Information and Advice on the Australian and NZ Sharemarket from Securities Research Company's ...

# Market Analysis

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May 10, 2005

### Inside Market Analysis

Markets dip sharply, but offer good value 1	
Colonial Motors. realises cash from surplus property	
Sonnet Corporation plans major acquisition	
Editor and Research Direct	or.

Warrant / Option Analysis ..... 10, 11

Editor and Research Director: James R Cornell (B.Com.)

# Summary and Recommended Investment Strategy.

World stockmarkets have dipped sharply over the last month, but too many shares already look under-valued. We recommend that investors remain close to fully invested in the *Recommended Portfolio*.

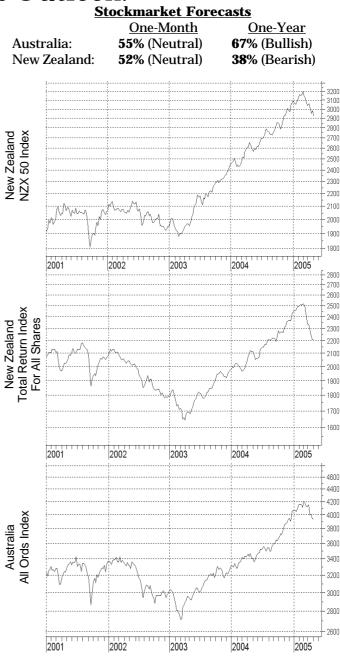
# Investment Outlook.

The global stockmarket correction that began in Februay has acelerated with prices falling rapidly over the last month. This is no doubt flaahing big "Sell" signals for all the technical analysts and other *trend* followers. Sometimes, however, a stockmarket dip is simply a random fluctuation.

A sharp decline does make us a bit nervous. So this is probably a time to be cautious. <u>Investors should seek</u> to invest with the trend- so if prices are going down then the best option is usually to sit on any surplus cash and buy additional shares once prices have stablised and started to go back up.

The main reason we think this is a short (albeit very sharp) decline and not a major long term downtrend is simply that too many good quality shares *already* appear to offer excellent value. Many of these companies have a few problems (and that is fairly normal for most businesses) but **F&P Appliances** on a yield of 11.4%, **Restaurant Brands** yielding 11.3%, **Cavalier** 10.6%, **Colonial Motors** 10.5%, **Nuplex** 10.4%, **Hallenstein Glasson** 9.8% and **Hellaby** 9.2% would look to be a pretty good high yield portfolio. These are the sort of yields we would expect to see at a market *low*. If the stockmarkets were to continue to decline rapidly then we will be seeing some outstanding value and a major buying opportunity.

We were happy that our *Recommended Portfolio* offered good value 2-3 months ago. If prices are 10-20% lower today then these shares must now offer even better value. Slower economic growth may impact unfavourably on the current year's profit - or delay profit recovery and growth - but these shares still remain attractive long term investments. The current decline will also create a favourable opportunity for investing cash from dividends and new savings.



# Performance Forecasts

"Performance Forecasts" are computer generated predictions of the relative future price performance of a company's shares over the next three to six months. Performance Forecasts are calculated for **every** listed NZ share (except Investment Trusts) on a rating scale using the letters "A" (Highest potential for capital appreciation over the next 3-6 months), "B" (Above Average), "C" (Average), "D" (Below Average) and "E" (Lowest). These predictions are NOT buy or sell recommendations, but can be useful to help time planned purchases or sales, or to identify shares worthy of further study and analysis.

	Performance Forecast Pr	Price/Sal	-	Gross	anneu purchases	Performan Forecast	ce	-		Gross	-	Performan Forecast	ce	Price/Sales Ratio	P/E Gros Ratio Yield	
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# Recommended Investments

**Colonial Motor Company** has announced the unconditional sale of its nine storey office building in Courtenay Place, Wellington, and will lease back the ground floor offices. Settlement will be 25 August when the company will receive \$11.6 million. We believe this cash *could* be distributed to shareholders as a special dividend or capital repayment of 40 cents per share.

**Lyttelton Port Company**'s new collective employment contract will provide average pay increases of around 3% per annum over the next three years and should provide a more stable industrial environment. As a result the company is seeking tenders for a third container crane which should be in operation before the end of this calendar year.



(Continued on Page 4)

# Portfolio of Recommended Investments

CURRENT ADVICE	Company	Ī	nitial Recomm	nendation	Perform- mance	Issued Shares	Vola- tility	Price/ Sales	Price/ Earnings	Gross Dividend	Recent Share	Cash Dividends	Total Return
	NZ Shares	Code	- Date -	Price	Forecast	(mil.)	Ratio	Ratio	Ratio	Yield	Price	Rec'd	%
HOLD+	CDL Investments Ltd	CDI	12/01/99	25	D	200.5	1.7	3.28	8	7.2	33	11.3	+77%
HOLD	Cavalier Corporation	CAV	05/12/95	156*	С	64.9	0.5	1.24	12	10.6	380		+243%
HOLD+	Colonial Motor Company	СМО	10/11/92	150	В	27.9	0.5	0.20	9	10.5	285		+271%
HOLD+	Lyttelton Port Company	LPC	12/12/00	150	Ċ	102.1	0.8	2.86	15	9.5	173	47.0	+47%
BUY	Metlifecare Ltd	MET	10/08/04	236	В	86.5	0.7	2.83	18	1.5	356	5.5	+53%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	46*	Ā	38.7	0.4	1.08	19	4.3	730		-1833%
BUY	Nuplex Industries Ltd		11/02/97	350	c	62.1	0.7	0.33	7	10.4	350	113.0	+32%
HOLD	Renaissance Corp	RNS	13/08/96	85*	č	38.2	1.0	0.31	16	11.4	96	25.9	+43%
HOLD+	Richina Pacific	RPL	03/11/95	94*	č	148.7	1.1	0.20	24	2.5	79	11.4	-4%
HOLD	South Port New Zealand	SPN	13/02/96	120	D	26.2	0.9	2.05	15	8.4	116	77.3	+61%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	Č	88.0	0.6	0.96	13	9.5	423		+268%
HOLD+	Taylors Group Ltd	TAY	09/11/99	102	Ă	24.3	0.6	0.95	14	6.8	240		+184%
HOLD	Australian Shares (in Aust c		00/11/00	102	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	21.0	0.0	0.00		0.0	210	00.0	110170
BUY	AJ Lucas Group	AJL	13/05/03	120	В	51.2	0.8	0.69	8	4.8	165	20.5	+55%
HOLD+	Atlas Pacific Ltd	ATP	14/05/96	73	D	87.8	1.9	3.02	NE	Nil	20	7.0	-63%
BUY	Austin Group Ltd	ATG	08/02/05	93	В	62.2	1.0	0.85	12	7.7	78	4.0	-12%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	418*	В	40.1	0.5	0.00	24	3.7	890	-	+150%
BUY	Candle Australia	CND		86	B	39.6	0.5	0.91	2 <del>4</del> 16	3.7 4.9	182		+130%
BUY		CLT						0.40			134		
	Cellnet Group Ltd	-	12/02/02	152	B	49.8	1.0		7	8.6	-	31.5	+9%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	A	195.5	0.6	1.74	17	2.9	446		+537%
HOLD	Circadian Technologies	CIR	10/02/04	188	B	40.1	1.1	N/A	9	Nil	133	65.0	+5%
BUY	Citect Corporation Ltd	CTL	12/04/05	110	A	52.3	1.1	0.75	15	6.3	88	Nil	-20%
HOLD+	Commander Comm.		11/09/01	92	A	154.6	0.8	0.65	34	1.0	208		+140%
HOLD+	Computershare Ltd	CPU	12/08/03	189	В	542.4	0.8	2.83	38	1.6	493		+169%
HOLD	Int'l AllSports	IAS	11/02/03	180	D	52.5	1.9	0.02	NE	Nil	23	2.5	-86%
BUY	Iluka Resources Ltd	ILU	12/10/04	471	Α	232.9	0.6	1.62	15	3.7	591	12.0	+28%
BUY	Keycorp Ltd	KYC	10/08/04	154	Α	81.7	1.1	1.43	19	1.7	177	Nil	+15%
BUY	LongReach Group Ltd	LRX	11/01/05	231⁄2	С	167.0	2.1	0.59	42	Nil	17½	Nil	-26%
HOLD+	Melbourne IT	MLB	10/02/04	53	А	52.8	0.8	1.11	18	4.3	127		+154%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	В	386.1	1.0	3.08	37	2.3	100	2.3	+22%
BUY	Ross Human Directions	RHD	14/08/01	92	С	59.1	1.3	0.22	9	5.7	61	19.0	-13%
HOLD+	Skilled Engineering	SKE	12/03/02	126	В	95.6	0.8	0.30	14	6.9	232		+122%
BUY	Sonnet Corporation	SNN	07/09/04	31½	С	82.0	1.8	0.66	5	20.9	22	3.0	-21%
HOLD	Technology One Ltd	TNE	11/11/03	44	В	298.7	1.3	3.07	17	5.4	53	4.3	+30%
BUY	The Reject Shop Ltd	TRS	11/01/05	257	В	24.1	0.8	0.32	11	1.0	244	10.0	-1%
HOLD	Toll Holdings	TOL	08/09/98	60*	Α	321.3	0.4	1.18	23	1.7	1218		-2055%
HOLD	UXC Limited	UXC	11/01/00	55*	В	144.8	1.1	0.61	13	6.3	80	26.3	+92%
BUY	Vision Systems Ltd	VSL	10/11/98	69*	В	173.4	1.0	1.22	15	4.2	100	30.3	+89%
The avera	ige Total Return (i.e. both Capita	l Gains/L	osses plus D	viidends	received	) of all cu	irrent in	vestmei	nts from i	nitial reco	ommen	dation is +	179.9%.
	ual to an average annual rate o												
	ge annual rate of gain of ALL rec	commen	dations (both	the 37 cu	urrent and	d 130 clo	sed out	) is +32.	1%, com	pared wi	ith a ma	rket gain o	of +8.7%
	RC Total Return Index).												
	TADVICE is either Buy, Hold+,	Hold, Ho	old- or Sell. H	lold+ indi	cates the	e most at	tractive	shares	not rated	d as Buy.	Hold-i	ndicates	relatively
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#### **Recommended Investments** (Continued from Page 3)

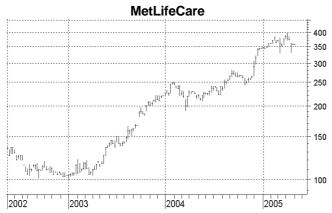
**MetLifeCare** completed the development of 105 villas and apartments during 2004, raising its portfolio of properties 6.3% to 1768. Similar growth rates are expected over the next 5-6 years, with land available for the development of a further 535 villas and apartments which will be built to meet market demand.

In addition to the steady expansion of the business, profitability grows from the re-sale of occupancy licences - on average every seven years - with the company benefiting from the appreciation in property values. The average sales price increased 17% during 2004 to \$242,000 per unit. "Amenities Contributions" also increased 16% to \$11.3 million.

<u>Founder C Cook has offered his 21.7 million shares</u> (25% of the company) <u>to **Todd Capital**</u> (which owns 35% of the company) <u>at 372 cents each until 20 May. If</u> <u>Todd Capital decides to buy these shares then it will also</u> <u>need to make a full takeover at 372 cents</u> - although, of course, the public minority shareholders will <u>not</u> need to sell and Todd Capital would probably <u>not</u> wish to acquire 100% of this business.

If Todd Capital does not buy these shares, then Mr Cook can try to sell them - at an equal or a higher price - to one or more of the parties that have shown interest in the company. If a sale is made *to only one party*, then the purchaser will need to make a full takeover bid at the same price. The purchaser would need to obtain sufficient acceptances to raise its holding to 50% or would be required to reduce its holding to 19.99%.

If Todd Capital does not take up its option to purchase the shares (and make a full takeover bid) then the most likely outcome is that another party will acquire 19.99% (or less) of Mr Cook's shares, with the remainder either retained or placed with institutional investors or sold on-market.

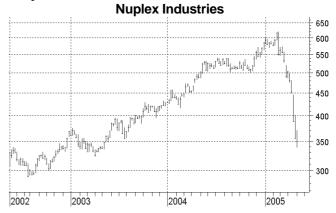


**Nuplex Industries** has lowered its full year profit forecast from \$32-35 million to \$28 million owing to continued low demand in Australia, its inability to fully recover higher raw material costs in some businesses and the additional depreciation and goodwill amortisation from its recent Coating Resins acquisition.

The current unfavourable conditions in Australia "are not expected to have the same negative impact" in the next financial year. Fluctuations in raw material costs also have only a short term impact on profit margins which eventually adjust to reflect expected long term costs. The directors are therefore "confident that the group is strategically well placed to achieve superior results in the future".

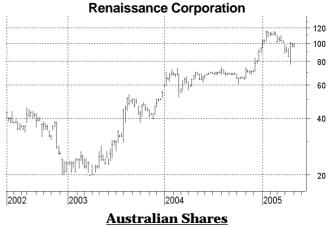
The market's negative reaction to unfavourable, but short term, factors should therefore provide an attractive buying opportunity. Nuplex Industries shares are currently down 44% from a recent peak of 620 cents and at this price look very under-valued on a Price/Sales ratio of 0.33, a Price/Earnings ratio of 7 and a gross Dividend Yield of 10.4%. The Relative Strength rating, however, is unfavourable at -7.2%, ranked 79.

Nuplex Industries shares are therefore under-valued and the potential for further decline must be limited although such *weak* shares *may* remain depressed in the short term. Overall, however, Nuplex Industries shares offer excellent value and have good long term growth potential so we shall continue to rate them as a "Buy".



**Renaissance Corporation** reports a strong start to the current financial year to December 2005. Trading profits for the first three months is "in excess of the \$1.2 million" pre-tax profit earned in the first *six* months last year - although trading has become more seasonal with most profits being earned in the second half of the year.

As previously reported, the company exhausted its imputation tax credits, so only partial tax credits were attached to the last dividend. Renaissance Corporation now expects to be paying income tax (and generating new imputation tax credits) by the end of this year, which will allow fully imputed dividends to be paid in 2006.





#### May 10, 2005.

oysters in 2004. Most of this harvest will be in the second half of the year, so pearls carried forward and sold in 2006 will not contribute to the current year's revenues and profits.

Atlas Pacific has again stated its objective of reinstating dividend payments as well as financing capital expenditure and future development from operating cashflows.

<u>Centennial Coal</u> has extended its takeover for Austral Coal until 17 May. To date it has received acceptances for 82.37% and has taken control of Austral Coal and refinanced the company's \$130.3 million of interest bearing debts. **Glencore** remains the only significant investor not to have accepted the takeover.

Centennial Coal has taken the decision to close its unprofitable *Munmorah* mine which has been "losing more than \$10 million per year". This was acquired as part of the **Powercoal** acquisition three years ago and was "known to be the most difficult and highest cost mine". The Powercoal acquisition involved a three year moratorium on forced redundancies which has now expired and with continued deterioration in physical conditions, "extreme thinning" of the coal seam and poor quality, the mine will now be closed. Operating losses and closure costs of \$22 million (pre-tax) from *Munmorah* will have a negative impact on profitability for the current year to 30 June which is now forecast to be around \$36-42 million (13.5-15.8 cents per share).

The closure, however, removes a loss making mine and leaves the company "well positioned to benefit from the strong coal market" and to "enjoy a significant growth in earnings" in the year to June 2006. This will be helped by the acquisition of Austral Coal where "all equipment is working well", and the new *Mandalong* coal mine commissioned in January "which is expected to be one of the group's lowest cost and most efficient producers". The company also reports "continued strong export prices for both coking and thermal coal, with no sign of weakening in demand or over-supply" so prices - and profits - are expected to remain high for at least the next 2-3 years.

Centennial Coal's share price dropped sharply in response to the mine closure and associated costs, but this is a one-off cost and future profitability should grow strongly. Sowerate Centennial Coal shares an attractive long term investment.

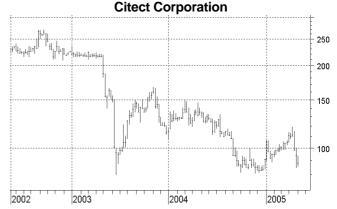


**Centennial Coal** 

**<u>Cellnet Group</u>** is to buy a second warehouse in Brisbane. The 3000m<sup>2</sup> warehouse, close to its existing distribution facility at Brisbane Airport, will be purchased for \$2.95 million and used for pre-packaged accessories and logistic operations.

<u>**Citect Corporation**</u> reports revenues up 6% in the March quarter, but has spent an additional \$1 million on developing its *Industrial Information Management* products which will have a "short term impact on earnings". The first half profit may therefore be "more than 15% less" than last year, although the full year result is still expected to be ahead of 2004.

The Citect Corporation share price has weakened in response to this short term profit downgrade and the general stockmarket weakness - providing an attractive opportunity to acquire an investment in this company at a 20% discount to our initial recommendation price just last month! "Buy".



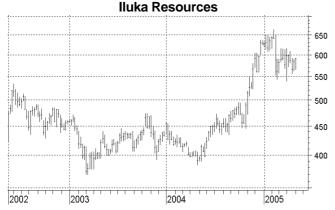
**Commander Communications** has been awarded a "major IT Managed Services" contract by **Foster's Group**. The contract will run for two years, with a two year extension option. This contract advances the group's expansion plans in *Enterprise Managed Services* by 12 months. Expected revenues will vary depending upon the volume of services provided. There will be little impact on profitability this financial year - owing to implementation costs - but there will be "both revenue and margin benefits in future years".

**Computershare** has agreed to purchase Canadian based **Pacific Corporate Trust Company** for CS8 million (A\$8.5 million) in cash. This share registry business generates C\$4.8 million in revenues and is the third largest in Canada with 600 mainly small company clients. We would expect this business to be merged into Computershare's existing Canadian share registry operations.

**Iluka Resources** has transferred part of an exploration licence to **Bemax Resources** for a deferred payment of \$3.9 million. The licence contains an extension to Bemax Resources' *Snapper* mineral sands deposit.

Iluka Resources is referring to its high Zircon *Jacinth* and *Ambrosia* discoveries as "company-changing" and "industry-changing" deposits. These two deposits hold around \$3 *billion* of minerals - equal to about four years global consumption of Zircon - and at a time when Zircon is increasing in value by around US\$100/tonne per annum. Exploration was halted over summer, owing to the extreme heat of the Nullarbor Plain, but has now resumed and could lead to further significant discoveries in this region. Mining of these deposits could begin in as little as three years.

(Continued on Page 6)



**International All Sports**'March quarterly cashflow report shows that this business is continuing at close to break-even levels. Receipts rose 27.6%, compared with the March 2004 quarter, to \$170.5 million, but there was a net cash *deficit* of \$1.0 million compared with a surplus of \$3.1 million last year. The company's cash holding is \$25.3 million (48.2 cents per share), up from \$20.9 million last year.

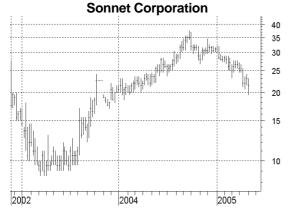
**Keycorp** has agreed to purchase a 70% interest in **Fox Technology** - a leading software company "specialising in applications for EFTPOS, POS terminals, mobile devices and value-added POS transaction solutions". Financial details are not disclosed except that this acquisition will "not have a negative impact" on Keycorp's "target of zero net debt" (i.e. the purchase price is not large) but is "expected to be a solid earnings contributor".

**Sonnet Corporation**'s March quarterly cashflow report shows receipts just 1.1% lower than in the same period last year, but there was a cash *deficit* of \$173,000 compared with a *surplus* in the March 2004 quarter of \$1,277,000. The current result was depressed by a delay in collecting \$1.1 million from its major client, which was received in April.

The cash holding at 31 March was \$3,787,000 (4.6 cents per share) but this is expected to be around \$4.0-4.5 million (4.9-5.5 cents per share) by the end of June.

Managed Services work for the "primary client" is expected to conclude in mid-May, although with some "project by project" work until the end of June.

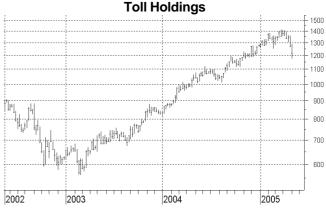
Sonnet Corporation is currently completing due diligence on the acquisition of a **Mobile Virtual Network Enabler** business that is expected to generate revenues of \$23-25 million in the year to June 2006.



This mobile telephony business would be run as a separate subsidiary and remove the group's historical dependence on one major client. A report to shareholders on this proposed acquisition is expected later this month. No details are available at present, but a *virtual* network is the current positioning for this type of business to avoid the massive - and often uneconomic - investment in infrastructure in an industry where prices are trending downwards.

Sonnet Corporation's earnings (before interest and tax) for the last nine months were \$2.7 million and it is still aiming to earn \$3.7-4.0 million for the full year.

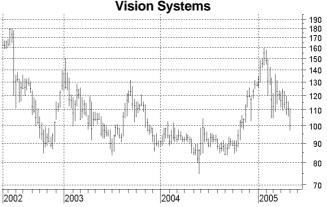
**Toll Holdings** has signed a pre-lease deal for the construction of a new 17,000m<sup>2</sup>, \$19 million terminal in Port Melbourne for its overnight express delivery business. The company is planning to build a further five new terminals around Australia for this express delivery business.



**<u>UXC</u>**'s ILID subsidiary has secured a contract to install its electronic pricing system, controlled by existing store lighting, in "every existing and new **Ritchies IGA** store" over the longer term. The system has been trialled by Ritchies IGA supermarkets in four stores since 2004 and the company will now install the system in all new stores as well as converting at least ten existing stores over the next two years.

<u>Vision Systems</u> has announced an agreement with US based "leading pathology practice" group **Ameripath** for the placement of an undisclosed number of *Bond* staining systems and *Peloris* rapid tissue staining processors - plus on-going reagent sales.

The group has also completed the design and development of a DNA/RNA extraction instrument for a European biomedical company and has been awarded the contract to manufacture these instruments.

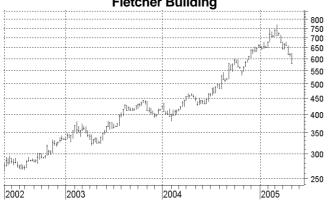


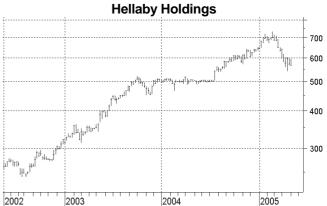
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## May 10, 2005. Computer Selections of NZ Shares based upon our Comprehensive Share Selection Criteria

See "Market Analysis" issues 298-301 or the Reprint sent to all new subscribers for details. These shares are not formal "buy" and "sell" recommendations, but the "Under-Valued", "Best Performing" and "Income" shares should be considered for purchase, while the "Over-Valued" and "Worst Performing" shares can generally be sold to release money for re-investment in more attractive shares.

	0 0 0	
Company	S <u>TRENGTH RATING</u> ਲੁਹੂ ਨਾਲ Price Return Vola. Price Divi- Price Share Cur- 4-Wik Rank ਤੁੱਠ ਤੁੱਠ to on til- Earn. dend Sales Market Price rent Chg. 0.99 ਤੁੰਨੇ ਨੇ Strate Equity ity Ratio Yield Ratio Cap'n	<u>STRENGTH RATING کو ج</u> ہے کہ کو Price Return Vola- Price Divi- Price Company Share Cur- 4-Wk Rank کو کو کو to on til- Earn. dend Sales Market Price rent Chg. 0.99 کو کو NTA Equity ity Ratio Yield Ratio Cap'n
	SHARES: Lowest Price/Sales, YId > 0, Rel Strength > 0	OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0
Richina Pacific	79 +18.3 -6.5 3 1.1 - 1.3 6 1.1 24 2.5 0.20 117	Widespread Port 2 16.4 3.8 94 0.2 0.7 2.7 NE Nil 7.13 5
Renaissance	96 +11.6 12.2 8 1.7 3.7 23 0.9 16 11.4 0.31 37	Port Tauranga 485 3.2 3.4 67 0.3 3 1.5 8 0.3 19 6.2 4.30 165
Mainfreight Grp	220 +9.3 -5.3 12 4-6 4 2.9 8 0.6 38 4.4 0.32 210	Horizon Energy 402 -0.5 -1.7 55 0-0 2 2.3 14 0.4 16 8.2 4.05 100
Wrightson Ltd	153 +2.5 -8.0 35 6-13 2 2.0 9 1.0 21 11.2 0.34 215	Mowbray Collect 136 -2.9 -3.2 64 0-0 - 2.9 2 0.4 192 4.9 2.98 12
Livestock Imp.	120 +4.6 -2.0 26 3.0 1.0 7 13.6 0.36 35	Sky City Ltd 420 -0.9 -4.5 55 0-7 8 8.3 47 0.3 17 9.4 2.92 1,749
Restaurant Brds	132 +0.1 +0.1 49 1.0 3 2.5 21 0.9 12 11.3 0.40 128	Lyttelton Port 173 -0.0 -2.4 50 0-0 4 3.5 24 0.4 15 9.5 2.86 177
Williams Kettle	441 +10.0 6.1 11 1.0 2.5 16 0.5 15 5.8 0.58 98	NZ Wine Company 200 -1.2 +0.4 58 1-0 - 1.0 4 0.4 23 4.2 2.22 17
Kirkcaldie & St	250 +1.0 +2.2 45 0.0 - 1.2 5 0.6 23 4.4 0.60 25	TeamTalk Ltd 220 1.6 3.8 59 0.0 2.0 12 0.5 17 11.2 2.21 44
Allied Farmers	295 +19.7 +0.3 2 0.0 - 2.3 14 0.6 16 5.3 0.63 47	Blue Chip NZ 90 12.4 2.7 90 0.6 5.1 52 0.9 10 Nil 2.19 47
Fletcher Build.	580 +7.5 4.9 17 2.2 6 2.3 21 0.5 11 6.4 0.64 2,534	Spectrum Res. 2 -58.3 +0.0 98 1-0 - 2.6 - 2.9 NE Nil 2.07 6
Vertex Group	207 +13.0 +4.4 6 0.7 - 2.7 20 0.8 13 2.9 0.75 66	South Port NZ 116 4.7 2.8 75 0.0 1 1.3 9 0.5 15 8.4 2.05 30
Hellaby Hold.	565 +1.1 -6.4 44 0.0 2 2.8 21 0.4 14 9.2 0.84 278	
Taylors Grp Ltd	240 +0.5 0.5 48 10 2.2 16 0.6 14 6.8 0.95 58	
Steel & Tube	423 +1.0 4.5 45 0.1 4 3.0 23 0.6 13 9.5 0.96 372	
		WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average
BEST PERFORM	NG SHARES: Strongest Shares, P/E < 20, P/S < 1.0	Spectrum Res. 2 -58.3 +0.0 98 1-0 - 2.6 - 2.6 NE NII 2.07 6
Allied Farmers	295 +19.7 +0.3 2 0.0 - 2.3 14 0.5 16 5.3 0.63 47	Genesis Res. 25 25.8 5.0 97 0.0 0.5 1.1 NE Nil 1.47 7
Vertex Group	207 +13.0 +4.4 6 0.7 - 2.7 20 0.7 13 2.9 0.75 66	Life Pharmacy 130 -18.5 -13.8 95 0-1 - 23.8 - 0.6 NE Nil N/A 37
Toll NZ Ltd	305 +12.0 -0.4 8 0-0 1 9.5 - 0.6 6 Nil 0.92 641	Feltex Ltd 70 -17.7 -12.0 95 5-0 - 1.2 23 0.6 5 8.6 0.32 105
Renaissance	96 +11.6 12.2 8 1.7 - 3.7 23 0.7 16 11.4 0.31 37	F & P Appliance 266 -17.1 -3.7 94 2-9 5 1.2 15 0.4 8 11.4 0.74 696
Williams Kettle	441 +10.0 -6.1 11 1-0 - 2.5 16 0.4 15 5.8 0.58 98	Widespread Port 2 -16.4 -3.8 94 0-2 - 0.7 - 2.4 NE Nil 7.13 5
Provenco Group	76 +9.0 -5.4 14 0-0 - 4.4 26 0.9 17 Nil 0.96 70	Sthn Travel 76 -14.5 -6.1 92 2-0 0.6 NE Nil N/A 10
Cabletalk Group	56 +7.5 -10.4 16 3-2 - 3.7 39 1.2 9 Nil 0.33 18	KidiCorp 15 -14.3 -11.3 92 0-0 - 4.3 - 1.0 NE Nil 1.08 23
Fletcher Build.	580 +7.5 -4.9 17 2-2 6 2.3 21 0.4 11 6.4 0.64 2,534	Sol. Dynamics 90 -13.9 -10.1 91 0-0 - 15.1 - 0.6 NE Nil 0.61 7
Livestock Imp.	120 +4.6 -2.0 26 3-0 0.8 7 13.6 0.36 35	Blue Chip NZ 90 12.4 2.7 90 0.6 5.1 52 0.9 10 Nil 2.19 47
Affco Holdings	39 +4.4 4.6 28 0.1 1.0 27 0.9 4 Nil 0.22 211	Media Tech. 11 12.2 +1.7 89 0.3 1.7 2.0 NE Nil 1.86 9
Hellaby Hold.	565 +1.1 -6.4 44 0-0 2 2.8 21 0.3 14 9.2 0.84 278	Turners Auction 260 12.2 6.6 89 0.15 3.2 32 0.3 10 11.5 0.90 71
Steel & Tube	423 +1.0 -4.5 45 0-1 4 3.0 23 0.5 13 9.5 0.96 372	Connexion 40 -11.5 -2.6 88 0-0 0.8 NE NII N/A 7
Taylors Grp Ltd	240 +0.5 0.5 48 1.0 2.2 16 0.5 14 6.8 0.95 58	Software of Exc 110 -10.7 -4.9 88 2-3 - 5.2 - 0.9 NE Nil 1.41 24
Restaurant Brds	132 +0.1 +0.1 49 1.0 3 2.5 21 0.7 12 11.3 0.40 128	Turners & Grow. 239 10.5 3.1 86 1-1 0.9 5 0.5 18 Nil 0.31 172
	Llighast Violds, Capitalisation > N7\$100 million	Zintel Comm. 92 10.1 4.0 85 1-6 8.6 77 0.5 11 11.0 1.16 46   Botry-Zen Ltd 7 9.6 +0.3 85 0.4 6.6 1.3 NE Nil N/A 12
NZ Refining Co	S: Highest Yields, Capitalisation > NZ\$100 million 3325 +17.1 -3.5 5 0.0 2 2.1 26 0.1 8 13.5 2.84 798	Botry-Zen Ltd 7 9.6 +0.3 85 0.4 6.6 1.3 NE Nil N/A 12   Satara Co-op 96 9.2 3.1 84 0-0 0.9 4 0.6 22 9.3 0.45 25
F & P Appliance	266 17.1 3.7 94 2.9 5 1.2 15 0.5 8 11.4 0.74 696	Cavalier Corp 380 9.1 1.7 84 7.11 1 3.7 31 0.3 12 10.6 1.24 247
Restaurant Brds	132 +0.1 +0.1 49 1.0 3 2.5 21 0.7 12 11.3 0.40 128	Scott Tech. Ltd 250 -8.9 -2.7 83 0-0 - 3.6 22 0.4 17 7.8 1.74 62
Wrightson Ltd	152 +0.1 +0.1 47 10 5 2.3 21 0.7 12 11.3 0.40 120	30011 16011. Eld 230 -0.7 -2.7 03 0-0 - 3.0 22 0.4 17 7.0 1.74 02
Cavalier Corp	380 -9.1 -1.7 84 7-11 1 3.7 31 0.4 12 10.6 1.24 247	
Nuplex Indust	350 -7.2 -9.1 79 2.0 4 1.3 19 0.5 7 10.4 0.33 217	
Hallenstein G.	365 +5.0 2.2 24 1.1 2 3.9 31 0.3 13 9.8 1.18 215	<b>INSIDER SELLING:</b> Most Insider Selling, Relative Strength < 0
Steel & Tube	423 +1.0 -4.5 45 0.1 4 3.0 23 0.4 13 9.5 0.96 372	Turners Auction 260 12.2 6.6 89 0.15 3.2 32 0.3 10 11.5 0.90 71
Lyttelton Port	173 0.0 2.4 50 0.0 4 3.5 24 0.5 15 9.5 2.86 177	Guinness Peat 205 0.1 3.9 51 0.7 3 0.4 5 0.4 7 2.6 0.15 478
Sky City Ltd	420 0.9 4.5 55 0.7 8 8.3 47 0.4 17 9.4 2.92 1,749	Sky City Ltd 420 -0.9 -4.5 55 0-7 8 8.3 47 0.3 17 9.4 2.92 1,749
, ,		F & P Appliance 266 17.1 3.7 94 2.9 5 1.2 15 0.4 8 11.4 0.74 696
INSIDER BUYING	: Most Insider Buying, Relative Strength > 0	Blue Chip NZ 90 12.4 2.7 90 0.6 5.1 52 0.9 10 Nil 2.19 47
Michael Hill	730 +2.7 -2.0 34 3-0 2 4.9 26 0.3 19 4.3 1.08 282	Rubicon Limited 90 0.2 3.7 52 1.7 1.0 0 0.5 209 Nil N/A 251
Livestock Imp.	120 +4.6 -2.0 26 3.0 0.6 7 13.6 0.36 35	Zintel Comm. 92 -10.1 -4.0 85 1-6 - 8.6 77 0.5 11 11.0 1.16 46
Loan & Building	454 +5.3 -0.9 23 4-1 - 1.4 8 0.2 18 4.8 1.69 14	Botry-Zen Ltd 7 -9.6 +0.3 85 0-4 - 6.6 - 1.2 NE Nil N/A 12
MG Property Trt	116 +4.2 -1.2 29 2.0 - 1.2 6 0.4 21 8.2 7.97 168	Cavalier Corp 380 -9.1 -1.7 84 7-11 1 3.7 31 0.3 12 10.6 1.24 247
Restaurant Brds	132 +0.1 +0.1 49 1.0 3 2.5 21 0.6 12 11.3 0.40 128	Port Tauranga 485 3.2 3.4 67 0.3 3 1.5 8 0.3 19 6.2 4.30 165
Speirs Group	98 +7.8 -8.4 16 1-0 0.7 NE Nil N/A 9	
Kiwi Property	115 +1.9 -0.7 37 1-0 5 1.0 7 0.4 15 7.5 N/A 749	
AMP Limited	690 +1.5 5.3 42 10 2.8 22 0.5 13 4.3 1.08 12,835	
Williams Kettle	441 +10.0 6.1 11 1.0 2.5 16 0.3 15 5.8 0.58 98	
Heritage Gold	10 +1.7 +0.4 39 1.0 - 1.0 - 1.2 NE NII N/A 7	
	Fletcher Building	Hellaby Holdings
1		
	800	700
		101. t <sup>2</sup> <sup>1</sup>





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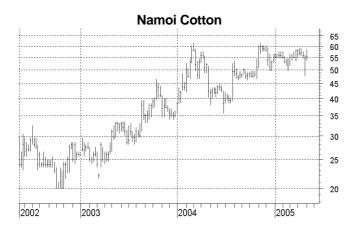
# Computer Selections of Australian Shares based upon our Comprehensive Share Selection Criteria

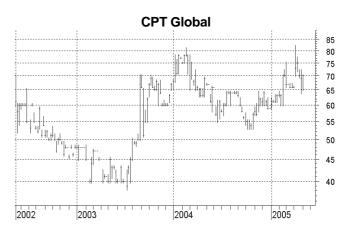
See "Market Analysis" issues 298-301 or the Reprint sent to all new subscribers for details. These shares are not formal "buy" and "sell" recommendations, but the "Under-Valued", "Best Performing", "Income" and "Insider Buying" shares should be considered for purchase, while the "Over-Valued", "Worst Performing" and "Insider Selling" shares can be sold to release money for re-investment in more attractive shares.

Company	Share	Cur	<u>IGTH RA</u> 4·Wk	<u>TING</u> Rank	Insider Buy-Sell	Di Price			Price Earn.	dend	Price Sales	Market	Company	Share	Cur-	<u>NGTH RA</u> 4-Wk	<u>TING</u> Rank	Insider Buy-Sell	Brokers ollowing				dend	Price Sales	Market
	Price	rent	Chg.				Equity	ity	Ratio	Yield	Ratio	Cap'n		Price	rent	Chg.						Ratio	Yield	Ratio	Cap'n
UNDER-VALUED S Auto Group Ltd	69	: Lowe: +1.1	st Price -1.1	e/Sale 38	es, yid 1-0	> 0, Rel - 4.9	0	th > 0.9	) 9	2.9	0.04	23	BEST PERFORMIN Murchison Un.		RES: \$ +56.9		st Sh 1	ares, 0-0	P/E < 2	0, P/S	< 1.0 - 2.2	6	Nil (	0.32	13
Citic Australia	44	+4.3	-5.3	28	0-4	- 2.4	39		6	8.0	0.06	35	General Publish		+30.7		4	0-0			· 1.5	11		0.21	3
Ruralco Hold.	440	+2.8	-0.4	32	1-0		-	0.5	19	3.4	0.08	48	Avatar Indust.		+29.2		4	1-0	- 1.			12	3.5 (	0.47	67
AI Limited		+3.0	-3.5	32	1.1	- 1.0		1.9	6	6.1	0.10	21	Caltex Austrlia		+27.8		4	0-0	82.			7		0.29	3,883
Cordukes Ltd		+14.0	-6.2	12	1.0	- 13.3		1.2	19	2.5	0.11	20	Int'l Equities		+19.9	-7.6	7	0-0	- 0.			1		0.16	5
A.P. Eagers Queens'd Cotton	722 463	+1.4 +7.9	+1.1	36 20	1-0 1-0	1 1.1 1 0.9		0.4 0.4	13 21	5.0 4.8	0.17 0.19	155 129	RCR Tomlinson Nufarm Limited		+17.8	-9.2 -7.5	8 12	0-2 4-3	- 1. 7 4.			15 19		0.37 0.91	40 1,471
Namoi Cotton	56	+3.4	-1.0	30	2.0	- 0.7		1.1	8	9.0	0.22	64	Cordukes Ltd		+14.0		12	1-0	- 13.			19		D.11	20
Data 3 Ltd	285	+6.8	-7.3	22	0-0	- 6.2	49	0.7	13	5.4	0.24	43	Shearer (John)	310	+13.4	+3.3	12	0-0			0.4	12	3.2 (	0.76	38
CTI Logistics		+11.1	-1.4	15	2-0	- 0.9		0.9	11	1.4	0.25	19	Tolhurst Noall			+2.0		0-0	- 2.	2 32	2 1.5	7		0.55	20
Ridley Corp.	124	+0.6	-4.2	40	0-0	4 1.2		0.8	19	4.6	0.28	334	Burns Philp		+11.8		14	0-0	7.		- 0.8	16		0.53	1,798
Hamilton James Caltex Austrlia	50 · 1438 ·	+10.2 +27.8	-13.5	16 4	1-0 0-0	-16.7 8 2.6		1.2 0.5	14 7	5.0 2.7	0.29 0.29	31 3,883	Village Road. Sunland Group		+11.8		14 14	0-3 11-6	3 1. - 1.			16 5	Nil (	0.38 0.71	848 277
Metcash Trading	327	+1.0	-1.7	38	0-1	9 8.4	41	0.5	20	3.4	0.29	2,082	W'bool Cheese		+11.1		15	2.0			- 0.5	12		0.57	163
Legend Corp.	54	+0.4	+0.6	41	2-0	- 2.0	14	1.2	14	1.4	0.29	37	CTI Logistics	74	+11.1	-1.4	15	2-0	- 0.	9 8	8 0.7	11	1.4 (	0.25	19
Atlas Grp Hold.	112	+4.5	-6.2	27	3-2	- 2.0	21	0.9	9	7.0	0.30	93	B Digital Ltd		+10.9		15	0-0	- 6.			20		0.81	229
Tag Pacific	26	+2.5	-4.1	33	0-0	- 1.1		1.6	6	1.9	0.32	17	Austin Group		+10.7		15	2-0	- 3.			12		0.85	49
The Reject Shop Wrigdways Aust	244 85	+6.6 +1.9	-7.6 -5.4	23 35	1-0 3-0	· ·		0.7 1.0	11 11	1.0 5.9	0.32 0.33	59 27	Hamilton James Club Crocodile	50 29	+10.2		16 17	1-0 1-0	- 16. - 1.		- 0.9 7 1.0	14 15		0.29 0.87	31 16
Macro Corp.	4		+0.9	32	0-0	- 0.4		4.4	13	7.4	0.34	4	Ausdrill Ltd	67		+3.3		0.0	- 1.			17		0.43	70
RCR Tomlinson	66	+17.8	-9.2	8	0-2	- 1.3		1.2	15	2.3	0.37	40	Aircrusing Aust	10	+9.4	+15.6	18	0-0	- 10.			14		0.18	1
Downer EDI Ltd	440	+7.5	-6.1	21	1-0	5 2.5	17		15	3.1	0.39	1,241	Coffey Int'l	210		-12.2	19	2.0	- 9.			18		0.98	128
Embelton Ltd		+0.3	-0.7	42	0-0	- 1.1		0.6	12	4.2	0.39	7	Mincor Resource	68	+8.5	-0.2	19	0.0	12.			6		0.74	132
Spotless Group Smorgon Steel	460 118	+0.4 +5.0	-1.2 -2.9	41 26	0-0 0-1	8 13.1 9 -	31 -	0.6 1.0	43 23	5.0 5.5	0.39 0.39	967 1,035	Transfield Serv MBF Carpenters	633 40	+8.2		20 20	1-0 0-0	6 5. - 0.			13 6		D.71 D.11	874 40
MacMahon Hold	40	+4.4	-2.9	20	1.1	- 1.6	12		23 13	1.3	0.39	148	CPT Global Ltd	40 70		+2.0	20	1-0	- 3.			15		0.11 0.84	24
Candle Aust.		+5.3	-7.6	25	7-2			0.8	16	4.9	0.40	72	Downer EDI Ltd	440	+7.5	-6.1	21	1-0	5 2.			15		0.39	1,241
Foodland Assoc	2533	+9.9	-2.4	17	1-0	10 10.2	49	0.3	21	3.9	0.43	2,967	Perilya Mines	85	+7.2	-7.1	22	2-1	- 6.	5 60	0.9	11	Nil (	0.72	139
Ausdrill Ltd	67	+9.6		17	0-0	- 1.0		1.0	17	6.0	0.43	70	Data 3 Ltd	285	+6.8		22	0-0	- 6.			13		0.24	43
Futuris Corp.	181	+2.1 +2.1	-4.8	34 34	3-0 3-0	6 1.8 - 3.7	4 41	0.8 1.1	50	4.4 1.9	0.44 0.45	1,193 99	K&S Corporation	285 55	+6.8 +6.8	-6.0 -1.7	23 23	0-0 1-0	4 3. - 5.		0.4 - 0.8	14 3		0.57 0.25	171 7
OM Holdings Avatar Indust.	103 85 -	+2.1	-13.1	34 4	3-0 1-0	- 3.7		1.1	12	3.5	0.45	99 67	TransMetro Corp The Reject Shop	244	+0.0	-7.6	23 23	1-0	- 0.		- 0.6 - 0.6	3 11		0.25 0.32	, 59
Brazin Limited	171	+3.4	-8.3	30	2-0	2 3.6		0.8		3.5	0.48	201	Ludowici Ltd	485	+5.6		25	0-1	- 1.	9 14	1 0.3	14		0.67	80
Lend Lease Corp	1160	+1.7	-5.1	35	2-0	8 2.1	15	0.5	14	3.8	0.48	4,642	Candle Aust.	182	+5.3	-7.6	25	7-2			- 0.6	16	4.9 (	0.40	72
Graincorp		+1.5	-2.5	36	0-1	3 1.7		0.4	18	2.7	0.48	462	Beyond Int'l	38	+5.2		25	3-0	- 1.			11		0.26	23
Chalmers Promentum Ltd	260 156	+7.4 +4.8	-0.4	21 27	1.0 1.2	- 0.8 - 3.3	3 24	0.6 0.6	31 13	2.3 3.5	0.52 0.54	15 59	Noni B Limited Promentum Ltd	267 156	+4.9	-1.7 -12.3	26 27	0-0 1-2	- 5. - 3.			19 13		0.85 0.54	85 59
Roberts Ltd	818	+4.0	-5.6	27	0-1	- 2.5		0.0	11	5.4	0.54	105	Roberts Ltd	818	+4.0		27	0-1	- 2.			11		0.54 0.56	105
K&S Corporation	285	+6.8	-6.0	23	0-0	4 3.0		0.5	14	3.9	0.57	171	Brisbane Bronco	13	+4.7		27	0-0	- 3.			12		0.67	12
W'bool Cheese	426	+11.1	-1.1	15	2-0			0.6	12	1.4	0.57	163	Central Equity	215	+4.6	+1.0	27	0-0	- 0.	8 15	5 0.4	6	6.0 (	0.62	185
Guinness Peat	195	+0.6	-3.5		0-10	- 1.3	5	0.7	27	1.3	0.58	1,695	Atlas Grp Hold.	112	+4.5	-6.2	27	3-2	- 2.			9		0.30	93
Woolworths Ltd UXC Limited	1516 80	+7.3 +0.4	-0.9 -3.2	21 41	0-3 0-1	11 17.4	68 52	0.4 1.0	26 13	3.0 6.3	0.59	15,628 115	MacMahon Hold Citic Australia	40 44	+4.4	-8.3 -5.3	28 28	1-1 0-4	- 1. - 2.		2 1.0 9 0.9	13 6		0.40 0.06	148 35
Central Equity	215	+4.6		27	0-0	- 0.8		0.5	6	6.0	0.62	185	Sims Group Ltd	1480	+4.2		28	0.4	93.			12		0.72	1,348
Commander Comm		+5.0	-5.7	26	2-0	5 -		0.7	34	1.0	0.65	322	Bluescope Steel	779	+3.5	-5.8	30	2-0			- 0.5	10		0.99	5,705
Lemarne Corp		+1.0		38	0-0	- 1.5		0.6		5.4	0.66	41	Trysoft Corp	10	+3.5		30	0-0	- 2.		1.8	10		0.27	2
Korvest Ltd		+1.9		35	1.1	- 2.0		0.5			0.66	33	Brazin Limited	171	+3.4			2-0					0.0	0.48	201
Ludowici Ltd Cabcharge Ltd	485 416	+5.6 +7.6			0-1 0-2	- 1.9 7 4.0		0.4 0.6			0.67 0.68	80 472	Namoi Cotton Gregory Aust.	56 30	+3.4 +3.1		30 21	2-0 0-0	- 0. - 1.		9 0.9 3 1.1	8 8		0.22 0.25	64 4
AJ Lucas	165				0-2	- 1.7	21		8	4.8	0.69	84	AI Limited	17			32	1.1	- 1.			6		0.10	21
Grand Hotel		+1.1				3 0.8	11				0.70	166	Macro Corp.	4		+0.9		0-0	- 0.		3.2		7.4 (		4
Transfield Serv		+8.2				6 5.1		0.6		2.5	0.71	874	Ruralco Hold.	440				1-0	• •		- 0.4			0.08	48
United Group		+16.3				6 7.9		0.5			0.71	764	Tag Pacific			-4.1		0-0	- 1.		) 1.2		1.9 (		17
Sunland Group JB Hi-Fi Ltd		+11.3 +4.7			11-6 2-0	- 1.5 - 62.8		0.7 0.6		4.7 23	0.71 0.71	277 322	Citect Corp Ltd OM Holdings	88 103		+0.2 -13.1		0-0 3-0	22. - 3.		9 0.8 I 0.9	15 9		0.75 0.45	46 99
Hansen Tech.		+2.3		33	1-0	- 6.8	12				0.72	38	Wrigdways Aust	85		-5.4	35	3-0	- J.		- 0.8		5.9 (		27
Sims Group Ltd	1480			28	0-1	9 3.7		0.4			0.72		Korvest Ltd			-5.3		1.1	- 2.		0.4	9	2.3 (	0.66	33
Mincor Resource		+8.5			0-0	1 2.6		1.2	6		0.74	132	Lend Lease Corp	1160	+1.7	-5.1	35	2-0	8 2.	1 15	5 O.5	14	3.8 (	0.48	4,642
Citect Corp Ltd		+2.2			0-0	2 2.8		1.0			0.75	46	Yilgarn Mining		+1.6		36	2-0	- 0.		) 1.5	13		0.06	7
Shearer (John) Alesco Corp Ltd		+13.4 +0.9			0-0 1-3	5 58.2		0.5 0.3		3.2 4.7	0.76 0.78	38 385	Amalgamated Hld Graincorp	384 1130	+1.5 +1.5		36 36	0-1 0-1	1 1. 3 1.		2 0.6 ) 0.3		3.4 · 2.7 (		479 462
Steamships Trad		+0.9			1-3 0-0	5 58.2		0.3 1.0			0.78	385 118	A.P. Eagers			-2.5 +1.1			3 I. 1 1.		9 0.3		5.0 (		462 155
Monadelphous Gr		+27.1		4	1.1	- 4.7		0.4			0.83	186	Sietel Ltd	90		+0.7		0-0	- 0.		, 0.3 3 0.9	6		D.31	7
CPT Global Ltd	70	+7.9			1-0	- 3.7		1.2			0.84	24	Grand Hotel			-1.6			3 0.	8 11	0.8	7			166
Noni B Limited			-1.7	26	0-0	- 5.0		0.8	19	3.2	0.85	85	Auto Group Ltd	69			38	1-0	- 4.		2 0.7	9		0.04	23
Austin Group		+10.7			2.0	- 3.5		0.9			0.85	49 171	Lemarne Corp			-2.4		0.0	- 1.		3 0.5 0 5		5.4 (		41
Gazal Corp Campbell Bros		+1.0 +5.5			0-0 3-0	- 3.6 1 5.4		0.6 0.4	16 24		0.89 0.91	171 356	Gazal Corp Clough Limited	290 48	+1.0 +0.9			0-0	- 3. 1 1.		3 0.5 9 1.0		5.3 ( Nil (	0.89 0.27	171 202
Nufarm Limited		+14.1		12		7 4.0		0.4			0.91	1,471	Alesco Corp Ltd	698	+0.9		39	1-3	5 58.		- 0.3		4.7 (		385
Villa World		+0.5				1 1.7	26				0.91	160	Ridley Corp.	124					4 1.		6 0.7			0.28	334

Company	Share Price	<u>STREI</u> Cur- rent	<u>VGTH R/</u> 4-Wk Chg.		Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Vola- til- ity	Price Earn. Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n
INCOME SHARES	: Highes	st Yields	, Capi	talisa	tion >	A\$2	50 mi	illion					
Pacifica Group	135	-20.0	-6.6	93	0-0	6	0.7	14	0.6	5	15.2	0.21	250
Australand Prop	146	-4.3	-2.8	61	0-0	3	1.0	12	0.4	9	11.3	1.03	1,264
Paperlin X Ltd	285	-11.4	-5.1	79	1-0	9	0.9	8	0.4	12	9.6	0.20	1,271
AV Jennings	124	-12.1	-2.1	80	4-0	-	1.0	26	0.5	4	8.9	0.48	267
Envestra	111	+2.1	-0.6	34	0-0	7	-	-	0.5	38	8.6	2.85	854
Jubilee Mines	528	+13.8	-1.9	12	0-0	3	4.5	65	0.3	7	8.5	2.80	658
Crane Group	718	-9.2	-3.9	74	1-0	4	1.5	-	0.3	NE	8.4	0.19	395
Gasnet Aust Grp	240	+0.9	-2.5	39	0-0	5	1.2	6	0.4	21	8.3	3.00	337
City Pacific	400	+1.1	-4.3	37	0-4	-	4.9	60	0.4	8	8.3	6.13	363
Sthn C. Fliers	11155	-0.2	-0.4	47	0-0	-	1.1	9	0.1	12	8.1	N/A	669
Aust Pipeline	378	+11.8	-3.1	14	0-0	8	1.8	21	0.4	9	7.4	3.64	1,039
GWA Internat'l	256	-6.0	-2.8	66	2-1	5	1.7	14	0.4	11	7.0	1.05	712
Peet & Company	144	-3.5	-3.2	59	2-0	-	-	-	0.8	10	6.9	4.45	288
G.U.D. Holdings	589	-17.7	-3.2	90	2-1	6	4.7	46	0.3	10	6.8	0.90	358
David Jones	166	-4.5	-5.4	62	1-2	7	1.7	16	0.4	11	6.6	0.38	691
Prime Infra Grp	158	+12.1	+2.1	13	1-2		1.8	5	0.5	35	6.6	4.58	699
OAMPS .	248	-0.4	-4.2	47	0-3	-	7.3	54	0.4	13	6.5	0.72	312
McGuigan Simeon	380	-5.1	-9.7	64	2-0	7	1.5	14	0.4	10	6.2	1.29	414
Hills Indust.	376	-0.9	-2.6	50	0-1	4	2.8	16	0.3	17	6.0	0.73	527
Incitec Pivot	1505	-7.5	-6.2	70	1-4	-	2.0	17	0.3	12	6.0	0.77	877
Djerriwarrh	360	+0.9	-1.7	39	2-5		0.9	5	0.4	19	6.0	N/A	568
AWB Limited	424	-0.5	-1.1	48	0-0	4	2.7	18	0.5	15	5.9	0.27	1,450
Nat'l Aust Bank	2925	+1.2	-0.6	37	2-0	13	2.6	18	0.3	14	5.7	1.85	45,374
Ten Network	324	-4.6	-6.4	62	0-4	9	-	-	0.4	21	5.6	1.93	1,283
Smorgon Steel	118	+5.0	-2.9	26	0-1	9	•	-	0.7	23	5.5	0.39	1,035
INSIDER BUYING	Most Ir	isider B	uying,	Relat	ive Str	engti	1 > 0						
Grange Resource	101	+50.6	-27.2	2	13-0	-			0.6	14	Nil	2.64	80
SFE Corporation	914	+8.7	-6.2	19	14-1		7.0	30	0.3	23	3.7	5.97	1,223
Western Areas	154	+12.2	-1.3	13	10-0	-	-	-	0.6	NE	Nil	N/A	117
Structural Syst	60	+4.3	+0.2	28	10-0	-	2.1		0.6	NE	Nil	0.19	15
Heron Resources	57	+49.5-	+28.8	2	10-0	-			0.9	NE	Nil	N/A	62
E-Bet Limited	18	+33.6	-7.8	3	8-0	-	-	-	1.4	NE	Nil	1.83	34
Intermin Res	8	+3.6	+0.5	29	8-0	-	-	-	1.4	6	Nil	1.69	7
Aquarius Plat.	595	+1.4	+2.2	36	8-0	-	-		0.4	12	1.4	1.80	492
Servcorp Ltd	259	+4.9	-1.3	26	10-2	1	3.1	14	0.6	22	2.9	1.93	208
Waterco Ltd	360	+3.3	-5.8	31	7-0	-	2.3	17	0.3	14	4.2	1.01	75
Fiducian P Serv	80	+13.1	-0.5	12	7-0		3.0	2	0.9	151	0.6	1.90	28
WRF Securities	35	+11.7	-10.7	14	8-1	-	1.1	16	0.8	7	Nil	1.38	13
Cazaly Res Ltd	27	+2.7	-17.3	32	10-3			-	1.2	NE	Nil	N/A	9
Chal Financial	295	+7.7	-4.1	20	6-0	-	3.1	15	0.4	20	Nil	1.92	1,571
Aristocrat Leis		+14.9	-9.1	11	6-0		22.1	81	0.5	27	0.8	4.18	4,750
Soul Pattinson	910	+4.0	-6.1	28	6-0	1	3.0	21	0.4	14	2.2	4.11	2,172
Sundowner Group	16	+0.1	+0.0	43	6-0	-	-		0.9	8	5.2	1.25	29
Hillcrest Litig	12	+82.7	+2.8	1	6-0			-	1.4	NE	Nil	N/A	11
F.F.I. Holdings	400	+5.1	-3.2	26	6-0	-	3.3	14	0.2	23	3.0	1.48	24
Resources Min.	10	+51.5	-11.6	1	5-0		-	-	1.7	NE	Nil	N/A	4
Crescent Gold	14	+2.0	+5.0	34	5-0	-			1.0	NE	Nil	N/A	11

Company	Share Cur Price ren		rizizi	Price Buokers to NTA	Return on Equity	Vola- til- ity	Price Earn. Ratio	Divi- dend Yield	Price Sales Ratio	Market Cap'n
	THUC TON	u ong. orv	/	- 1074	Equity	ny	Natio	nciu	Nauo	Cupii
St Barbara Mine	10 +20.		7 5-0		-	1.8	NE	Nil	2.09	69
Choiseul Inv.	489 +6.4			- 1.0	3	0.3	29	2.7	N/A	390
Pacific Energy	49 +19.		3 5-0	- 1.0	-	0.7	NE	Nil	4.21	9
Centro Property	510 +2.			- 1.4	10	0.3	14	1.4	N/A	474
Ideas Intern'l	26 +1.			- 4.3	-	0.8	NE	Nil	0.45	3
Wilson Invest.	130 +8.			- 0.9	1	0.4	62	3.5	N/A	18
Computershare	493 +7.			7 -		0.6	38	1.6	2.83	2,674
Candle Aust.	182 +5.		–		-	0.5	16	4.9	0.40	72
Sunland Group	129 +11.			- 1.5	29	0.4	5	4.7	0.71	277
Moto Goldmines			3 4-0			0.8	NE	Nil	N/A	37
MXL Limited	13 +9.			- 12.5	-	1.5	NE	Nil	N/A	65
Global Mining I	97 +3.	9 -3.4 20	9 4-0		-	0.7	276	Nil	N/A	75
Henderson Group	146 +8.			- 1.0	2	0.7	43	Nil	0.47	3,957
Phosphagenics	33 +16.		9 4-0	- 0.0	-	0.9	NE	Nil	N/A	162
Perp Trust Aust	5200 +1.	1 -7.5 3	7 4-0	9 8.0	37	0.3	22	2.9	6.26	1,990
Aviva Corp Ltd	5 +15.	3 -6.5 1	1 4-0			2.4	NE	Nil	N/A	12
Alpha Tech.	1 +6.		2 4-0	· ·	-	3.4	NE	Nil	0.80	8
Destra Corp Ltd	13 +0.	5 -4.4 4	1 4-0			1.6	NE	Nil	1.07	10
New Horizon En.	8 +2.	5 +4.8 32	2 4-0	- 4.0		1.5	NE	Nil	N/A	3
Riversdale Min.	42 +28.0	) -32.6	4-0	- 5.3	-	1.8	NE	Nil	N/A	N/A
Newcrest Mining	1490 +1.	9 -3.7 3	5 4-0	8 4.9	12	0.3	40	0.3	6.88	4,896
Carrick Gold	30 +11.0	) -9.1 1!	5 4-0			1.1	NE	Nil	N/A	N/A
MFS Living & L.	90 +12.	1 -1.5 13	3 4-0	- 0.9	-	1.1	NE	Nil	0.67	4
Felix Resources	236 +26.	5-11.0	5 4-0	- 6.2	4	0.7	139	0.1	2.09	148
Acumen Cap Prop	111 +1.	3 -0.6 3	5 4-0		-	0.5	13	8.5	N/A	105
Macarthur Cook	80 +1.	4 -1.4 3	7 4-0		-	0.7	NE	Nil	3.67	15
BMA Gold Ltd	24 +2.	0 -10.6 3	5 5-1			1.3	14	Nil	5.99	18
Snowball Group	34 +9.	2 -5.2 18	3 5-1		-	1.2	NE	Nil	2.22	15
TFS Corporation	31 +13.	7 +1.1 12	2 5-1	- 2.1		1.0	NE	Nil	N/A	49
Cochlear Ltd	2899 +16.	5 -0.8	9 5-1	9 14.6	34	0.2	43	2.7	5.49	1,570
Tennant Creek G	13 +6.	2 +7.2 24	4 5-1			1.4	NE	Nil	6.05	7
Gro Pep Limited	128 +21.	) -5.7	7 5-1	1 2.8	5	0.8	56	Nil	4.32	57
Mortgage Choice	101 +0.	1 -0.4 43	3 3-0		-	0.6	11	8.3	1.08	111
Macquarie Infra	358 +0.	2 -1.0 42	2 3-0	5 1.7	33	0.3	5	2.1	5.78	3,311
Wrigdways Aust	85 +1.	9 -5.4 3	5 3-0		-	0.7	11	5.9	0.33	27
OM Holdings	103 +2.	1 -13.1 34	4 3-0	- 3.7	41	0.8	9	1.9	0.45	99
Tasman Resource	15 +17.8	3 -5.0 8	3-0		-	1.0	NE	Nil	N/A	7
Huntley Invest	70 +3.	) -3.4 32	2 3-0	- 0.8	6	0.6	14	4.6	N/A	85
Promina Group	520 +3.	5 -4.1 30	) 3-0	- 2.5	21	0.4	12	4.2	1.80	5,522
Campbell Bros	890 +5.	5 -3.6 2	5 3-0	1 5.4	22	0.3	24	3.7	0.91	356
Div. United Inv	223 +4.	) -2.5 28	3 3-0	- 0.9	4	0.3	21	3.4	N/A	224
Bendigo Mining	107 +7.	7 +3.0 2	1 3-0			0.8	NE	Nil	N/A	100
KLM Group Ltd	22 +5.	1 -1.6 20	5 3-0	- 2.4		1.0	NE	Nil	0.17	9
Select harvest	851 +5.	7 -5.9 2	5 3-0	- 6.3	26	0.3	25	1.9	2.94	374
Sun Resources	23 +26.		5 3-0			1.4	2	Nil	1.65	21
IWL Limited	244 +15.		3-0	- 13.6	57	0.4	24	0.8	2.48	116
Mikoh Corp.	5 +5.			- 4.5		1.8	NE	Nil	1.59	4
Aust United In	510 +3.			- 0.9	4	0.3	26	2.9	N/A	416
AMP Ltd	662 +2.	2 -4.9 3	4 3-0	12 3.7	28	0.6	13	4.1	1.13	12,314





## Page 10 Australian Warrant / Option Analysis

Company	Share Exe	Yr/Mt ercise to				hare Option	Options Break- to Buy Even	Company	Share E	Yr/Mth Exercise to	Option		ions Break- Buy Even
	Price P	rice Expir	y Price	Valuation	Under- t Valued	ility age	1 Share Rate		Price	Price Expiry	Price	Valuation Under- tility age 1 Si Valued	hare Rate
AXG Mining		20 5-3		4.2		.70 1.47	1.00 +20	Ellendale Resources	6	12 1.1	2.0		00 +137
Adultshop.com Aeris Technologies		10 1-1 20 0-1	0.2 26.0		-4 0	.32 9.99 .49 1.73	1.00 +137 1.00 -23	Empire Oil Enterprise Energy	1 10	20 0-7 20 2-7	0.1 4.6		00 +999 00 +45
Alcaston Mining		15 2-4			+57 0		1.00 +97	Egitx Limited	19	20 2-1	4.1	7.0 -42 0.66 1.84 1.0	
Allied Gold		20 2-1	9.0		-11 0		1.00 +11	Evans & Tate		150 2-5	5.0		00 +36
Amcil Ltd	46 5	50 1-9 9 0-3		4.3 0.0 +		.16 6.07 .56 8.94	1.00 +8 1.00 +780	Exco Resources NL Ezenet Ltd	17 11	20 1-3 15 2-1	6.0 4.0	3.0 +101 0.51 2.93 1.0 4.4 -10 0.84 1.67 1.0	00 +44 00 +30
Analytica Ltd Anitsense Therapeutic		9 0-3 20 1-8			584 0		1.00 +148	FSA Group Limited	5	20 0-7	4.0 0.1		00 + 30
Aquacarotene	4	5 0-1	0.5	0.1 +		.02 7.22	1.00 +999	Falcon Minerals	32	20 0-1	10.5		00 -44
Arafura Resources		20 3-1 30 2-1	9.5 10.0			.60 1.74 .67 2.00	1.00 +20 1.00 +36	Farsands Corporation Financial Resources	20 17	30 3-6 20 3-0	4.4 4.7		00 +17 00 +14
Argonaut Resources Ashburton Minerals		30 2-1			+23 0		1.00 +30	First Aust Resources	9	20 3-0 7 0-2	2.0	2.5 -21 0.69 3.23 1.	
Aspen Group		25 0-5				.22 9.99	1.00 +97	Flinders Resources	2	10 3-4	0.6		00 +58
Astro Mining Astro Mining NL	3	57-6 754-7		2.2		.82 1.19 .82 1.92	1.00 +12 1.00 +103	Fox Resources Fox Resources Ltd	38 38	75 2-1 20 0-8	7.0 19.0	4.0 +76 0.49 3.03 1.0 18.5 +3 0.49 1.97 1.0	00 +46 00 +6
Atlas Gold		20 2-9				.51 1.96	1.00 +18	Future Corporation	2	20 0-0 3 1-0	8.0		00 +450
Aurora Minerals		20 1-2				.52 2.21	1.00 +14	Future Corporation	2	3 0-3	0.1		00 +477
Aurox Resources Ausquest Ltd		20 2-5 20 1-6		8.6 2.7		.62 1.77 .79 2.14	1.00 +10 1.00 +63	Gaming & Entertainmen Gateway Mining NL	t 13 10	15 1-1 30 1-9	5.0 3.1		00 +49 00 +104
Aust Food & Fibre		32 1.1	6.3	6.4		.02 5.69	1.00 +5	Gippsland	13	9 2-7	5.0	7.8 -36 0.87 1.36 1.	
Aust Magnesium		25 0-2				.85 9.99	1.00 +999	Global Mining Invest		100 1-6	9.1	10.6 -14 0.17 5.77 1.0	
Aust Mining Investment Aust Pure Fruits		10 1-2 30 3-0				.62 3.96 .56 1.43	1.00 +165 1.00 +0	Golden State Petroleum Golden State Res.	5	65 1-7 10 2-1	4.0 2.1		00 +142 00 +59
Auth Investments		25 1-7				.06 1.81	1.00 +95	Golden Valley Mines	3	10 0-4	0.1		00 +999
Auth Investments		25 4-10		5.9		.06 1.22	1.00 +25			100 1.1	15.0	20.3 -26 0.16 4.89 1.0	
Autron Corporation Aviva Corporation		18 2-0 10 0-7				.41 2.53 .63 5.13	1.00 +20 1.00 +270	Goldsearch Great Australian Res	3 10	8 0-4 20 0-8	0.1 2.8		00 +999 00 +272
Ballarat Goldfields	22	15 0-4	7.2	7.0		.52 2.81	1.00 +10	Great Gold Mines	9	10 7-9	4.7	6.2 -24 0.64 1.25 1.0	00 +7
Barra Resources		20 1-3		4.8		.18 1.65	1.00 +65	Great Gold Mines	9	20 6-11	3.2		00 +15
Batavia Mining Berkeley Resources		20 1-4 20 1-6				.67 4.89 .69 2.59	1.00 +450 1.00 +76	Great Gold Mines Great Western Explor.	9 17	125 5-4 20 4-0	0.3 8.0		00 +64 00 +13
Biomd Ltd	7	20 2-3	0.9	1.0	-13 0	.68 2.33	1.00 +63	Hailian International	12	25 0-4	4.0	0.1 +999 0.70 6.73 1.0	00 +999
Biometrics Ltd		20 2-7 50 2-2		1.2		.75 2.04	1.00 +62 1.00 +77	Hannans Reward NL Helix Resources	16 14	20 0-10 25 0-6	2.1 0.7		00 +47 00 +262
Bionomics Ltd Biopharmica Ltd		20 2-2 20 2-1				.78 2.12	1.00 +77	Hill End Gold	8	25 0-8 25 0-1	0.7		00 +202 00 +999
Bioprospect	4	20 0-8	0.3	0.0 +	999 0	.76 5.59	1.00 +999	Hillgrove Resources	13	20 1-7	3.0	2.0 +54 0.53 2.87 1.	00 +43
Biosignal Ltd		20 1-7 50 1-1	4.6 2.0			.53 2.49 .53 5.09	1.00 +26 1.00 +181	Hunter Hall Global Value IM Medical	91 1	100 1-11 4 3-7	4.8 0.5		00 +8 00 +45
Biosignal Ltd Biotech Capital		55 1-5				.28 6.91	1.00 +181	latia Ltd	9	25 0-10	0.5		00 +45
Blaze International		10 2-1	2.0			.74 1.92	1.00 +38	Image Resources	38	25 1-3	12.0		00 -2
Boulder Steel Brandrill		20 0-6 10 0-4		9.4 3.3		.64 2.47 .62 1.49	1.00 -11 1.00 +219	Indigo Pacific Capital Jaquar Minerals	102 14	150 1-10 20 3-4	22.0 5.0		00 +33 00 +19
CBD Energy	17	2 1-8			-47 0		1.00 -28	Jindalee Resources	30	25 0-1	5.0		00 +22
CBD Energy		00 1-8				.50 5.58	1.00 +216	KLM Group	22	20 0.7	6.0		00 +33
CO2 Group CP1 Ltd		12 6-5 50 0-10				.66 1.15 .33 1.42	1.00 +1 1.00 -2		117 109	20 1-1 35 0-11	90.0 73.0	98.4 -9 0.84 1.18 1.1 75.8 -4 0.50 1.43 1.1	00 -6 00 -1
Cardia Technologies	4	10 2-7				.76 1.92	1.00 +53	Knights Insolvency	7	50 1-9	0.3	0.9 -68 1.08 2.03 1.0	00 +209
Carnarvon Petroleum Caspian Oil & Gas	2	6 1-7 10 0-0		0.3 0.3		.73 2.59 .73 2.59	1.00 +92 1.00 +999	LeFroy Resources Liberty Gold NL	15 19	25 0-10 20 2-0	3.0 5.0		00 +111 00 +16
Cazaly Resources		20 0-8				.73 2.39	1.00 + 41	M2M Corporation	0	20 2-0 2-0 20 4-9	0.2		00 +16 00 +130
Central Asia Gold		12 0-6				.52 1.22	1.00 -23	MFS Diversified Trust	91		0.1		00 +428
Cervantes Seafood Chameleon Mining		20 0-3 20 2-7				.61 9.99 .57 3.19	1.00 +999 1.00 +99	MFS Leveraged Inv Grp MGM Wireless	127 3	150 0-1 20 5-6	2.0 1.0		00 +763 00 +42
Chemeq Ltd		40 0-1				.96 9.99	1.00 +999	MMC Contrarian		100 0-1	0.1		00 +113
Chemgenex Pharm.		25 4-10				.47 2.12		Macmin Macmin Cilver	12	12 0-4	2.3		00 +69
Citrofresh International City Pacific		25 2-12 00 1-3		9.3 306.9		.16 1.28 .28 1.30	1.00 +29 1.00 +19	Macmin Silver Malachiti Resources	12 13	25 3-5 20 0-9	6.4 3.5		00 +33 00 +120
City Pacific		30 1-1		371.8	+26 0	.28 1.08	1.00 +23	Marengo Mining	14	20 2-9	4.2		00 +22
Clime Capital		00 0-7 55 0-7				.09 9.99	1.00 +4 1.00 +77	Marine Product Australia	a 10 4	20 0-8 20 0-1	2.5 0.1		00 +237 00 +999
Cockatoo Ridge Wines Colltech Australia		25 0-7 25 0-1				.26 9.99 .56 9.99	1.00 +77	Medical Monitors Medusa Mining Ltd	4 67	20 0-1	42.0	49.3 -15 0.60 1.33 1.0	
Commoditel Ltd	2	3 1.7	1.5	0.8	+95 1	.00 1.68	1.00 +67	Metallic Minerals	19	25 1-7	5.0	3.2 +58 0.50 2.86 1.0	00 +36
Conquest Mining Conquest Mining		20 0-1 20 1-7				.62 9.99 .62 2.48	1.00 +999 1.00 +49	Metex Resources Methanol Australia	3 13	10 1-4 25 0-4	0.9 0.1		00 +145 00 +709
Contango Microcap		20 1-7				.02 2.48	1.00 +21	Metroland Australia	19	25 0-4 26 4-0	3.0		00 +709
Cool or Cosy	35	20 3-0	21.0	20.5	+2 0	.52 1.53	1.00 +5	Midas Resources	7	25 1-6	1.2	0.1 +999 0.47 5.18 1.0	00 +132
Cougar Metals NL Crescent Gold		25 1-7 20 0-6				.67 3.09 .52 5.48	1.00 +124 1.00 +138	Millepede International Mindax Ltd	12 10	20 0-7 20 1-0	2.1 8.0		00 +185 00 +180
Crusader Holdings		20 0-0				.52 5.46	1.00 +138	Mineral Securities		115 2-8	8.6	17.1 -50 0.36 2.85 1.0	
Cryptome Pharmaceut			0.1			.87 9.99	1.00 +999	Minerals Commodities	12	30 2-1	2.1	1.5 +43 0.64 2.53 1.0	
D'Aguilar Gold DCA Group		20 0-10 35 0-4				.84 2.84 .21 3.60	1.00 +151 1.00 +4	Minerals Corporation Moby Oil & Gas	6 17	9 2-4 30 3-1	3.0 7.0	1.4 +115 0.51 2.37 1.0 5.7 +23 0.69 1.75 1.0	
Datafast Telecom.	1	3 0-1	0.1	0.0 +	999 0	.56 9.99	1.00 +999	Mokuti Mining Ltd	22	20 1-7	7.8	8.8 -12 0.70 1.85 1.0	00 +16
De Grey Mining Ltd		20 0-1				.56 5.28	1.00 +166	Molopo Australia	4 15	10 2-1	0.9	0.4 +100 0.64 2.56 1.	
Denx Ltd Diamond Ventures		60 0-5 10 1-1		0.0 + 2.1		.65 9.99 .70 2.36	1.00 +999 1.00 +39	Monarch Resources Monteray Group	15 1	20 1-2 1 3-7	6.1 0.5	5.0 +23 0.96 1.88 1.0 0.6 -12 0.75 1.41 1.0	00 +61 00 +12
Diamonex Ltd	25	20 1-1	10.0	8.1	+23 0	.49 2.44	1.00 +18	Mosaic Óil NL	18	23 0-4	2.8	0.5 +440 0.48 7.25 1.0	00 +220
Dromana Estate Eastern Corporation	24 1! 7	50 0-4 4 0-1	0.1			.75 9.99 .61 2.41	1.00 +999 1.00 +280	Moto Goldmines Mt Gibson Iron	41 65	28 1-0 22 0-5	20.0 44.0	17.3 +16 0.61 2.01 1. 43.0 +2 0.63 1.50 1.	
	1	+ 0-1	3.0	2.0	120 0	.01 2.41	1.00 7200		00	ZZ 0-0	44.0	TJ.U TZ U.UJ 1.0U 1.	JU +U

#### May 10, 2005.

5			Vr/Mth		Diaak	Ontion	Choro	Ontion	Ontions	Drook	
Company	Share Price	Exercis Price	Yr/Mth e to Expiry		Black- Scholes Valuation	Over/ Under∙	Share Vola- tility	Lever- age	Options to Buy 1 Share	Break- Even Rate	Company
NGM Resources	8	20	1-10	2.5	1.5	Valued +64	0.78	2 18	1.00	+75	Senetas C
NGM Resources Ltd	8	20	1.10	2.5	1.5		0.78		1.00	+75	Skywest L
Namakwa Diamond Co	14	20	1-4	3.0	1.7		0.51		1.00	+49	Solbec Ph
Navigator Resources	11	20	2.1	3.5	2.3		0.64		1.00	+44	Solbec Ph
Neptune Marine Serv	109	20	5-7		101.1		0.98		1.00	-0	Souls Priva
New Hope Corporation		45	3-3	60.0	76.2	-21		1.42	1.00	-2	Stirling Pro
New Horozon Energy	8	20	1-1	1.2	0.8	+53		2.80	1.00		Stratatel L
Nido Petroleum	6	2	0-1	3.8	4.1	-8	0.77	1.48	1.00	-45	Striker Res
Northwest Resources	24	20	2-8	18.0	9.4	+92	0.40	2.04	1.00	+19	Structural
Novera Energy	29	55	0-6	1.0	1.3	-24	0.76	4.23	1.00	+273	Style Plant
Nuenco NL	4	5	0-9	2.3	0.5	+329	0.64	3.29	1.00	+142	Sun Resou
Olea Australia	2	25	0-6	0.1	0.0	+999	0.80	8.56	1.00	+999	Sunnycove
Olympia Resources	20	25	1-1	5.0	3.6	+38	0.62	2.75	1.00	+49	Sylvannia
Open Telecommuication	า 41	2	0-8	0.1	39.6	-100			1.00	-99	Synergy N
Optum Health	0	1	1.1	0.1	0.0	+116	1.10	2.19	1.00	+232	Tasgold Lt
Orchid Capital	14	5	1-6	9.1	9.8		0.77		1.00	+0	Tasman R
ORT	7	20	2-9	1.1	1.4		0.69		1.00	+49	Tawana Re
ORT	7	10	2-9	3.5	2.7		0.69		1.00	+27	Tiger Reso
Oropa Ltd	2	5	2-7	0.9			0.58		1.00	+47	Tomahaw
Ottoman Energy	18	20	1-6	6.9	3.8		0.45		1.00	+31	Tox Free S
Pacific Magnesium Corp		5	1-6	0.1		+252			1.00		Transol Co
Paradigm Gold	6	25	2-12	1.5	0.8		0.67		1.00	+66	Trent Capi
Paramount Mining Corp		20	1.7	2.0	2.4		0.97		1.00	+77	Universal I
Pelican Resources	5		0.10	0.4		+999			1.00		Verus Inve
Peninsula Minerals	1	20	0.1	0.1		+999			1.00		Virax Hold
Perseus Mining	13 97	100	3-10 0-5	3.2	2.6 1.3	+22 -53	0.36	2.58	1.00	+16	Virax Hold
Peters MacGregor Inv	4	5	1.7	0.6 2.1	1.5 3.5		2.46		1.00 1.00	+9 +44	Visiomed ( Voyager E
Pharmanet Group Phosphagenics	33	20	4-0	17.0	20.2		0.55	1.42	1.00	+44	Vulcan Res
Platinum Australia	13	20	1-6	6.5			0.55		1.00	+61	WAM Capi
Polaris Metals NL	20	20	3-7	6.1	11.1		0.72		1.00	+8	Webspy Li
Precious Metals	18	200	0.6	0.2	0.3	-23		3.20	1.00		Wedgetail
Premier Bionics Ltd	25	20	1.7	10.0	8.9		0.45		1.00	+12	Westcoas
Prima Biomed	9	20	1.6	2.5			0.51		1.00	+79	Westonia I
Progen Industries	324	250	0-0	70.0	0.6	+999	0.44	3.68	1.00	-100	Wilson Lea
Proteome Systems	25	120	0-4	4.1	0.0	+999	0.57	9.99	1.00	+999	Yilgarn Go
Q-Mastor	11	25	0-7	0.3	0.0	+999	0.42	9.99	1.00	+317	Yilgarn Mir
QRScience Holdings	13	40	0-8	1.0	0.0	+999	0.58	7.24	1.00	+569	-
Quantum Resources	2	10	5-5	1.8	1.2	+54	1.07	1.23	1.00	+40	
Quantum Resources	2	5	7-6	0.8	1.5	-48	1.07	1.11	1.00	+16	
Ramelius Resources	14	20	2-7	3.5	7.6	-54		1.39	1.00	+22	
Range Resources	2	5	2-4	0.5	0.8	-39	1.00		1.00	+51	
Reefton Mining NL	7	10	4-6	3.0	5.0		0.93		1.00	+13	
Regis Resources	10	5	8-8	6.1	9.4		1.08		1.00	+1	
Regis Resources NL	10	20	6-11	5.2	8.2	-36	1.08		1.00	+14	
Republic Gold	13	25	1.6	3.0	2.1		0.73		1.00	+71	
Resolute Mining Ltd	106	80	0-1	25.0	25.7		0.46		1.00	-11	
Resonance Health	14	40	2-8	4.0	2.7		0.69		1.00	+55	
Resonance Health	14	15	1.8	6.8	4.9		0.69		1.00	+31	Company
Resources Mining	10	2	1.1	1.7	8.2		0.90		1.00	-60	company
Rimfire Pacific Mining	2	8	1-4	0.6		+999			1.00		
Ritract Ltd	32	75	1.7	6.0			0.53		1.00	+80	Forty Two
Riversdale Mining	42	20	0.3	24.0	22.4		0.87		1.00	+25	Forty Two
S8 Ltd	186	300	1.11	60.0		+205			1.00	+41	Dorcheste
SP Telecom.	167			160.0			0.38		1.00	+11	Dorcheste
Sandfire Resources NL Saracen Mineral Hold.	16	10	0-4	3.0	6.2 5.2		0.81		1.00	-41	Heritage C
Select Vaccines	8 36	10 20	8-1 3-0	2.0 21.5	5.2 22.5		0.55 0.61		1.00 1.00	+5 +5	Kingfish
	50	20	2-0	21.0	22.0	-4	0.01	1.40	1.00	+0	Salvus Str

								P	age 11	
			Yr/Mth		Black-	Option	Share	Option	Options Break	(-
Company		Exercise			Scholes	Over/	Vola-	Lever	to Buy Even	
	Price	Price	Expiry	Price	Valuation	Under- Valued	tility	age	1 Share Rate	
Senetas Corporation	26	8	0-0	16.0	19.9		0.79	1.62	1.00 -100	
Skywest Ltd	19	20	0-8	1.3	1.7	-25	0.30	5.76	1.00 +19	
Solbec Pharmaceuticals	5 10	20	0-4	1.9	0.0	+999	0.53	9.91	1.00 +950	
Solbec Pharmaceuticals		30	1-4	1.9		+897	0.53	4.48	1.00 +139	
Souls Private Equity	20	30	4-7	8.5	1.8	+385	0.18	4.45	1.00 +16	
Stirling Products	27	20	2-7	8.9	15.8	-44	0.78	1.43	1.00 +3	
Stratatel Limited	9	25	0-3	0.1	0.0	+999	0.63	9.99	1.00 +999	
Striker Resources	3	15	0-6	0.2	0.0	+999	0.37	9.99	1.00 +999	
Structural Monitoring	10	20	1.11	3.5	2.0	+71	0.70	2.22	1.00 +56	
Style Plantation	10	20	3-8	2.1	2.3	-9	0.51	2.15	1.00 +24	
Sun Resources NL	23	15	0-1	8.0	7.6	+5	0.64	2.93	1.00 +30	
Sunnycove Mgmt	98	150	4-0	18.0	25.4	-29	0.42	2.21	1.00 +14	
Sylvannia	45	20	0-1	23.0	25.1	-8	0.43	1.79	1.00 -42	
Synergy Metals	8	10	1-9	3.5	1.8	+91	0.60	2.30	1.00 +40	
Tasgold Ltd	9	20	2-6	3.6	1.8	+95	0.64	2.17	1.00 +47	
Tasman Resources	15	20	0-9	4.7	4.7	-1	1.23	1.86	1.00 +103	
Tawana Resources	90	75	0-6	26.0	20.0	+30	0.39	3.66	1.00 +26	
Tiger Resources	19	10	0-1	9.0	9.1	-1	0.98	2.08	1.00 +0	
Tomahawk Energy	85	20	3-7	65.0	71.8	-9	0.79	1.15	1.00 +0	
Tox Free Solutions	2	3	0-8	0.4	0.4	+4	0.97	2.46	1.00 +122	
Transol Corporation	21	25	1-0	8.1	5.2	+57	0.74	2.37	1.00 +58	
Trent Capital	75	125	4-0	2.7	9.5	-71	0.28	3.28	1.00 +14	
Universal Resources Ltd	1 15	20	0-2	0.4	0.0	+716	0.51	9.99	1.00 +999	
Verus Investments	25	20	1-1	6.0	9.7	-38	0.69	1.99	1.00 +4	
Virax Holdings	33	25	0-8	14.0	9.9	+42	0.51	2.72	1.00 +34	
Virax Holdings Ltd	33	50	0-7	7.4	1.1	+582	0.51	5.70	1.00 +186	
Visiomed Group	3	12	2-10	0.7	0.4	+63	0.69	2.21	1.00 +66	
Voyager Energy	21	25	0-10	5.1	2.4	+109	0.46	3.97	1.00 +54	
Vulcan Resources	25	25	0-7	4.5	6.9	-35	0.88	2.35	1.00 +33	
WAM Capital	141	155	0-1	0.1	0.0	+999	0.12	9.99	1.00 +881	
Webspy Ltd	4	8	1-0	0.3	1.3	-77	1.45	1.63	1.00 +131	
Wedgetail Exploration	4	5	0-7	0.7	0.4	+92	0.53	4.33	1.00 +84	
Westcoast Mining	6	20	1-5	1.6	0.1	+999	0.57	4.08	1.00 +150	
Westonia Mines Ltd	10	20	1-3	1.5	0.7	+109	0.57	3.51	1.00 +88	
Wilson Leaders	90	100	0-1	0.1	0.0	+999	0.12	9.99	1.00 +999	
Yilgarn Gold Ltd	2	10	0-0	0.1	0.0	+999	0.70	9.99	1.00 +999	
Yilgarn Mining	14	25	2-1	4.4	2.4	+83	0.59	2.44	1.00 +45	
-										

NZ Warrant / **Option Analysis** 

Company	Share	Exercis	Yr/Mth e to	Option	Black- Scholes	Option Over/	Share Vola-	Option Lever-	Options to Buy	Break- Even
	Price	Price	Expiry	Price	Valuation		tility	age	1 Share	Rate
						Valued				
Forty Two Below (05)	58	50	0-5	18.0	11.1	+61	0.37	4.2	1.00 +	+46%
Forty Two Below (06)	58	50	1-5	25.0	16.8	+49	0.37	2.7	1.00 +	-20%
Dorchester Pac (05)	230	170	0-4	73.0	64.0	+14	0.20	3.6	1.00 -	⊦18%
Dorchester Pac (06)	230	170	1-4	76.0	76.0	-0	0.20	2.9	1.00	+5%
Heritage Gold	10	7	2-0	5.1	5.8	-13	0.85	1.4	1.00 +	+10%
Kingfish	90	100	2-7	15.0	13.6	+11	0.18	4.4	1.00 -	⊦10%
Salvus Strategic	82	100	2-7	10.0	9.6	+4	0.19	4.6	1.00 +	⊦12%

# Warrant / Option Analysis

#### New Option

Aurox Resources (codes AXO and AXOO).

Aurox Resources is a *micro-cap* company currently evaluating a major mining project - so a successful outcome would probably have a significant impact upon the value of the shares. The company will complete the evaluation over the next 18-27 months - so the 20 October 2007 options (i.e. which expire in *29* months) to buy shares at 20 cents are an excellent way to (1) minimise our initial capital being put at risk, while (2) benefiting from the outcome of this evaluation *before* we need to exercise the options and invest further cash.

Aurox Resources listed on the Australian Stock

Exchange in October 2004 and had a few small Copper/ Gold mineral exploration interests. The issued capital is 24,740,747 shares and 13,148,000 options, giving the company a market capitalisation of about \$5.8 million. It has cash of about \$1.4 million.

What gives Aurox Resources its leveraged potential is an option to acquire the **Balla Balla** vanadiumtitanium-iron ore project which could produce 6000 tonnes of  $V_2O_5$  per annum for over 30 years. Exploration and testing in 1998-2001 produced a feasibility study indicating that high quality  $V_2O_5$  could be produced but the project was abandoned owing to a  $V_2O_5$  price below US\$9/kg.  $V_2O_5$  is currently (Continued on Page 12)

#### Page 11

#### Page 12

#### Warrant/Option Analysis (Continued from Page 11) worth around US\$83-95/kg.

Aurox Resources has paid \$200,000 for a 6-9 month option to review existing information about the Balla Balla project. The company may then choose to pay a further \$800,000 for a 12-18 months extension during which it would prepare a bank feasibility study and then have the option to purchase a 100% interest in the project for \$15 million (plus pay a 50 cents per tonne royalty on ore mined and processed). Aurox Resources must therefore evaluate this project within 18-27 months and decide whether to proceed or abandon the Balla Balla project before we need to decide whether or not to exercise the share options. This is clearly a very big project for a *very small* company, so if it is attractive to proceed the impact upon Aurox Resources' shares (and options) could be very great.

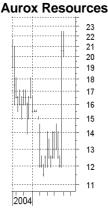
The options allow us to participate in this highly speculative situation with a much smaller initial investment. That is, we can buy options for around 51/2-6½ cents which puts at risk only about 30% of the capital needed to buy the shares at this time. Alternatively, an investment of \$1000 will buy around 15,000-18,000 options but only 4,880 shares. So-if this situation works out successfully for Aurox Resources - an investment in the options offers a much higher potential for profit!

There have been five insider buys in Aurox Resources since listing only seven months ago, including the purchase of 1,100,000 shares on-market at 21-211/2 cents last week.

#### Summary and Recommendation

Aurox Resources is a highly speculative situation but offers huge leverage - so there is potential for significant profits. This is a \$5.8 million company with an option to buy a major project for \$15 million that will then require massive capital expenditure but be capable of generating annual revenues of US\$550-600 million for 30 years. Clearly Aurox Resources is not in a position to proceed with this development, but a successful feasibility study would significantly increase the value of the project which could either be sold off to a major mining company or in which Aurox Resources could retain a very small, but very valuable interest.

Quite likely we could lose <u>all</u> of our investment in Aurox Resources - or the options could increase 5-100 fold in value. We certainly wouldn't "bet the farm" here (or on any option, or on any single share), but a very small holding could prove interesting!



#### **Review of Existing Options**

Biotech Capital (codes BTC and BTCOA). The good news here is that Biotech Capital has lifted its net asset value 6.0% to 51.3 cents over the last quarter - helped by its \$2.5 million investment in Phylogica which has a market value of \$5.8 million. The bad news is that the share price has weakened 21% to 33 cents.

The options (to buy shares at 55 cents on 10 October 2006) are down 52% to 2 cents. At this price the options are both significantly over-valued and the "break-even rate" is a difficult to achieve 49% per annum. So the options are likely to expire worthless in 17 months.

We are therefore recommending selling these options which will recover about one-fifth of the 9 cents we originally paid for them in November 2003. "Sell" to recover some value.

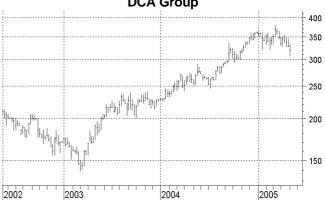
#### DCA Group (code DVC and DVCO).

Since we first reviewed these options in August 2003 the shares have appreciated 37% to 319 cents, resulting in a quadrupling of the value of our options! The final exercise/expiry date is 30 September 2005 so we need to review our intentions with this investment.

Over the last quarter the shares have dipped 10% to 319 cents and the more volatile options 28% to 88 cents.

DCA Group is a fine company, but we don't see any compelling reason to exercise our options and continue our investment as shareholders. The options were originally attractive as they offered high leverage (i.e. around 3.2 times) and a low break-even rate in a sound company that was performing well. We pointed out that "if the shares appreciate only 10% per annum then the options will be worth 45-50 cents" but "should the shares rise 20% per annum then the options will quadruple in value". The options have achieved those potential gains but the approaching final exercise/expiry date now limits the potential for further gains.

Therefore we recommend selling off the options over the next 31/2 months to realise the significant profit on this investment. Investors with a very small holding in DCA Group options may wish to wait until early September to allow time for further capital appreciation (although, of course, the share and option prices may decline if the general market remains weak). Investors with larger holdings should consider selling perhaps one-third of their options over each of the next three months to average the price received.



**DCA Group** 

#### May 10, 2005.

**Farsands Corporation** (code FCO and FCOO). Farsands Corporation has re-purchased 50,364,800 of its options (75.8%) but we did <u>not</u> participate in this buy back which leaves 16,065,200 options outstanding.

The company has acquired 66% of property and events management company **APP (WA)** which is "not a major acquisition" but "contracts with APP are expected to give rise to a solid contribution" to the group.

The options have 3½ years until their final exercise/ expiry date - so there is still plenty of time for the company to grow and potentially increase the value of its shares and options. The options are *fairly* priced at present, offer a high 2.50 times leverage but require the share price to appreciate at 17% per annum to "breakeven" (i.e. so a *higher* rate of gain is needed to increase the value of our options). These options are still a reasonably attractive "Buy".

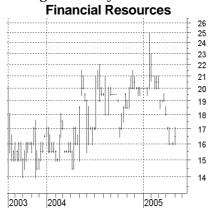
#### Financial Resources (codes FRL and FRLO).

This is a *very* small company that is seeking to build its finance business which mainly involves equipment leasing to mining companies. The business is profitable, earning a net profit of \$524,535 (0.34 cent per share) for the six months to December 2004.

In March the company issued a prospectus seeking to raise up to \$20 million from fixed interest investors. Achieving that additional level of borrowings will approximately double the size of the company's business.

The options have 3 years until their final exercise/ expiry date - so if the company can successfully grow its business over the next few years then the share price could increase significantly and multiply the value of our options many-fold in value. Of course, if on the other hand the company is unsuccessful and the share price stays below 20 cents then our options will eventually expire worthless. So while we seek the potential for significant gains, investments in individual company options can become completely without value.

The options are *fairly* valued, the leverage is 2.23 times and the break-even rate is 14%. Options are a particularly attractive way to invest in this type of *micro-cap* start-up business which is likely to either succeed or fail with a large percentage gain or loss in value of the shares over the next three years. The options are a high risk "Buy".



**Global Mining Investments** (code GMI and GMIO). The share price has dipped 10% to 97 cents over the last quarter, with the highly leveraged options down 35% to 9.1 cents. The options remain an attractive leveraged

investment in the further appreciation of global mining company shares over the next 18 months. The leverage is an extremely high 5.77 times, so if mining shares appreciate at a higher rate than 9% per annum (i.e. the "break-even" rate) then the options will soar in value. "Buy"

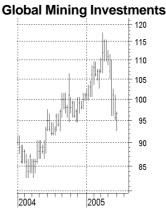
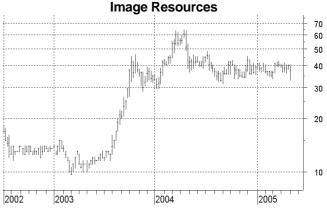


Image Resources (codes IMA and IMAO).

The Image Resources share price has risen 3% to 38 cents over the last quarter while the option price is up 4% to 12 cents.

The options offer a high leverage of 2.12 times and trade at a 25% discount to their *fair* value - but this is an extremely speculative mineral exploration company! So only a *small* investment in this company would be appropriate. There is, however, currently a very wide bid/offer spread of 9½-12 cents on the options - so investors should seek to make trades somewhere closer to the middle of those quotes.



#### Metroland Australia (code MTD and MTDO).

The Metroland Australia share price fell 16% over the last quarter to 18½ cents with the options down 33% to 3 cents! The options have 4 years until the final exercise/expiry date, are very *under-valued* at a 48% discount to *fair* value and still offer a high leverage of 2.02 times. The decline in the share price, however, has lifted the "break-even" rate from 8% to 12% - but that is still easily achievable.

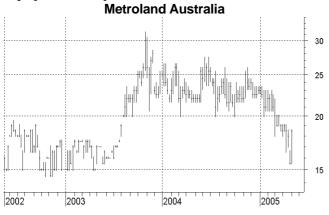
The company has sold out of its investment in the *Ridge* development, receiving around \$4.5 million. A heritage building at 16-20 Mountain Street, Ultimo, Brisbane has been acquired for \$8.45 million and this 4930m<sup>2</sup>, 4 story building will be converted to commercial spaces and student accommodation.

Property development is a high risk business - but can yield high returns. *(Continued on Page 14)* 

#### Page 14

**Warrant/Option Analysis** (Continued from Page 13) These options still have four years until their final exercise/expiry date, so if Metroland can build shareholders wealth over that period then option holders' wealth should soar.

This is an attractive leveraged investment, but like any option, can become worthless if the share price fails to climb above the exercise price (i.e. 26 cents) before the expiry date. "Buy".



**ORT** (code ORT and ORTO).

ORT continues to explore ways to finance the development of its business. The options are a speculative "Hold".

#### Orchid Capital (codes ORC and ORCO).

Orchid Capital options have been an extremely successful speculative investment over the last quarter. The shares are up 75% to 14 cents, with the options up a further 225% to 9.1 cents.

We originally reviewed Orchid Capital in August 2003 when the option price was just 0.8 cents - so this holding is up  $11\frac{1}{2}$ -fold in value!

The appreciation in the share price relates to its interest in a large copper, lead and molybdenum mineral project in Tibet. That project is still at an early stage - and will no doubt present a number of problems before any metal is extracted from the ground - so <u>investors should probably seek to sell 30-40% of this holding and realise part of this significant gain</u>.

<b>Total Ret</b>	urn Index f	for All Lis	ted Shares
Apr 11	2323.53	Apr 18	2225.64
Apr 12	2328.62	Apr 19	2245.57
Apr 13	2336.05	Apr 20	2248.95
Apr 14	2316.69	Apr 21	2232.81
Apr 15	2287.42	Apr 22	2244.88
Apr 25	Holiday	May 2	2222.66
Apr 26	2240.65	May 3	2222.33
Apr 27	2217.19	May 4	2225.26
Apr 28	2215.16	May 5	2210.53
Apr 29	2211.47	May 6	2210.40

PharmaNet Group (code PNO and PNOO).

PharmaNet Group has sold its **Medical Products Group** business to **Advance Healthcare** for \$600,000 in convertible notes paying 10% interest and converting to \$750,000 worth of Advance Healthcare ordinary shares (based upon the market value at conversion). PharmaNet has also received \$400,000 in cash from the repayment of loans, with further outstanding loans earning interest at 12% and repayable over the next four quarters (subject to achieving sales and margin targets). This improves the cash position of the company while it continues to seek to develop its business related to its Tripeptofen discovery.

The shares, however, have fallen significantly over the last quarter - down 43% to 4 cents. The options are down 46% to 2.1 cents. The decline in the share price has boosted the "break-even" rate from 19% to 44%. Normally we would consider that virtually unachievable, but this is an extremely volatile situation where just about anything is at least possible. So we rate the options a "Hold", although wouldn't buy more at the present time.

#### WAM Capital (WAM and WAMO).

The share price has declined 10% to 141 cents - which is below the option exercise price of 155 cents. The final exercise/expiry date for the options is 17 June, so unless the stockmarket jumps very strongly in the next few weeks - we shall let these options expire worthless next month.

### Dividends

			r
Cents per Share	Ex- Date	Pay- able	Tax Credit
2.15	16-05	01-05	0.3512
4.00	09-05	16-05	Full
2.00	30-05	10-06	Full
7.00	16-05	23-05	Nil
2.10	23-05	03-06	Nil
40.00	02-05	11-05	Full
5.50	30-05	10-06	Full
4.60	09-05	20-05	Nil
ustralian Shares			
3.50	07-03	24-06	
	Share 2.15 4.00 2.00 7.00 2.10 40.00 5.50 4.60 ustralian Shares	Share Date   3 2.15 16-05   4.00 09-05 2.00   2.00 30-05 7.00   7.00 16-05 2.10 23-05   40.00 02-05 5.50 30-05   4.60 09-05 ustralian Shares 09-05	Share Date able   5 2.15 16-05 01-05   4.00 09-05 16-05   2.00 30-05 10-06   7.00 16-05 23-05   2.10 23-05 03-06   40.00 02-05 11-05   5.50 30-05 10-06   4.60 09-05 20-05

### Next Issue

The next issue of *Market Analysis* will be posted in four weeks time on Tuesday June 7, 2005 (and delivered in most areas on Wednesday 8).

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