltd, as well being an independent director on the boards of Fortescue Metals **Group**, OceanaGold and Yancoal Australia. He is also Co-Chair of Corrs Chambers Westgarth's **China** Business Practice, Senior Advisor to Kreab Gavin Anderson, and Vice Chairman of Macquarie **Group China**

Additionally, Geoff is a Vice Chancellor's Professorial Fellow at Monash University, and a member of the Advance Global Advisory **Board**

Geoff was the Australian Ambassador to **China** from February 2007 to August 2011 and Deputy Secretary of the Department of Foreign Affairs and Trade from November 2002 to November 2006. Between 1993 and 1995, Geoff was head of the Trade Policy Issues Division of the OECD, Paris

Geoff received Bachelor of Economics (Hons), Master of Economics and PhD degrees from La Trobe University

RTG **Mining** Inc (RTG, RTGO) closed at \$1.25 on 83,664 shares, the options were untraded. RTG **Mining** listed following its merger with Sierra **Mining** Ltd announced on February 24.

On May 16 Sierra announced shareholders had voted in favor of each of the schemes. On May 22 Sierra announced the Federal Court of Australia had approved the Schemes. Sierra securities were suspended from trading at close of trade on May 23.

Sierra shareholders hold approximately 72% of the diluted capital of the merged entity.

RTG is a **mining** exploration **company** led by the previous management of CGA **Mining** Ltd. CGA developed the 200,000 oz p.a. Masbate **gold** project in the Philippines and merged with B2Gold Corp in a \$US1.1 **billion** scheme of arrangement in January 2013. Prior to this the RTG management team had been involved in the development of six other **gold** mines.

RTG is listed on the main **board** of the TSX. It has cash and receivables in excess of \$A14.1 **million** as at December 31 2013.

B2Gold is the largest shareholder in both Sierra and RTG.

Directors:

Michael Carrick, Chairman

Mr Carrick is a Chartered Accountant with over 20 years experience in the resources sector. He was previously Executive Chairman of AGR Limited, the entity which owned and developed the Boroo **Gold** Project in Mongolia, and the Chief Executive Officer of Resolute Limited, one of Australia's largest **gold** producers and Chief Executive Officer of CGA **Mining** Limited. Prior to joining Resolute, Mr Carrick was a senior partner at Arthur Andersen. Mr Carrick holds degrees majoring in economics, law, business administration and accounting and has been responsible for the **acquisition**, development, and operation of a number of major **gold** projects, both in Australia and internationally. Mr Carrick is a current non-executive director of B2Gold Corp.

Justine Magee, President and CEO

Ms Magee is a Chartered Accountant with extensive experience in the resource sector having headed the corporate and finance areas for Resolute Limited for 6 years. She was formerly with Arthur Andersen and a director of AGR Limited and CGA **Mining** Limited. Ms Magee holds a Commerce Degree from the University of Western Australia.

Robert Scott, non exec director

Mr Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years experience as a corporate advisor. He is a former senior partner of the international accounting **firm** KPMG and Arthur Andersen.

Phil Lockyer, non exec director

Mr Lockyer is a **Mining** Engineer and Metallurgist with more than 40 years experience in the **mining** industry, with an emphasis on **gold** and nickel, in both underground and open pit **mining operations**. Mr Lockyer was employed by WMC Resources for 20 years, reaching the General Manager of Western Australia responsible for that **company's gold** and nickel divisions.

David Cruse, non exec director

Mr Cruse has extensive experience in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. More recently, Mr Cruse has been involved in the identification and commercialisation of a number of resource (including **oil** and gas) projects.

Justine Magee, President and CEO

Ms Magee is President and Chief Executive Officer, as well as a director of

RTG. For further details on Ms Magee's biography see section 5.4.

And from Sierra:

Matthew Syme, **B.Com.** CA, managing director

Mr Syme is a Chartered Accountant and an experienced **mining** executive with over 23 years experience as a senior executive of a number of companies in the Australian resources and media sectors. He was a Manager in a major international Chartered Accounting **firm** before spending 3 years as an equities analyst in a large stockbroking **firm**. He was then Chief Financial Officer of Pacmin **Mining** Limited, a successful Australian **gold mining company**, as well as a number of other resources companies. Mr Syme retired as Managing Director of Berkeley Resources Limited in late 2009 after successfully guiding the **acquisition** and scoping studies of Berkeley's Salamanca **Uranium** Project in Spain.

Mr Syme was appointed a director of Sierra on 1 July 2010.

*Yesterday Papillon Resources Ltd announced it has entered into a definitive merger implementation with B2Gold Corp to combine the two companies at an agreed exchange ratio of 0.661 B2Gold common shares for each Papillon share held.

The merger represents a **purchase** price of \$A1.72 per PIR share and values the **transaction** at approximately \$A615 **million**. Former Papillon shareholders will own 265 of the merged **group**.

The combination of B2Gold and Papillon will result in a **company** with a significant growth profile beyond its 3 operating mines which collectively produce 366,000 ozs of **gold** in 2013 at a cash cost of \$C681 and an all in sustaining cost of \$C1,064 per oz.

B2Gold's production is projected to increase significantly as the low cost Otjikoto mine in Namibia begins **gold** production in late 2014.

The combined **company** will be focused on furthering the development of the Fekola project in Mali and continuing to operate B2Gold's existing Masbate **gold** mine in the Philippines and the Limon and La Libertad **gold** mines in Nicaragua.

NEWS OF THE DAY

LARGE CAP INDUSTRIALS

*BXX: Euro 500 mln of 10 yr notes priced at 2.375%

Brambles Ltd announced the pricing and allocation of Euro 500 **million** of European medium term notes maturing in 10 years. The notes were priced at a fixed rate of 2.375% of which Brambles has swapped Euro 350 **million** to floating rates for the first four years and the balance for the full ten years. Settlement is expected to occur on June 12. Brambles intends to use the proceeds to retire existing bank debt and pre-fund an upcoming Private Placement maturity.

Market Cap \$14.7b.

BXX steady at \$9.40

*CAB: Andrew Skelton appointed CEO + 2 new non exec **board** members

Cabcharge Australia Ltd announced the appointment of Andrew Skelton as CEO. Chairman Russell Balding AO said a new leadership team is being created at Cabcharge to enable it to embark on a new era of growth and development.

Andrew Skelton spent 10 years leading the 13CABS Taxi Network (previously Black Cabs Combined Ltd) in Melbourne. He joined Cabcharge in December 2011 as Corporate Counsel and **Company** Secretary. He was earlier a lawyer at K&L Gates, formerly Middletons in Melbourne. His academic qualifications include a Bachelor of Commerce, Bachelor of Law, an executive MBA and a Graduate Diploma in Applied Corporate Governance.

Also Rick Millen and Rod Gilmour have been appointed non exec directors.

Market Cap \$484m.

CAB down 7 cents to \$4.02

*CMW: Acquires 50% of Oyster **Group** in New Zealand

Cromwell **Property Group** announced the **acquisition** of a 50% interest in emerging New Zealand **property** and fund manager Oyster **Group**. Oyster has in excess of \$NZ650 **million** of **property** assets under management through a combination of private **property** syndicates and institutional **property** management mandates. Cromwell CEO Paul Weightman said Oyster had many similarities to Cromwell and would provide a solid platform for expansion into New Zealand.

No consideration was mentioned.

Mr Weightman said the **acquisition** represents a return to Cromwell's New Zealand roots with the **group** at one time being majority owned by NZ listed Corporate Investments Ltd. It changed its name to Westholme Ltd and was eventually recapitalised and renamed Cromwell by Mr Weightman and other founding shareholders in 1998.

Market Cap \$1.7b.

CMW down 1 cent to 98 cents

*GNC: \$200m investment over 3 yrs to enhance grain storage network efficiency

GrainCorp Ltd announced it is investing \$200 million over three years to enhance the efficiency of its country grain storage network under a new initiative known as "Project Regeneration". Executive chairman Don Taylor said it represents the single largest capital investment in the country network in GrainCorp's history. It will deliver a faster and more efficient rail capability for the benefit of growers and grain buyers.

Market Cap \$1.9b

GNC down 4 cents to \$8.45

*MYT: Company's metering biz to roll out smart meters for Trustpower

Mighty River Power Ltd welcomed an announcement confirming that the company's metering business Metrix had been selected by Trustpower as its preferred partner for the provision of nationwide metering services and the roll out of smart meters to retail customers.

Over the past five years Metrix has built its AMI (Advanced Metering Infrastructure) business to more than 340,000 installations through capital investment of approximately \$100 million.

Market Cap \$2.9b.

MYT steady at \$2.07

*WDC/WRT: Amended timetables if restructure is approved/or not approved

Westfield Group announced an updated timetable for the restructure, given that WRT security holders approve the restructure. Effective last day for trading in WDC and WRT securities will be June 24, Scentre Group securities and Westfield Corporation securities commence trading on June 25. Record date for WDC security holders is June 27, implementation date is June 30.

If the proposal is not approved by WRT securityholders, the group expects to announce a record date for the distribution for the six months ending June 30 2014.

Market Cap \$22.2b. / \$9.5b.

WDC down 9 cents to \$10.68 / WRT down 4 cents to \$3.18

*WES: ACCC concerned on lessening competition on sale of Kleenheat to Elgas

Wesfarmers Ltd announced the Australian Competition and Consumer Commission has released a Statement of Issues outlining concerns with the proposed acquisition by Elgas Ltd of WES's Kleenheat Gas Pty Ltd's east coast LPG business.

Elgas is a member of the BOC Group of companies owned by the Linde Group, an international gases and engineering company. The three major distributors of non automotive LPG on the east coast are Elgas, Kleenheat and Origin who together have a combined share of approximately 90%. In certain regional areas the only distributors are Elgas and Kleenheat or dealers supplied by them.

The ACCC invites further submissions from interested parties in response to the Statement of Issues by June 26, the proposed final decision date is July 24.

Market Cap \$48.5b.

WES down 34 cents to \$42.40

LARGE CAP RESOURCES

*ERA: NT approval rec'd operations restart/1st loss impacted by startup costs

Energy Resources of Australia Ltd announced it has now obtained all regulatory approvals required to recommence processing operations at the Ranger mine.

Following the previously announced Commonwealth approval, Northern Territory regulatory approval has now been received. These approvals follow investigations into the integrity of the Ranger processing plant and related maintenance and safety systems.

Production of uranium oxide in 2014 is expected to be between 1,100 tonnes and 1,500 tonnes.

Earnings guidance:

With the progressive restart of processing **operations** to occur throughout the second and third quarters of 2014, ERA's 2014 production of **uranium** oxide is expected to be between 1,100 tonnes and 1,500 tonnes.

ERA's 2014 first half earnings will be impacted by additional costs associated with the suspension of processing **operations**. Earnings guidance for the first half is for a loss of between \$120/140 **million**.

*ERA: C'wealth approves re-start of Ranger if NT Dept authorises

Energy Resources of Australia Ltd announced it has received written approval from the Commonwealth Minister for Industry to commence implementation of ERA's restart plan at Ranger mine, subject to a written instruction issued to ERA in accordance with section 62 of the **Mining** Management Act (NT) by a **Mining** Officer appointed under that Act allowing restart.

ERA is continuing to work closely with the Department of Mines and **Energy** in the Northern Territory in relation to these matters.

Market Cap \$670m.

ERA down 2.5 cents to \$1.295

*SPH: Binding term sheet for transport of **iron ore** for Mauritania project

Sphere Minerals Ltd announced through its subsidiary Sphere Mauritania SA it has signed a binding term sheet with Societe Nationale Industrielle et Miniere de Mauritanie for the provision of rail and port services for the transport of its **iron ore** product from the Askaf project. The service will be for 18 years from start of production and is based on the internationally accepted Depreciated Optimised Replacement Cost methodology with a take or pay component.

Market Cap \$677m.

SPH untraded last at \$3.10

MID TO SMALL INDUSTRIALS

*ABP: Requests for inf on two assets, no formal offer or due diligence rec'd

Abacus **Property Group** advised with regard to speculation in "The Australian" today regarding the Birkenhead Point Shopping Centre and Marina, ABP and Kirsh **Group** have received a number of requests for due diligence material that may **lead** to potential offers for the assets. No formal due diligence process has begun and there is currently no certainty that any **transaction** will proceed.

Market Cap \$1.28b

ABP up 2 cents to \$2.49

*ACL: Phase III top line results for colorectal cancer before end of 3rd qtr

Alchemia Ltd, a drug discovery and development **company** announced they expect to report the top line results from the pivotal Phase III trial of Ha-Irinotecan in metastatic colorectal cancer before the end of 3Q CY 2014.

Based on the number of events accumulated to date and the progress the team is making on preparing the data for database lock, Alchemia expects to announce the Phase III top line results before the end of the 3rd quarter, CEO Thomas Liquard said in the report.

The HA-Irinotecan Phase III trial in patients with metastatic colorectal cancer randomised its first patient in December 2011 and recruited the last patient in February 2013. AS total of 415 patients were enrolled.

Assuming a positive outcome of the primary endpoint analysis the FDA and EMA submissions are expected to occur in 1st half 2015.

Market Cap \$165m.

ACL up 2.5 to 51 cents

*API: Facilities renewed for 2 yrs, reducing by \$50m at API's request

Australian Pharmaceutical Industries Ltd announced with regard to its cash advance facilities for which it had obtained a 30 day extension from May 5, these facilities have been renewed for a period of 2 years, with the cash advance facilities reducing by a total of \$50 million at API's request.

Market Cap \$256m

API up 0.5 to 52.5 cents

*CMP: 3yr contract with MedAssets Purch Group in US for sleep diagnostics

Compumedics Ltd announced its wholly owned subsidiary Compumedics USA has won a 3 year agreement with MedAssets Purchasing Group for the purchase of Compumedics sleep diagnostic and neuro monitoring systems. The MedAssets member network consists of 2,800 hospitals and 90,000 acute healthcare facilities across the US. Compumedics is one of only two vendors that have been given preferred vendor status for sleep diagnostic and neuro monitoring systems to the MedAssets Purchasing Group.

This follows CMP's recent purchasing contract deal with the HealthTrust member network announced on April 9 which consists of 1,400 hospitals and 10,600 non acute healthcare facilities across America, also only one of two vendors with preferred vendor status for the two categories.

Market Cap \$18m.

CMP steady at 11 cents

*CZD: Man with burns to 75% of body, 45% severe progressing well

Calzada Ltd CEO of PolyNovo Biomaterials Pty Ltd ,CEO Laurent Fossart said in the report a middle aged patient who sustained flame burns to 75% of his total body surface area (TBSA) , with full thickness burns affecting 45% of the TBSA has been treated with the Biodegradable Temporising Matrix (BTM), a NovoSorb device to repair full thickness burn wounds.

Principal Investigator Dr John Greenwood at the Royal Adelaide Hospital said in the report "this is a very significant and major burn injury for a patient of this age. His clinical course has been exemplary and today, after 3 weeks, he left the Intensive Care Unit for the Burns Unit, signifying that his previously critical condition is now stable. We have been closely monitoring the progress of the BTM which covers approximately 0.4sq m. To date his treatment, including the use of the BTM has progressed as planned.

The CEO added the study commenced on January 1 but has had a slow start with few significant burns patients admitted in 2014 and those admitted so far falling outside the study inclusion criteria.

(PolyNovo Biomaterials Pty Ltd and Metabolic Pharmaceuticals Pty Ltd are the two advanced biotechs within Calzada).

Market Cap \$48m.

CZD steady at 11.5 cents

*EGH: Sells mgt rights for village in Cleveland for \$700,000

Eureka Group Holdings Ltd chairman Robert Levison announced it has settled the sale of the management rights for the village located in Cleveland for \$700,000, with proceeds to be used to fund the purchase of the village in Cairns.

This is in line with the group's strategy to maximise investment returns.

Market Cap \$12.4m.

EGH untraded last at 13 cents

*MOT: Settlement of legal action

Motopia Ltd announced all legal action between Ms Wendy Syme and Motopia are now at an end following a confidential settlement.

Market Cap \$6m.

MOT up 0.1 to 0.2 cents

*NSP: Renegotiates payment terms for cGMP facility in Singapore

NuSep Holdings Ltd announced it has renegotiated the payment terms for the cGMP facility in Singapore. The facility is required for producing human grade pharmaceutical products and will be used by NuSep's subsidiary, PriME Biologics Pte Ltd to produce valuable protein products, including albumin and immunoglobulins from blood plasma fractionation.

The facility was originally to be paid for by granting the sellers, A-Bio Pharma Pte Ltd a 10% **stake** in PriME. The payment has now been changed to a debt, repayable by NuSep in approximately 2 years' time.

Non exec director Andrew Goodall has offered to guarantee the debt for a guarantee fee at 3.5% of the debt that could be converted to **equity**.

Market Cap \$11m.

NSP down 0.1 to 6.5 cents

*PSZ: EBIT on lower side of prospectus f/cast for yr, 3c ff div/outlook positive

PS&C, a diversified information and communications technology services **company** which listed in December 2013 through the **acquisition** of five established and profitable businesses advised while the EBIT forecast issued as part of the IPO was \$7.365 **million** for full year 2014, the actual result is likely to range from \$6.65/7.4 **million**. The **board** also advised it expects to pay a 3c fully franked dividend in October 2014. This is in line with the dividend policy outlined in the prospectus.

The **company** is pleased with its first six months of trading as a listed **company** and is confident of future growth.

Market Cap \$38m.

PSZ steady at 75 cents

*RNO: Exceeds its milestone target subscriber base

Rhinomed Ltd (technology to enhance performance through respiratory techniques) announced it has exceeded the milestone target of a subscriber base of 10,000 people. The **company** has now attracted 13,152 new subscribers to its subscriber database. The growth in the subscriber base reflects the concerted marketing and promotional push by the **company** over the last quarter.

Market Cap \$8.3m.

RNO down 0.3 to 2.1 cents

*SMN: Further positive news from in-flight **commercial** test program

Structural Monitoring Systems plc advised the **company** has received further positive news from its pivotal in flight **commercial** test program being conducted by Delta Air Lines Inc and the Boeing Corporation and being overseen by the Federal Aviation Administration in conjunction with the FAA Airworthiness Assurance Center at Sandia National Laboratories.

Following the earlier successful installation of multiple sensors on seven of Delta's Boeing 737-700/800 series aircraft the first sets of data **acquisition** have been completed and all monitoring data logged to date indicate that the sensors are performing fully as expected, and all values are fully within acceptable tolerance ranges.

In coming weeks similar data **acquisition** phases will be carried out on each aircraft, multiple times. With the number of sensors deployed and the total number of individual readings that will be generated on multiple aircraft, the SMS **Board** and the program participants remain confident that sufficient data will be accumulated in order to obtain FAA approval before year end, and the co-current inclusion of CVM in Boeing's Service Bulletin.

Our Week's Special dated May 9. SMN was trading at 21c.

Market Cap \$31m.

SMN up 2.5 to 34 cents

*SPL: VivaGel, doxetaxel trial progress

Starpharma Holdings Ltd in an update on the progress of its clinical trial programs including the Phase 1 DEP docetaxel trial and the Phase 3 pivotal trials of VivaGel for prevention of recurrent bacterial vaginosis (BV) said in the Phase 1 DEP docetaxel trial, a number of enrolled patients have received multiple cycles of therapy with no evidence of neutropenia.

In the Phase 3 VivaGel trial for prevention of recurrent BV, the study design has been agreed with the EMA and FDA, first ethics trial has been obtained, Quintiles CRO has been engaged with the trial nearing commencement.

Market Cap \$170m.

SPL down 0.5 to 59.5 cents

MID TO SMALL RESOURCES

*CYU: Up to 4.29% Cu, 1.17gpt Au at Jubilee/**copper** extends at Blue Caesar

Chinalco Yunnan **Copper** Resources Ltd announced it has intersected a significant zone of high grade primary **copper** sulphide and **gold** mineralisation at Jubilee highlighted by 4m at 4.29% Cu, 1.17gpt Au from 80m depth including 1m at 10.7% Cu, 1.37gpt Au.

Further confirmation of the existence of a potentially large zone of mineralisation at Millennium has identified a broad and strong anomalous zone of 50/60m with intersections including 5m at 0.98% Cu, 0.5gpt Au and 5 gpt Ag.

At Blue Caesar, **copper** sulphide mineralisation extends to the north of previous drilling with intersections up to 4m at 1% Cu.

Reconnaissance rock chip assays up to 20% Cu, 1.7gpt Au and 3.2gpt Ag have been obtained from the King Solomon project.

The initial April/May 2014 exploration drilling program has been completed on time and under budget.

Market Cap \$7.5m

CYU up 0.3 to 2.7 cents

*ELM: To repay \$10 mln CN to Dingyi/cash raised enough for Dougou drilling

Elemental Minerals Ltd advised that Dingyi **Group** Investment Ltd has not exercised its right to convert the \$10 **million** CN which will now be repaid on June 20 2014 including interest up to that date. On May 19 Elemental advised Dingyi of its intent to repay the \$10 **million** CN with interest, giving the required 30 days notice period.

Following the recent share placement, the **company** will commence the first phase of the Dougou drilling program and continue with the recently announced development strategy to conclude negotiations with a strategic partner to further develop the project.

Market Cap \$75m.

ELM down 0.5 to 24.5 cents

*KCN: Managing director and CEO Gavin Thomas passes

Kingsgate Consolidated Ltd advised with regret and sadness the **company** wishes to advise that long serving MD and CEO Gavin Thomas has passed away in Sydney with his family by his side. Gavin has been fighting a serious illness over the past 18 months with the same focus and vigor that exemplified his working life.

Chairman Ross Smyth-Kirk said he and the **Board** recognised Gavin's contribution to the industry and in particular to Kingsgate which he joined in 2004 had been extraordinary in both dedication and discovery.

Market Cap \$164m

KCN down 3 to 73.5 cents

*LYC: Amanda Lacaze becomes CEO, effective today

Lynas Corporation Ltd announced effective today, Amanda Lacaze has been appointed executive director and CEO following the resignation of Eric Noyrez. Ms Lacaze has been a non exec director of Lynas since

January 1 this year. Chairman Nicholas Curtis welcomed Ms Lacaze to the role and paid tribute to exiting director Eric Noyrez.

Market Cap \$362m.

LYC down 1 to 15.5 cents

*MBN: Caterpillar agrees to postpone default action until July 23

Mirabela Nickel Ltd advised it and its subsidiary Mirabela Mineracao do Brasil Ltda have entered into a waiver agreement with Caterpillar Financial Services Corporation. Caterpillar has agreed to waive, until July 23 2014 the event of default that arose under the \$US55 million master funding and lease agreement between Caterpillar and Mirabela Brazil by virtue of the company entering a deed of company arrangement with certain of its creditors on May 13.

Market Cap \$14m.

MBN untraded last at 1.6 cents

*PAN/DRK: Helicopter borne VTEM survey approved for Roros Nordgruva

Drake Resources Ltd and j/v partner Panoramic Resources Ltd announced Panoramic Resources have approved a helicopter borne VTEM electromagnetic and magnetic survey over 767 line kms or approximately 70 sq km of the highly prospective region in Norway. Drilling at Roros Nordgruva Copper project is to commence on June 11. Drilling at Lokken copper project is to commence early July.

Market Cap \$224m. / \$4m.

PAN up 2.5 to 69.5 cents / DRK down 0.1 to 2.3 cents

*ZRL: Major shareholder Auctus Resources increases lending, defers recovery

Zambezi Resources Ltd advised it has entered into a binding term sheet with its major shareholder Auctus Resources Fund to increase its commitment by \$500,000 taking the aggregate principal outstanding to \$2.4 million while extending the termination date to December 31 2015. Also the repayment date of Tranche A of the convertible note deed dated September 13 2011 has been extended from July 1 2014 to December 31 2015 and interest charged under the Amended Facility Agreement and the CN Deed for a period of 12 months commencing on July 1 2014.

Interest will resume should ZRL receive cash inflow of at least \$5 million within the suspension period.

Market Cap \$3.23m.

ZRL steady at 12 cents

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NS m11 : Equity Markets | nanl : Analyses | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter

RE adelai : Adelaide | austr : Australia | melb : Melbourne | saustr : South Australia | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania

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