Twenty Five Years of Independent Information and Unbiased Advice on the Australian and NZ Stockmarkets

Market Analysis

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Inside Market Analysis

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Summary and Recommended Investment Strategy.

Our Forecasts for the Australian and New Zealand stockmarkets are just Neutral to slightly Bullish, but many shares offer good value and there are signs that smaller company shares are starting to recover. Remain fully invested.

Investment Outlook.

Over the medium to long term *smaller* company shares tend to outperform large company shares. There are several possible explanations for this: Large companies tend to be mature businesses, so smaller companies have greater long term growth potential. Or perhaps the reason is simply that large companies are widely followed and therefore fairly valued, while smaller company shares are often neglected and tend to be under-valued. If you pay less to buy a share (i.e. when it is under-valued) then your long term returns will be higher.

Smaller company shares, however, do not outperform larger company shares every year. In fact, NZ smaller company shares have just gone through a *four year* period when they have under-performed NZ larger company shares. The reason for this shorter term variance in performance is fairly apparent. The fortunes of smaller companies tend to be more closely tied to the domestic economy, while larger companies tend to have export markets and/or greater pricing power (e.g. Auckland Airport, Telecom, the power companies) so suffer less as the domestic economy slows.

Despite the poor performance of smaller company shares - a sector in which this newsletter often invests heavily - our *Recommended Portfolio* has far outperformed even the larger company indices over the last four years!

So smaller companies have under-performed over the last four years *anticipating* the *current* economic slowdown. As we have written over recent months, these shares now offer good value, should experience stronger profit growth when the economy eventually recovers and will probably outperform larger company shares over the next couple of years as the market *anticipates* the next economic upturn.

<u>There are clear signs that this recovery by smaller company shares has already started, with this sector strongly outperforming larger company shares over the last four months</u>.

<u>Stockmarket Forecasts</u>

	<u>One-Month</u>	<u>One-Year</u>
Australia:	**60%** (Neutral)	**55%** (Neutral)
New Zealand:	**65%** (Bullish)	**62%** (Bullish)

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	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A2 Corporation	D	10	8.20	NE	Nil
AMP Onyx Mgmt	B	114	5.71	15	6.5
AMP Limited	A	1080	1.48	22	3.4
AXA Asia Pac.	A	685	2.14	19	2.3
Abano Health.	C	125	0.44	18	Nil
Affco Holdings	E	37	0.19	9	2.7
Air New Zealand	C	112	0.30	6	6.7
Akd Int Airport	C	209	9.04	24	5.9
Allied Work.	A	174	0.61	15	8.6
Allied Farmers	C	255	0.54	14	6.1
Apple Fields	B	4.0	N/A	NE	Nil
Blis Technology	E	8.3	N/A	NE	Nil
Blue Chip Fin.	C	85	0.82	6	Nil
Botry-Zen Ltd	E	5.5	N/A	NE	Nil
Brierley Invest	D	151	3.19	16	2.7
Briscoe Group	B	158	0.97	13	7.1
Broadway Ind	C	78	0.37	16	6.4
CACI Group Ltd	C	34	0.49	7	Nil
CDL Investments	D	36	3.09	8	8.3
Cabletalk Group	D	37	0.32	11	8.1
Cadmus Tech Ltd	D	21	1.97	NE	Nil
Calan Hlthcare	C	129	N/A	19	6.6
CanWest Media.	D	133	1.20	23	7.1
Canty Bldg Soc.	C	404	1.16	10	5.5
Cavalier Corp	C	345	1.09	12	11.7
Cert Organics	E	4.5	2.03	NE	Nil
Charlie's Group	E	9.0	0.98	NE	Nil
Col Motor Co	C	298	0.21	11	11.0
Comvita	B	346	N/A	28	2.2
Connexion	D	38	4.59	NE	Nil
Contact Energy	C	720	3.25	29	5.2
Cynotech Hold.	E	10	0.98	8	7.5
Delegat's Group	C	205	N/A	NE	Nil
Dominion Fin.	B	145	2.87	10	7.8
Dorchester Pac	B	209	0.58	7	7.9
Eastern Hi-Fi	B	70	0.39	13	12.8
Ebos Group Ltd	B	525	0.52	16	6.1
Evergreen	D	32	1.52	NE	Nil
F & P Appliance	B	462	1.01	19	5.8
F & P Health.	B	431	6.77	31	4.3
Feltex Ltd	D	11	0.05	1	82.9
Finzsoft Sol'ns	C	100	1.05	16	Nil
Fletcher Build.	B	864	0.86	12	5.5
Forty Two Below	E	55	N/A	NE	Nil
Freightways Ltd	B	370	1.85	20	7.0
GDC Communicat.	E	1.0	0.01	NE	Nil
Genesis Res.	E	26	2.62	NE	Nil
Guinness Peat	C	263	0.88	11	1.0
Gullivers Trv.	A	238	0.39	31	3.5
Hallenstein G.	C	496	1.58	15	9.0
Hellaby Hold.	C	505	0.64	12	11.5
Heritage Gold *	N/R	6.0	N/A	NE	Nil
Hirequip NZ Ltd	C	122	1.41	15	4.6
Horizon Energy	C	400	3.60	19	7.1
ING Property	C	122	9.38	15	8.2

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
Infratil NZ	D	437	3.18	NE	4.3
Jasons Media	D	50	0.71	16	Nil
Just Water Int.	C	110	3.61	24	4.4
KidiCorp	D	19	1.05	22	Nil
Kingfish Ltd	A	131	3.27	4	2.8
Kirkcaldie & St	C	245	0.56	20	4.9
Kiwi Property	B	139	N/A	14	6.5
Life Pharmacy	D	85	3.99	22	4.8
Lion Nathan Ltd	C	985	2.69	22	3.5
Livestock Imp.	B	156	0.46	7	15.7
Loan & Building	A	432	1.38	17	5.2
Lombard Group	E	2.2	1.88	22	Nil
Lyttelton Port	C	202	3.10	17	8.1
MDSnews	E	0.3	N/A	NE	Nil
MG Property Trt	C	128	N/A	19	7.7
Mainfreight Grp	A	605	0.66	20	3.0
Media Tech.	D	6.0	0.29	NE	Nil
Methven Limited	A	161	1.42	12	8.5
Metro. LifeCare	A	615	N/A	25	0.4
Michael Hill	C	770	1.09	18	4.5
Mid-Cap Index	C	295	N/A	NE	Nil
Mike Pero Mort.	C	108	2.04	17	8.3
Millennium & C.	C	60	1.22	8	5.2
Mooring Systems	D	430	N/A	NE	Nil
Mowbray Collect	D	155	3.66	NE	Nil
Mr Chips Hold	D	100	0.57	82	Nil
NZ Experience	D	26	1.16	12	11.5
NZ Exchange Ltd	A	560	6.84	30	6.7
NZ Finance Hold	B	165	5.23	33	1.1
NZ Invest Trust	B	936	N/A	NE	0.9
NZ Oil and Gas *	N/R	97	N/A	NE	Nil
NZ Refining Co	B	712	4.68	12	6.8
NZ Wine Company	B	216	1.98	18	4.8
NZ Windfarms	D	128	N/A	NE	Nil
NZ Wool Service	C	58	0.34	41	2.6
NZSX 10 Fund	E	115	N/A	NE	Nil
NZSX 50 Port.	D	178	N/A	NE	Nil
NZX Aust MidCap	D	615	N/A	NE	Nil
Nat Property Tr	C	71	4.71	17	5.8
New Image Group	C	13	3.66	NE	Nil
Northland Port	B	295	N/A	16	5.1
Nuplex Indust	A	648	0.53	17	6.1
Opio Forestry	D	91	N/A	38	Nil
Oyster Bay	C	230	2.89	39	4.3
Ozzy (Tortis)	D	328	N/A	NE	Nil
PGG Wrightsons	C	188	0.69	12	7.1
POD Ltd	C	45	0.17	4	10.0
Pac Edge Bio.	E	18	N/A	NE	Nil
Pacific Retail	E	155	0.16	NE	Nil
Plus SMS Hold.	E	46	N/A	NE	Nil
Port Tauranga	B	515	4.74	21	5.8
Postie Plus Grp	C	81	0.28	19	5.5
Property F Ind.	B	129	N/A	20	6.5
Propertyfinance	C	120	N/A	NE	Nil
Provenco Group	C	90	0.79	11	5.0

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
Pumpkin Patch	B	419	2.49	28	2.8
Pyne Gould Corp	B	420	0.89	11	6.4
Rakon Ltd	B	313	4.47	69	Nil
Renaissance	C	136	0.34	10	11.0
Restaurant Brds	D	123	0.38	11	12.1
Richina Pacific	E	42	0.08	NE	Nil
Rubicon Limited	E	94	0.58	NE	Nil
Ryman Health.	A	860	6.02	25	2.0
Salvus Strat.	C	79	9.45	17	3.8
Sanford Limited	C	505	1.29	16	6.5
Satara Co-op	D	132	0.68	NE	3.4
Savoy Equities	E	2.0	N/A	67	Nil
Scott Tech. Ltd	C	230	1.42	NE	2.6
Sealegs Corp	D	19	3.86	NE	Nil
Seeka Kiwifruit	B	395	0.48	11	7.6
Skellerup Hold.	B	131	1.11	10	8.0
Sky City Ltd	B	542	3.31	22	6.6
Sky Network TV	D	580	4.61	22	Nil
Smartpay NZ Ltd	C	6.6	N/A	NE	Nil
Smiths City	C	65	0.14	6	8.5
Software of Exc	C	133	1.39	NE	Nil
Sol. Dynamics	D	60	0.45	NE	Nil
South Port NZ	B	162	3.15	22	6.0
Speirs Group	B	116	0.27	14	9.0
Steel & Tube	B	455	0.91	11	10.5
Sthn Travel	B	46	0.15	5	20.8
Summit Gold Ltd*	N/R	193	N/A	NE	Nil
Tag Pacific Ltd	D	37	0.42	8	1.5
Taylors Grp Ltd	B	170	0.63	12	11.4
TeamTalk Ltd	C	280	2.81	18	9.6
Telecom Corp	C	410	1.39	9	14.0
Tenon Ltd	D	336	0.56	8	Nil
Toll NZ Ltd	C	315	0.97	16	Nil
Tourism Hold.	B	180	0.99	17	9.1
Tower Limited	B	338	1.07	12	Nil
Training Sol.	E	25	0.50	NE	Nil
Trans-Tasman	D	54	4.13	92	Nil
Trust Power Ltd	C	700	3.25	27	4.9
Turners & Grow.	C	258	0.39	15	Nil
Turners Auction	C	170	0.59	9	12.3
Utilico Int'l	E	36	2.32	NE	Nil
VTL Group Ltd	C	74	0.78	11	4.5
Vector Ltd	E	240	2.07	44	Nil
Viking Capital	E	28	N/A	NE	Nil
WN Drive Tech.	D	45	N/A	NE	Nil
Wakefield Hlth	A	780	2.15	32	2.7
Warehouse Group	B	470	0.65	37	4.6
Waste Mgmt NZ	A	862	3.43	28	5.3
Widespread Port*	N/R	2.0	3.17	4	Nil
Windflow Tech.	D	254	N/A	NE	Nil
Wool Equities	E	50	0.54	NE	Nil
World Index Fd	D	145	N/A	NE	Nil
Zintel Comm.	D	66	0.82	10	7.9
Ave of 163 Cos	C	229	0.49	18	4.4

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
ABC Learning	B	603	5.16	29	1.8
AMP Ltd	B	875	1.36	20	3.7
ANZ Bank	B	2565	5.02	33	3.9
APN News Media	A	487	1.71	16	5.0
AWB Limited	B	366	0.24	8	7.9
AXA Asia Pac	B	627	2.22	20	2.2
Adelaide Bank	A	1300	0.87	15	4.5
Adelaide Bright	B	248	1.87	15	6.5
Alinta Limited	B	1062	2.60	27	4.1
Allco Finance	A	1172	N/A	39	2.6
Alumina Ltd	B	633	N/A	23	3.2
Amcor Ltd	B	655	0.52	13	5.2
Ansell Ltd	B	838	1.21	NE	1.7
Aquarius Plat.	A	2265	8.33	89	0.4
Argo Investment	A	718	N/A	32	2.9
Aristocrat Leis	B	1169	4.18	23	2.6
Aust Stock Exch	A	3107	N/A	29	3.1
Aust Foundation	A	473	N/A	25	3.6
Aust Gas Light	B	1897	1.76	10	3.3
Aust Pipeline	A	417	3.08	17	5.4
Aust W'wide Exp	C	330	N/A	NE	Nil
Australand Prop	B	174	1.00	8	9.5
Austar United	B	130	3.42	27	Nil
B & B Infrastr.	C	150	3.39	NE	7.2
BHP Billiton	B	2766	2.35	12	1.3
Babcock & Brown	A	1880	5.21	24	0.8
Bank of Q'land	B	1370	1.62	15	3.5
Bendigo Bank	B	1200	1.78	18	3.3
Billabong Int'l	B	1328	3.22	22	2.9
Bluescope Steel	B	678	0.60	5	6.2
Boral Limited	C	738	0.98	11	4.6
Brambles Ind.	B	1071	2.32	59	0.9
Brickworks Ltd	C	1210	2.84	8	2.6
Burns Philp	C	96	0.77	25	2.4
C'wth Prop Off.	C	141	8.27	16	6.9
C.S.R. Ltd	C	324	1.03	10	4.6
CSL Limited	B	5125	2.97	32	0.9
Caltex Austrlia	A	2444	0.40	11	1.9
Centro Property	B	709	N/A	24	4.7
Chal Financial	B	293	1.73	14	1.7
Coal & Allied	A	8100	4.74	24	2.8
Coates Hire	B	606	2.35	21	2.5
CocaCola Amatil	C	670	1.21	16	4.7
Cochlear Ltd	B	5085	7.92	51	1.6
Coles Myer	B	1072	0.37	21	3.1
Com'wealth Bank	B	4586	3.41	23	4.0
Computershare	B	761	4.05	45	1.4
CuDeco Ltd	C	315	N/A	NE	Nil
DB Rreef Trust	A	155	4.09	19	6.8

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
DCA Group Ltd	B	235	1.46	60	3.0
David Jones	B	304	0.72	17	4.3
Deutsche Div Tr	C	131	6.10	14	7.1
Div. Utility	B	258	1.41	18	8.5
Downer EDI Ltd	B	745	0.57	21	2.4
Energy Resource	B	1101	7.89	52	1.5
Excel Coal Ltd	A	874	4.82	18	2.7
Fairfax (John)	B	399	1.96	14	4.6
Flight Centre	B	1143	1.20	19	4.4
Fortescue Metal	C	1035	N/A	NE	Nil
Foster's Group	C	535	2.70	11	3.7
Futuris Corp.	C	198	0.41	14	4.5
GPT Group	B	452	7.71	15	5.4
Gandel R. (CFS)	B	194	N/A	19	5.4
Guinness Peat	B	211	0.73	9	1.1
Harvey Norman	B	320	2.63	20	2.0
Henderson Group	B	195	1.95	11	1.7
ING Indust Trt	B	214	N/A	16	6.9
ING Office Fund	B	145	7.96	14	7.1
Iluka Resources	B	666	1.55	12	3.3
Incitec Pivot	B	2522	1.36	NE	0.6
Insurance Aust.	B	521	1.07	NE	5.1
Investa Prop.	B	228	3.50	15	7.2
James Hardie	C	674	1.61	11	1.5
Jubilee Mines	B	848	4.61	14	5.3
Leighton Hold	B	1782	0.76	24	2.8
Lend Lease Corp	B	1416	0.59	27	4.0
Lihir Gold	C	295	9.39	NE	Nil
Lionore Mining	B	731	2.81	15	Nil
Macquaries C&I	B	611	3.91	NE	4.7
Macquarie Good.	A	605	N/A	NE	2.9
Macquarie Air.	B	302	3.45	7	6.6
Macquarie Off.	B	137	N/A	18	7.8
Macquarie Infra	C	276	1.36	7	28.1
Macquarie Bank	B	6020	3.33	16	3.6
Macquarie C'Wde	B	184	9.76	18	8.0
Milton Corp.	A	2033	N/A	24	3.4
Minara Resource	A	267	3.44	29	1.9
Mirvac Group	B	423	2.52	15	8.0
Multiplex Group	B	355	0.72	35	8.4
Nat'l Aust Bank	B	3580	1.63	14	4.6
New Hope Corp.	B	130	4.34	18	2.3
Newcrest Mining	B	1910	6.32	46	0.3
News Corp.	A	2588	2.68	30	0.6
Nufarm Limited	C	942	0.90	15	2.8
Oil Search Ltd	A	397	4.96	16	1.7
Onesteel Ltd	C	390	0.56	17	3.5
Orica Ltd	B	2270	1.18	26	3.1
Origin Energy	A	720	1.16	21	2.1

	Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
Oxiana Ltd	A	304	N/A	52	0.3
Pacific Brands	B	229	0.75	19	6.6
Paladin Res.	C	458	N/A	NE	Nil
Paperlin X Ltd	B	335	0.20	9	7.6
Perpetual Ltd	A	6780	6.29	23	3.8
Primary Health	B	1150	6.71	49	2.2
Promina Group	B	541	1.41	11	4.3
Publishing & Br	B	1681	3.22	24	3.1
Q.B.E. Insur.	B	2140	1.35	15	3.3
Qantas Airways	C	303	0.45	8	6.6
Ramsay Health	B	943	1.11	53	2.1
Reece Australia	B	1540	1.52	20	2.5
Rinker Group	C	1318	1.81	12	2.9
Rio Tinto Ltd	C	7450	5.38	27	1.4
Rural Press Ltd	B	1042	2.17	11	4.1
SP Ausnet	B	130	3.58	8	2.5
Santos Ltd	B	1147	2.64	9	3.3
Seek Ltd	B	461	N/A	67	0.2
Seven Network	C	899	1.57	21	2.6
Sigma Pharm.	C	226	0.99	30	3.0
Sims Group Ltd	B	1920	0.68	9	7.3
Smorgon Steel	B	170	0.50	17	5.0
Sonic Health	C	1230	2.44	44	1.9
Soul Pattinson	B	780	1.46	4	3.2
St George Bank	B	2892	2.61	17	4.7
Stockland	B	682	5.11	22	6.9
Suncorp-Metway	B	1953	1.55	13	4.5
Symbion Health	B	299	0.49	24	3.7
Tabcorp Holding	B	1508	1.92	22	5.4
Tattersall's	D	275	9.49	NE	Nil
Telstra	B	388	2.16	11	7.2
Ten Network	B	269	1.12	11	8.0
Toll Holdings	A	1380	1.17	21	1.9
Transfield Serv	A	864	0.91	34	2.3
TransPacific In	C	676	2.80	59	Nil
Transurban Grp	C	714	N/A	NE	4.9
UNiTAB Ltd	B	1431	3.42	31	3.2
United Group	B	1346	1.24	37	2.2
Virgin Blue	B	160	0.99	15	10.4
Wesfarmers Ltd	B	3420	1.58	21	5.3
West Aust News	B	865	4.56	26	5.8
Westpac Banking	B	2234	2.46	15	3.8
Westfield Group	B	1835	4.62	8	5.8
Woodside Petrol	A	4170	N/A	25	1.4
Woolworths Ltd	A	1902	0.64	26	2.7
Worley Group	A	1972	3.23	70	1.0
Zimplats Hold.	B	1000	7.25	43	Nil
Zinifex Ltd	B	1019	2.62	21	0.4
Ave of 1712 Cos	C	211	0.23	25	1.7

Recommended Investments

CDL Investments lifted revenues 27.0% to $11.7 million for the six months to 30 June. Profits were 22.1% higher at $3,797,000 (1.8 cents per share) and there was a cash operating surplus of $4.0 million.

58 sections were sold in the period, down from 66 in the first half of 2005 and 77 in the first half of 2004. The company reports "an oversupply of sections in some areas and market segments", a "current downward market cycle" and difficult trading conditions. Nevertheless, CDL Investments has continued to trade profitably despite the decline in the *number* of sections sold over the last two years. The company remains "confident we can deliver another positive result for 2006".

The company holds conditional contracts to acquire two adjoining sites in Christchurch with a total area of 24.81 hectares.

Historically CDL Investments has focused on the *residential* market but to "further maximise returns on our land assets" has undertaken a feasibility study on "a number of options" for unspecified "diversification and investment".

Renaissance Corporation reports revenues up 11.4% to $77.5 million for the six months to 30 June, with profits up 18.5% to $2,293,000 (5.9 cents per share). The interim dividend will be 12.5% higher at 4.5 cents per share (plus full imputation tax credits).

The company produced a cash operating *deficit* of $4.6 million - mainly owing to *(Continued on Page 4)*

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Initial Recommendation Price	Performance Forecast	Issued Shares (mil.)	Volatility Ratio	Price/Sales Ratio	Price/Earnings Ratio	Gross Dividend Yield	Recent Share Price	Cash Dividends Rec'd	Total Return %
	NZ Shares												
HOLD	CDL Investments Ltd	CDI	12/01/99	25	D	210.6	1.5	3.09	8	8.3	36	13.3	+97%
BUY	Cavalier Corporation	CAV	05/12/95	156*	C	65.5	0.5	1.09	12	11.7	345	178.0	+235%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	C	27.9	0.5	0.21	11	11.0	298	292.8	+294%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	C	102.3	0.7	3.10	17	8.1	202	54.3	+71%
BUY	Michael Hill Int'l Ltd	MHI	11/06/91	46*	C	38.7	0.4	1.09	18	4.5	770	182.0	+1969%
HOLD+	Nuplex Industries Ltd	NPX	11/02/97	350	A	76.7	0.5	0.53	17	6.1	648	141.5	+126%
BUY	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.0	0.28	19	5.5	81	Nil	+14%
BUY	Renaissance Corp	RNS	13/08/96	85*	C	38.5	0.8	0.34	10	11.0	136	35.9	+102%
HOLD	Richina Pacific	RPL	03/11/95	94*	E	151.2	1.4	0.08	NE	Nil	42	11.4	-43%
HOLD	South Port New Zealand	SPN	13/02/96	120	B	26.2	0.7	3.15	22	6.0	162	84.3	+105%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	B	88.1	0.5	0.91	11	10.5	455	147.0	+312%
HOLD+	Taylors Group Ltd	TAY	09/11/99	102	B	24.3	0.7	0.63	12	11.4	170	56.0	+122%
	Australian Shares (in Aust cents)												
HOLD	AJ Lucas Group	AJL	13/05/03	120	D	51.6	1.0	0.56	NE	4.3	81	20.5	-15%
BUY	Atlas Pacific Ltd	ATP	14/05/96	73	B	87.8	1.5	2.68	14	3.2	31	9.5	-45%
HOLD	Austin Group Ltd	ATG	08/02/05	93	B	62.2	1.5	0.34	5	18.2	33	7.0	-57%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	B	51.0	0.4	1.75	26	2.8	1799	192.6	+391%
BUY	Candle Australia	CND	08/04/03	86	B	45.9	0.7	0.65	21	3.5	329	31.5	+319%
BUY	Cellnet Group Ltd	CLT	12/02/02	152	C	51.5	1.0	0.11	38	Nil	118	31.5	-2%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	B	268.5	0.5	1.46	19	3.7	352	19.0	+430%
BUY	Circadian Technologies	CIR	10/02/04	188	D	40.1	1.0	1.02	NE	Nil	120	65.0	-2%
HOLD	Commander Comm.	CDR	11/09/01	92	B	170.2	0.9	0.52	13	3.2	188	17.2	+122%
BUY	Computershare Ltd	CPU	12/08/03	189	B	594.9	0.6	4.05	45	1.4	761	27.5	+317%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	61.2	1.4	1.36	NE	Nil	63	Nil	+29%
HOLD+	Int'l AllSports	IAS	11/02/03	180	D	66.4	1.7	0.03	NE	Nil	30	4.0	-81%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	B	232.9	0.6	1.55	12	3.3	666	34.0	+49%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	C	81.6	1.2	0.56	12	Nil	96	Nil	-22%
HOLD+	LongReach Group Ltd	LRX	11/01/05	23½	B	175.1	4.1	0.58	7	Nil	5	Nil	-80%
BUY	Melbourne IT	MLB	10/02/04	53	B	54.3	0.7	1.40	19	4.0	186	15.0	+279%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	392.4	1.0	2.23	22	3.0	93	6.3	+18%
BUY	Namoi Cotton Co-op Ltd	NAM	14/03/06	65	C	112.7	1.1	0.21	5	10.1	65	3.5	+5%
HOLD	Ross Human Directions	RHD	14/08/01	92	B	81.7	1.3	0.10	7	9.0	45	23.0	-27%
HOLD	Skilled Engineering	SKE	12/03/02	126	B	100.5	0.5	0.55	35	3.5	460	64.5	+316%
HOLD	Sonnet Corporation	SNN	07/09/04	31½	C	137.3	3.6	0.22	3	25.9	6	3.0	-73%
HOLD+	Technology One Ltd	TNE	11/11/03	44	C	299.4	1.2	3.59	20	4.6	67	7.4	+69%
HOLD+	The Reject Shop Ltd	TRS	11/01/05	257	A	25.1	0.7	0.79	23	2.7	639	30.0	+160%
HOLD	UXC Limited	UXC	11/01/00	55*	B	161.4	0.9	0.73	15	5.0	110	32.0	+158%
BUY	Vision Systems Ltd	VSL	10/11/98	54*	A	179.4	0.9	2.11	57	2.7	156	26.9	+239%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +159.3%. This is equal to an average annual rate of +29.8%, based upon the length of time each position has been held.

The average annual rate of gain of ALL recommendations (both the 37 current and 133 closed out) is +32.3%, compared with a market gain of +8.8% (by the SRC Total Return Index).

CURRENT ADVICE is either Buy, Hold+, Hold, Hold- or Sell. Hold+ indicates the most attractive shares not rated as Buy. Hold- indicates relatively less attractive issues.

* Initial Recommendation Prices adjusted for Share Splits, Bonus and Cash Issues.

Recommended Investments *(Cont'd from Page 3)*

a large decline in creditors.

Renaissance Corporation sees its competitive advantage in its "ability to manage brands", "warehousing and distribution" and "expertise in systems, particularly online transactional systems". It has expanded its IT brands to include products from **Canon**, **Tandberg**, **Foundry** and **Allot** - and it is also looking to expand into non-IT durable goods, including *own brand* products.

Renaissance Corporation is continuing to forecast an "approximately 20%" increase in profits for the full year to December 2006.

Australian Shares

(This section is in Australian currency, unless stated.)

AJ Lucas Group has acquired **McDermott Drilling Pty**, a 35 year old business with "substantial experience and expertise in vertical and surface to inseam drilling" for coal mining, coal methane and other industries.

Campbell Brothers has acquired Swedish based **Analytica AB** for $25 million in cash (plus a future payment of up to $3 million based on performance to 2009). The company has two laboratories in Sweden, plus customer service centres in Norway and Denmark and customers throughout Europe. This acquisition, plus last year's purchase of **Ecochem** in the Czech Republic, "provides the depth of management and technical staff" to further grow the business in Europe where it will "now concentrate on organic expansion", but perhaps with "some small acquisitions".

Analytica is mainly involved in environmental testing with "world renowned abilities in analyzing ultra low trace levels of metals in seawater, waste water, potable water and geological materials". This technology will be transferred throughout the group's laboratories "in other geographic regions to sell these capabilities to a global market". This is the type of benefit that gives Campbell Brothers a major competitive advantage in the Laboratory Services business.

The Laboratory Services division now has about 45% of its revenues from assays and chemical analysis and around 50% from environmental services. The division has a 30% global market share in mineral analysis but only 1% in environmental work - so there is still excellent potential for expansion!

Campbell Brothers reports that "strong market conditions have continued into the first quarter" of the current financial year and predict that the half year profit to September 2006 will be 40-50% higher than last year. The company does warn, however, that "demand for our services can vary significantly on a month to month basis".

Campbell Brothers has increased its holding in **CCI Holdings** from 9.99% to 11.14% through on-market purchases at 31 cents.

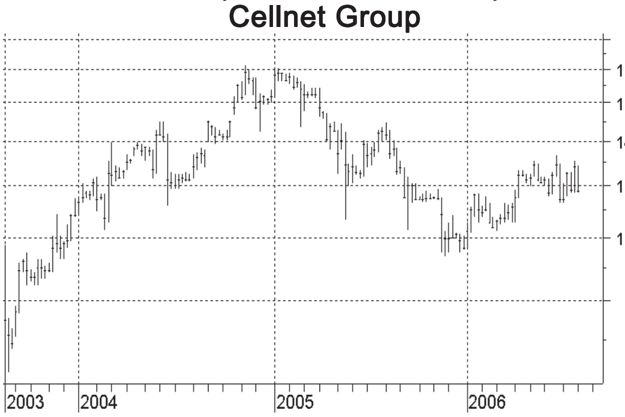
Campbell Brothers shares have quadrupled in value over the last three years, but market conditions remain favourable, the Laboratory Services business has a strong competitive advantage and growing economies of scale as it expands. So we continue to rate the shares a strong "Hold+" and are in no hurry to realise profits.

Cellnet Group has briefly reported for the year to 30 June. Revenues rose 7% to $560 million but, as expected, profits fell 76% to $1.6 million (about 3 cents per share). Most importantly the restructuring and stock reduction has produced a cash operating surplus of $33 million - compared with a *deficit* last year of $18 million which lifted interest bearing debt to dangerously high levels.

In July Cellnet Group reduced its stock levels by a further $18 million, with **Telecom NZ** taking over ownership of inventory under the extended distribution agreement.

Cellnet Group has yet to publish the full details of this result which will require further analysis to determine the company's improved financial situation. The company, however, states that its balance sheet and working capital situation are "now in excellent shape" and it is "well advanced in its review of potential acquisition targets" which can be funded from "existing funds and new debt".

This result and comments indicate that the company has successfully restructured and is now in a position to seek growth in the business. The shares appear to be in the early stages of a new uptrend, with a Relative Strength rating of +3.3%, ranked 33, so we rate them a "Buy" for both capital appreciation and a high income as dividends are likely to be re-instated this year.



Centennial Coal has downgraded its profit forecast for the year to 30 June 2006 from $20-26 million to $16-17.5 million, owing to delays at *Newstan* (which suffered a pre-tax loss of $48 million for the year) and localised poor roof conditions at *Tahmoor*. This level of profitability is extremely low, but should improve significantly next year so the company plans to maintain its final dividend at 7.0 cents.

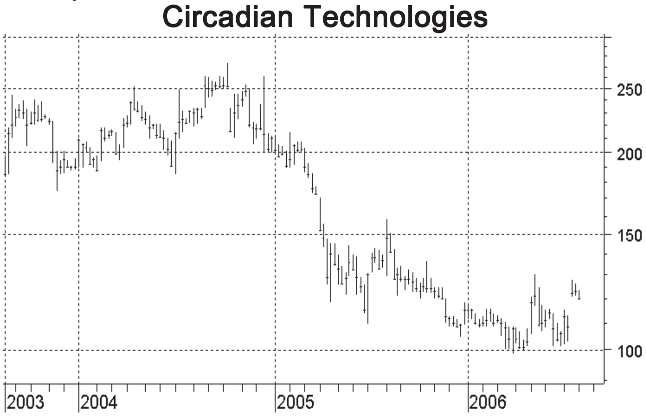
Centennial Coal announced a strategic review of its ownership of the *Newstan* and several other smaller mines in February. After receiving indicative bids, the company has selected a short list of bidders who are currently conducting due diligence. Final bids are expected before the end of September, when a decision regarding this sale - estimated at around $200 million - will be made.

Circadian Technologies owns 22.8% (about 28.5 million shares) of listed **Zenyth Therapeutics** which is to be acquired by **CSL** via a scheme of arrangement. Under this scheme Zenith Therapeutics' shareholders will receive 86 cents cash per share plus the distribution of listed **Avexa** shares held by Zenith Therapeutics. This will be approximately one Avexa share for every six Zenith shares.

So Circadian Technologies will receive around $24.5 million in cash plus 4.75 million Avexa shares. This takeover offers a premium of about 80% over market value, boosting Circadian Technologies' net asset value by around $12 million or about 30 cents per share.

Circadian Technologies' direct holding in Avexa will rise from 19.4 million shares (13.9% of the company) to around 24.2 million shares (17.3%), while its cash holding will increase from about $18.5 million to $43 million (107 cents per share).

We are upgrading Circadian Technologies shares to a "Buy".



International All Sports' cash flow report shows June quarter receipts up 35.0% to $244.7 million compared with the same quarter of 2005. Receipts for the full year are up 48.3% to $872.2 million. There was also an annual net cash surplus of $6.3 million, compared with a cash *deficit* of $1.0 million in 2005.

The company also reports "continued increase in client receipts and trading turnover" and "trading profits" contributing to its "strong cash reserves" of $29.6 million.

Keycorp had downgraded its earnings (before interest, depreciation and tax) for the year ended 30 June 2006 from $10-13 million to $9.5 million.

Smartcard sales were weak for the quarter, although the company has been working on EMV and government ID projects which should contribute to revenues and profits in the new financial year (i.e. to June 2007) and beyond.

In late July the company signed a $14.4 million, six-year contract to provide managed payment services for the **Bank of Queensland**. Keycorp will acquire all of the EFTPOS terminals used by the bank's merchant customers and progressively replace them with new terminals and software. Keycorp is also seeking to finalise a third contract of this type before the end of 2006.

Keycorp has settled a tax dispute relating to a Research & Development syndicate established in 1994. Keycorp will pay $3,220,000 which is at the lower end of a potential liability of up to $15 million. Keycorp will now claim against the parties who provided legal advice for the 1994 syndicate.

LongReach Group and **Allied Technologies** have adjusted the terms of their merger, with the new terms being slightly less favourable for the LongReach Group investors. Allied Technologies will now issue one share for every 3 LongReach Group shares, instead of for every 2½ shares. It will also issue one convertible note for every 3 LongReach Group notes, with the conversion price increased from 30 cents to 36 cents.

Effectively, LongReach Group is paying 20% more to acquire cashed up Allied Technologies, with the reverse takeover consolidating every three shares into one new share (and three notes into one new note).

M.Y.O.B. has acquired New Zealand based **Comacc** for $7 million. Comacc is a supplier of payroll management solutions for small and medium sized businesses. The company generates annual revenues in excess of NZ$5 million and earnings (before interest, depreciation and tax) of around NZ$2 million - making this a reasonably attractively priced acquisition.

Namoi Cotton Co-operative expects the Australian cotton crop to be around 10% lower this year but to gin around 795,000 bales (up 2%) and to market about 690,000 bales (down 4%).

Sonnet Corporation has announced an agreement with **Hewlett-Packard Australia** to market to large corporations and Government agencies. Sonnet Corporation will contribute consulting services and Asset Management specialisation, while HP will provide products and services.

Sonnet Corporation's June quarter cashflow statement shows revenues of $7.1 million and a small operating cash surplus of $191,000. This is down on the June 2005 quarter - which recorded revenues of $13.5 million and a $3.0 million surplus - but an improvement on the previous three quarters which have produced cash *deficits*.

Technology One reports that both the **Queensland University of Technology** and Melbourne's **La Trobe University** have each signed multi-million dollar contracts to use its *Student Management* software. These systems will be installed over the next one to two years.

UXC has purchased **Infrastructure Construction Pty**, a civil construction business specialising in Horizontal Directional Drilling for utilities and telecommunications companies. The company has a "strong presence in NSW" *(Continued on Page 6)*

Recommended Investments *(Cont'd from Page 5)*

and will now expand into other states.

UXC has sold **Neopurple** - a small industrial and graphic design studio owned since 1998 but which is now considered a non-core business.

Vision Systems has changed the conversion terms of its remaining convertible notes to reflect the recent 40 cents capital repayment. Each note will now convert into 1.2821 ordinary shares. The notes can be converted any June or December until December 2008.

We have also adjusted our purchase price (and accumulated dividends) for Vision Systems in our *Recommended Portfolio* to reflect the 40 cents capital repayment. If an investor *re-invested* that cash on-market to buy additional shares then one could have *increased* shareholdings by around 28%. So we are assuming that an investor can have 28% more shares for their initial investment in the company. That effectively lowers our initial purchase price per share from 68.5 cents to 53.5 cents.

Of course, investors over-weighted in Vision Systems shares should probably re-invest in some other portfolio share, but otherwise it is attractive to acquire further Vision Systems shares.

Computer Selections of NZ Shares based upon our Comprehensive Share Selection Criteria

For an explanation of this table see the *Share Selection Methods* report sent to all new subscribers or available from our website. 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.

UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	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
Speirs Group	116	+1.9	+1.5	55	1-0	-	1.0	7	0.9	14	9.0	0.27	12
Postie Plus Grp	81	+9.6	+1.5	18	0-0	1	1.2	6	0.9	19	5.5	0.28	32
NZ Wool Service	58	+9.3	+3.3	19	2-0	-	1.5	4	1.2	41	2.6	0.34	40
Gullivers Trv.	238	+30.9	+2.6	1	0-0	-	1.5	5	0.7	31	3.5	0.39	238
Tag Pacific Ltd	37	+14.8	-2.4	8	2-0	-	1.4	18	1.5	8	1.5	0.42	24
Livestock Imp.	156	+2.0	+2.3	55	1-0	-	0.5	8	0.8	7	15.7	0.46	51
Seeka Kiwifruit	395	+6.6	-1.1	29	3-0	1	1.0	9	0.5	11	7.6	0.48	47
Ebos Group Ltd	525	+5.9	-1.4	31	0-0	2	2.9	18	0.4	16	6.1	0.52	145
Nuplex Indust	648	+12.6	-3.0	10	1-0	6	2.0	12	0.5	17	6.1	0.53	497
Allied Farmers	255	+0.0	-1.5	63	4-1	-	2.0	14	0.6	14	6.1	0.54	41
Allied Work.	174	+12.5	+3.8	12	1-1	1	2.6	17	0.9	15	8.6	0.61	45
Hellaby Hold.	505	+0.3	+2.7	61	1-1	3	2.5	21	0.4	12	11.5	0.64	248
Warehouse Group	470	+11.9	+3.3	12	0-1	6	4.1	11	0.5	37	4.6	0.65	1,436
Mainfreight Grp	605	+22.8	+0.6	4	0-6	6	4.3	21	0.4	20	3.0	0.66	581
Satara Co-op	132	+17.8	-11.7	5	0-0	-	1.0	-	0.8	NE	3.4	0.68	35
PGG Wrightsons	188	+0.4	-3.1	61	3-2	-	1.7	13	0.7	12	7.1	0.69	376
Provenco Group	90	+3.0	+0.6	49	0-0	1	2.9	27	1.0	11	5.0	0.79	91
Fletcher Build.	864	+5.7	-4.0	32	2-4	5	2.8	23	0.3	12	5.5	0.86	4,010
Guinness Peat	263	+10.9	-0.2	14	1-1	2	3.9	36	0.6	11	1.0	0.88	2,833
Steel & Tube	455	+3.7	-1.6	47	2-1	4	3.0	27	0.5	11	10.5	0.91	401

BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	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
Tag Pacific Ltd	37	+14.8	-2.4	8	2-0	-	1.4	18	1.1	8	1.5	0.42	24
Nuplex Indust	648	+12.6	-3.0	10	1-0	6	2.0	12	0.4	17	6.1	0.53	497
Allied Work.	174	+12.5	+3.8	12	1-1	1	2.6	17	0.7	15	8.6	0.61	45
Guinness Peat	263	+10.9	-0.2	14	1-1	2	3.9	36	0.5	11	1.0	0.88	2,833
Turners & Grow.	258	+10.4	-2.4	16	3-1	1	0.9	6	0.5	15	Nil	0.39	193
Postie Plus Grp	81	+9.6	+1.5	18	0-0	1	1.2	6	0.7	19	5.5	0.28	32
CACI Group Ltd	34	+8.9	+7.1	21	0-0	-	1.5	22	1.0	7	Nil	0.49	2
Briscoe Group	158	+7.8	+1.8	22	5-3	6	3.2	24	0.6	13	7.1	0.97	335
Seeka Kiwifruit	395	+6.6	-1.1	29	3-0	1	1.0	9	0.4	11	7.6	0.48	47
Ebos Group Ltd	525	+5.9	-1.4	31	0-0	2	2.9	18	0.3	16	6.1	0.52	145
Fletcher Build.	864	+5.7	-4.0	32	2-4	5	2.8	23	0.3	12	5.5	0.86	4,010
Jasons Media	50	+5.3	-0.5	35	0-0	-	11.5	74	1.1	16	Nil	0.71	9
Steel & Tube	455	+3.7	-1.6	47	2-1	4	3.0	27	0.4	11	10.5	0.91	401
Toll NZ Ltd	315	+3.1	-0.5	49	0-1	-	2.2	14	0.5	16	Nil	0.97	662
Provenco Group	90	+3.0	+0.6	49	0-0	1	2.9	27	0.8	11	5.0	0.79	91
Tourism Hold.	180	+2.3	+0.9	53	1-1	4	1.1	6	0.6	17	9.1	0.99	177
Livestock Imp.	156	+2.0	+2.3	55	1-0	-	0.5	8	0.6	7	15.7	0.46	51
Speirs Group	116	+1.9	+1.5	55	1-0	-	1.0	7	0.7	14	9.0	0.27	12
PGG Wrightsons	188	+0.4	-3.1	61	3-2	-	1.7	13	0.5	12	7.1	0.69	376
Hellaby Hold.	505	+0.3	+2.7	61	1-1	3	2.5	21	0.3	12	11.5	0.64	248

INCOME SHARES: Highest Yields, Capitalisation > NZ$100 million

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	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
Telecom Corp	410	-14.4	-2.7	94	3-18	9	3.3	38	0.3	9	14.0	1.39	8,026
Restaurant Brds	123	-3.1	-0.1	75	0-0	5	2.6	23	0.6	11	12.1	0.38	119
Cavalier Corp	345	+5.0	+0.8	39	4-0	4	3.6	31	0.3	12	11.7	1.09	226
Hellaby Hold.	505	+0.3	+2.7	61	1-1	3	2.5	21	0.3	12	11.5	0.64	248
Tourism Hold.	180	+2.3	+0.9	53	1-1	4	1.1	6	0.5	17	9.1	0.99	177
Hallenstein G.	496	+4.0	-1.0	46	1-3	2	5.0	33	0.3	15	9.0	1.58	293
ING Property	122	+0.5	+0.8	60	0-0	5	1.0	7	0.4	15	8.2	9.38	641
Lyttelton Port	202	+0.3	-2.9	62	0-0	4	1.5	9	0.4	17	8.1	3.10	207
Skellerup Hold.	131	+1.1	+0.2	56	0-0	4	4.0	38	0.5	10	8.0	1.11	131
MG Property Trt	128	+2.1	+0.9	53	2-0	6	1.1	6	0.4	19	7.7	N/A	670

INSIDER BUYING: Most Insider Buying, Relative Strength > 0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	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
Michael Hill	770	+1.9	+0.6	56	15-1	3	4.6	25	0.2	18	4.5	1.09	298
Comvita	346	+19.4	+1.2	5	11-0	-	2.7	9	0.3	28	2.2	N/A	45
AMP Limited	1080	+9.9	-3.1	17	9-0	-	6.3	29	0.3	22	3.4	1.48	20,195
Scott Tech. Ltd	230	+0.8	-1.1	58	6-0	1	3.9	2	0.4	183	2.6	1.42	57
Wakefield Hlth	780	+9.3	+4.4	20	7-1	-	1.6	5	0.2	32	2.7	2.15	110
Loan & Building	432	+0.2	-0.2	62	4-0	-	1.2	7	0.2	17	5.2	1.38	17
Cavalier Corp	345	+5.0	+0.8	39	4-0	4	3.6	31	0.3	12	11.7	1.09	226
Brierley Invest	151	+4.1	-1.6	44	6-2	-	1.4	9	0.5	16	2.7	3.19	2,019
Seeka Kiwifruit	395	+6.6	-1.1	29	3-0	1	1.0	9	0.3	11	7.6	0.48	47
Allied Farmers	255	+0.0	-1.5	63	4-1	-	2.0	14	0.4	14	6.1	0.54	41

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	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
A2 Corporation	10	-11.0	+4.3	90	0-0	-	2.7	-	1.3	NE	Nil	8.20	10
Nat Property Tr	71	-9.5	+1.5	88	0-0	4	0.8	5	0.4	17	5.8	4.71	87
Sky Network TV	580	-4.1	-1.0	77	1-0	4	15.4	70	0.3	22	Nil	4.61	2,257
Connexion	38	-9.2	-0.8	87	0-0	-	26.4	-	0.7	NE	Nil	4.59	6
Life Pharmacy	85	-4.8	+2.9	79	1-1	-	0.8	4	0.6	22	4.8	3.99	24
Horizon Energy	400	-2.1	-1.4	71	0-0	1	2.1	11	0.3	19	7.1	3.60	100
CDL Investments	36	-3.5	-0.1	75	0-0	-	1.2	14	0.7	8	8.3	3.09	76
Oyster Bay	230	-15.6	+1.5	95	0-1	-	1.2	3	0.3	39	4.3	2.89	21
Genesis Res.	26	-0.7	+0.6	67	3-0	-	1.1	-	0.9	NE	Nil	2.62	7
Vector Ltd	240	-5.4	-1.5	83	7-0	-	1.6	4	0.5	44	Nil	2.07	2,315
Cert Organics	5	-11.2	-2.2	91	0-0	-	1.0	-	2.0	NE	Nil	2.03	7

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	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
Charlie's Group	9	-58.3	+0.0	98	1-0	-	12.3	-	1.2	NE	Nil	0.98	28
Blis Technology	8	-20.1	-3.8	96	0-0	-	10.9	-	1.3	NE	Nil	N/A	8
Oyster Bay	230	-15.6	+1.5	95	0-1	-	1.2	3	0.3	39	4.3	2.89	21
Abano Health.	125	-14.4	+3.9	93	0-0	2	0.6	4	0.5	18	Nil	0.44	29
Cynotech Hold.	10	-14.0	-3.8	93	1-2	-	1.3	16	1.2	8	7.5	0.98	6
Cabletalk Group	37	-12.5	+0.7	92	0-0	1	1.6	15	0.8	11	8.1	0.32	12
Lombard Group	2	-11.8	-2.7	92	0-0	-	2.3	10	2.6	22	Nil	1.88	51
Cert Organics	5	-11.2	-2.2	91	0-0	-	1.0	-	1.8	NE	Nil	2.03	7
Plus SMS Hold.	46	-11.1	-7.4	90	0-0	-	28.2	-	0.6	NE	Nil	N/A	149
A2 Corporation	10	-11.0	+4.3	90	0-0	-	2.7	-	1.2	NE	Nil	8.20	10
VTL Group Ltd	74	-9.5	+2.9	89	0-1	-	1.2	11	0.7	11	4.5	0.78	22
Nat Property Tr	71	-9.5	+1.5	88	0-0	4	0.8	5	0.4	17	5.8	4.71	87
Connexion	38	-9.2	-0.8	87	0-0	-	26.4	-	0.7	NE	Nil	4.59	6
CanWest Media.	133	-7.1	-2.5	85	1-0	5	0.9	4	0.4	23	7.1	1.20	301
Broadway Ind	78	-6.6	+2.9	84	0-0	-	0.8	5	0.4	16	6.4	0.37	15
Air New Zealand	112	-5.6	-2.0	83	4-5	3	0.7	12	0.5	6	6.7	0.30	1,120
Vector Ltd	240	-5.4	-1.5	83	7-0	-	1.6	4	0.5	44	Nil	2.07	2,315
Blue Chip Fin.	85	-5.4	-0.6	82	0-0	-	2.1	33	0.7	6	Nil	0.82	52
Forty Two Below	55	-5.2	-0.5	81	0-3	-	4.1	-	0.6	NE	Nil	N/A	83
Zintel Comm.	66	-5.2	+0.4	81	3-2	-	4.0	39	0.5	10	7.9	0.82	33

0INSIDER SELLING: Most Insider Selling, Relative Strength < 0

Company	Share Price	Cur-rent	4-Wk Chg.	Rank 0-99	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
Telecom Corp	410	-14.4	-2.7	94	3-18	9	3.3	38	0.3	9	14.0	1.39	8,026
Renaissance	136	-1.4	-0.7	69	1-5	-	4.6	45	0.3	10	11.0	0.34	52
Forty Two Below	55	-5.2	-0.5	81	0-3	-	4.1	-	0.5	NE	Nil	N/A	83
Cadmus Tech Ltd	21	-2.1	-1.7	70	0-2	-	3.5	3	0.8	131	Nil	1.97	51
Affco Holdings	37	-2.9	-0.7	73	0-2	-	0.9	10	0.5	9	2.7	0.19	187
Sthn Travel	46	-9.0	+3.7	87	0-2	-	1.3	24	0.6	5	20.8	0.15	6
Oyster Bay	230	-15.6	+1.5	95	0-1	-	1.2	3	0.3	39	4.3	2.89	21
VTL Group Ltd	74	-9.5	+2.9	89	0-1	-	1.2	11	0.7	11	4.5	0.78	22
Cynotech Hold.	10	-14.0	-3.8	93	1-2	-	1.3	16	1.1	8	7.5	0.98	6
Air New Zealand	112	-5.6	-2.0	83	4-5	3	0.7	12	0.5	6	6.7	0.30	1,120

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

For an explanation of this table see the *Share Selection Methods* report sent to all new subscribers or available from our website. 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.

OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	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
Jervois Mining	1	-2.6	-1.3	57	0-0	-	1.4	-	3.3	NE	Nil	N/A	13
BMA Gold Ltd	25	-2.3	-6.9	56	1-3	-	-	-	1.0	NE	Nil	9.91	9
Smart Trans	2	-1.3	-10.5	52	0-0	-	-	-	2.5	NE	Nil	9.57	8
Tattersall's	275	-5.8	-2.5	68	3-0	7	4.4	3	0.5	148	Nil	9.49	1,925
Strategic Poole	22	-3.2	-3.1	60	0-0	-	0.7	4	1.1	21	Nil	9.11	16
MRI Holdings	20	-4.0	+1.8	62	0-0	-	0.4	-	1.0	NE	Nil	9.03	9
GEC Asian Value	92	-6.7	-5.2	70	0-0	-	0.0	0	0.5	5	5.6	8.91	6
Xceed Biotech.	23	-1.0	-0.6	51	7-0	-	2.1	-	0.7	NE	Nil	8.68	20
Senetas Corp	41	-19.4	-0.3	91	2-3	1	8.1	43	1.3	19	4.1	8.28	188
Thundelarra Exp	25	-3.9	+2.2	62	5-0	-	-	-	1.0	NE	Nil	8.17	18
Samson Oil/Gas	36	-6.8	-3.2	70	0-0	-	-	-	0.8	13	Nil	8.14	28
Dwyka Diamonds	58	-4.0	-5.4	62	0-0	-	-	-	0.7	NE	Nil	8.06	47
Energy Resource	1101	-4.6	-5.1	64	0-0	1	3.9	8	0.5	52	1.5	7.89	2,100
ZBB Energy Corp	16	-15.7	-4.9	86	5-0	-	-	-	1.2	NE	Nil	7.80	13
Cleland (P) Ent	37	-1.6	-1.0	54	0-0	-	0.7	0	0.7	206	Nil	7.76	6
ASF Group Ltd	2	-0.1	+0.0	46	0-0	-	-	-	2.9	NE	Nil	7.73	5
STW Comm Group	274	-4.8	-3.7	65	1-0	5	3.9	23	0.4	17	5.4	7.55	539
DenX Ltd	7	-6.6	+3.3	69	1-0	-	0.1	-	1.3	NE	Nil	7.55	12
Kimberley Diam.	118	-9.9	-7.4	78	1-4	4	-	-	0.5	NE	Nil	7.43	323
East'n Star Gas	12	-10.1	+0.6	78	0-0	-	-	-	1.3	NE	Nil	7.32	29
QED Occtech Ltd	4	-0.0	-6.8	46	0-1	-	4.3	-	2.0	NE	Nil	7.29	9
Matrixview Ltd	32	-32.6	-6.9	98	6-0	-	6.4	-	0.9	NE	Nil	7.17	7
Tele-IP Limited	3	-24.3	-0.4	95	0-0	-	-	-	3.4	NE	Nil	7.14	10
Premier Bionics	23	-4.1	-0.1	62	0-0	-	3.8	-	0.9	NE	Nil	7.06	11
Metals Exp.	84	-3.0	-4.6	59	0-0	-	-	-	0.7	13	Nil	7.03	45
BQT Solutions	8	-30.4	-1.9	97	5-0	-	2.7	-	1.4	NE	Nil	6.98	14
Ambri Limited	4	-23.4	-2.0	94	0-0	-	0.7	-	2.0	NE	Nil	6.90	7
Advanced Engine	15	-3.5	+4.8	60	1-0	-	-	-	1.0	NE	Nil	6.82	12
Metal Storm Ltd	12	-19.3	-1.6	91	0-0	-	5.8	-	1.3	NE	Nil	6.73	7
Calliden Group	39	-3.4	-4.5	60	4-0	-	0.9	-	0.6	NE	Nil	6.59	78
MGM Wireless	5	-7.3	-2.3	72	0-0	-	4.6	-	2.3	NE	Nil	6.57	7
Uscom Limited	50	-20.8	-5.0	92	1-0	-	2.0	-	0.6	NE	Nil	6.56	8
Bemax Resources	27	-9.2	-7.2	76	0-0	1	-	-	1.0	NE	Nil	6.43	222
Mosaic Oil NL	17	-5.4	+0.7	67	2-0	-	-	-	0.9	97	Nil	6.37	74
Newcrest Mining	1910	-4.9	-3.9	65	0-0	13	-	-	0.4	46	0.3	6.32	6,314
Sedimentary Hld	28	-1.3	+5.8	52	0-0	1	5.5	-	1.0	NE	Nil	6.24	78
Bluestone Tin	17	-16.2	-9.7	87	3-0	-	-	-	1.3	NE	Nil	6.23	64
Analytica Ltd	3	-6.5	+4.9	69	2-0	-	3.4	-	2.1	NE	Nil	6.18	6
Customers Ltd	23	-1.4	-6.5	53	0-0	-	3.3	-	1.7	NE	Nil	6.04	79
Safe Effect	6	-31.4	+2.8	97	0-0	-	-	-	1.5	NE	Nil	6.00	9
AFT Corporation	1	-24.6	-5.5	95	0-0	-	-	-	4.4	NE	Nil	6.00	8
Cygenics Ltd	25	-14.1	-3.8	84	2-0	-	1.4	-	1.0	NE	Nil	5.94	13
Proteome Syst	32	-5.0	-10.3	65	0-0	-	5.3	-	1.5	NE	Nil	5.94	32
Bionomics Ltd	17	-7.2	-4.7	71	1-0	-	2.1	-	1.1	NE	Nil	5.87	19
Catuity	470	-25.0	-1.4	95	0-0	-	2.6	-	1.1	2	Nil	5.85	9
Becton Prop Grp	48	-7.5	-0.8	72	0-0	1	-	-	0.8	20	15.6	5.83	48
Kingsgate Cons.	445	-2.8	-6.8	58	0-0	3	2.9	7	0.5	44	1.6	5.78	382
Cazaly Res Ltd	52	-43.3	-7.3	99	0-0	-	-	-	0.8	8	Nil	5.73	21
Unwired Group	30	-17.3	+0.7	89	2-0	1	1.3	-	1.0	NE	Nil	5.69	75
Victoria Petrol	3	-7.6	-1.8	72	0-0	-	-	-	2.6	NE	Nil	5.68	43

WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	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
Cazaly Res Ltd	52	-43.3	-7.3	99	0-0	-	-	-	0.8	8	Nil	5.73	21
Adv. Ocular	10	-38.5	-0.6	99	3-0	-	2.5	-	1.1	NE	Nil	N/A	20
Resonance Hlth	2	-36.9	-5.3	98	0-0	-	2.1	-	2.5	NE	Nil	N/A	7
Cape Range Wire	1	-35.8	-7.1	98	0-1	-	-	-	4.6	NE	Nil	N/A	13
Golden Tiger	9	-34.1	-5.4	98	0-1	-	-	-	1.4	NE	Nil	N/A	6
Matrixview Ltd	32	-32.6	-6.9	98	6-0	-	6.4	-	0.9	NE	Nil	7.17	7
Safe Effect	6	-31.4	+2.8	97	0-0	-	-	-	1.4	NE	Nil	6.00	9
BQT Solutions	8	-30.4	-1.9	97	5-0	-	2.7	-	1.3	NE	Nil	6.98	14
Biodiem Ltd	25	-30.1	-3.0	97	0-0	-	1.5	-	0.8	NE	Nil	4.55	8
Tawana Resource	20	-29.4	-1.1	97	0-0	-	-	-	0.8	NE	Nil	N/A	12
Virax Holdings	7	-28.9	+0.1	96	0-3	-	1.8	-	1.7	NE	Nil	2.84	6
Electro Optic	128	-28.6	-5.6	96	2-1	-	-	-	0.5	NE	0.8	1.63	66
Essential Pet.	4	-28.3	+0.8	96	0-0	-	-	-	1.8	NE	Nil	N/A	6
Minerals Corp.	1	-27.7	-1.9	96	1-0	-	0.1	-	3.0	NE	Nil	0.44	6
Stirling Prod.	8	-27.5	-0.1	96	0-0	-	2.7	-	1.6	NE	Nil	N/A	8
Chemeq Ltd	35	-27.1	+1.2	96	0-0	1	1.3	-	0.8	NE	Nil	N/A	36
Clinical Cell	11	-27.0	-0.3	96	2-0	-	2.2	-	1.4	NE	Nil	N/A	21
Avantogen Ltd	7	-26.5	-5.5	95	0-0	-	3.3	-	1.4	NE	Nil	N/A	18
Mariner Retire.	12	-25.9	-1.6	95	0-0	-	2.3	-	1.2	NE	Nil	3.59	15
Unlife Medical	20	-25.6	+0.2	95	0-0	-	1.3	-	1.4	NE	Nil	N/A	20
Eftel Ltd	6	-25.3	+0.6	95	1-0	-	-	-	2.1	30	Nil	0.28	8
Catuity	470	-25.0	-1.4	95	0-0	-	2.6	-	1.1	2	Nil	5.85	9
AFT Corporation	1	-24.6	-5.5	95	0-0	-	-	-	4.0	NE	Nil	6.00	8
Ent Media & Tel	1	-24.5	+3.9	95	0-0	-	-	-	3.0	NE	Nil	0.93	8
Synergy Metals	4	-24.4	+3.1	95	0-0	-	-	-	2.1	NE	Nil	N/A	9
Tele-IP Limited	3	-24.3	-0.4	95	0-0	-	-	-	3.2	NE	Nil	7.14	10
Palm Springs	2	-24.1	+0.9	95	0-0	-	1.2	-	2.3	NE	Nil	0.31	7
Working Systems	7	-24.0	+1.3	94	0-0	-	6.9	-	1.3	7	Nil	0.71	6
Geodynamics Ltd	91	-23.5	-8.0	94	0-0	1	1.4	-	0.5	NE	Nil	N/A	68
Longreach Group	5	-23.5	-1.1	94	0-0	-	1.0	13	1.6	7	Nil	0.58	8
Ambri Limited	4	-23.4	-2.0	94	0-0	-	0.7	-	1.8	NE	Nil	6.90	7
Antisense T.	3	-23.0	+0.1	94	0-0	-	1.3	-	2.7	NE	Nil	N/A	9
Nuenco NL	2	-22.8	-2.9	94	1-2	-	-	-	2.6	NE	Nil	4.86	10
Occupational Md	54	-22.6	-2.7	93	2-0	-	6.0	-	1.0	NE	Nil	N/A	16
Compumedics Ltd	9	-22.4	+4.2	93	1-0	-	1.5	-	1.2	NE	Nil	0.32	12
Bounty Oil Gas	4	-22.3	-4.9	93	1-0	-	-	-	2.4	NE	Nil	N/A	5
Chrome Corp Ltd	1	-22.2	-6.9	93	2-0	-	-	-	4.2	NE	Nil	N/A	7
CMA Corporation	39	-22.1	+1.0	93	5-0	-	-	-	0.8	17	2.6	2.37	50
Norwood Abbey	22	-21.8	-2.5	93	0-0	-	11.0	-	0.9	NE	Nil	N/A	41
Medical Dev Int	34	-21.6	+1.8	93	15-0	-	11.3	10	0.9	117	Nil	3.59	19
Shieldliner Ltd	14	-21.6	+0.1	93	0-0	-	3.5	-	1.0	NE	Nil	N/A	5
Resources Min.	4	-21.5	-0.8	93	2-0	-	-	-	2.0	NE	Nil	N/A	11
People Telecom	7	-21.5	+0.1	92	1-0	-	3.4	-	1.5	NE	Nil	1.26	20
Marine Produce	4	-21.2	+2.6	92	1-0	-	0.9	-	1.7	NE	Nil	N/A	9
Multiemedia Ltd	1	-21.1	-2.6	92	1-0	-	-	-	4.7	NE	Nil	0.84	17
Uscom Limited	50	-20.8	-5.0	92	1-0	-	2.0	-	0.5	NE	Nil	6.56	8
Kentor Gold Ltd	20	-20.8	-0.6	92	0-0	-	-	-	1.1	NE	Nil	N/A	11
Agenix Limited	16	-20.7	+1.2	92	3-0	-	-	-	1.0	NE	Nil	1.05	31
Global Property	39	-20.3	-2.8	92	0-0	-	1.9	2	0.8	107	Nil	N/A	6
Probiomics Ltd	5	-20.2	-2.4	92	0-0	-	-	-	1.7	NE	Nil	3.58	5

INSIDER SELLING: Most Insider Selling, Relative Strength < 0

Company	Share Price	STRENGTH RATING Cur-rent	4-Wk Chg.	Rank 0-99	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
Union Resources	6	-6.7	-3.4	70	0-7	-	-	-	2.1	NE	Nil	N/A	28
DCA Group Ltd	235	-16.4	-5.1	87	0-6	8	-	-	0.4	60	3.0	1.46	1,049
Tennant Creek G	25	-1.9	+1.8	55	0-6	-	-	-	0.8	NE	Nil	N/A	21
Treasury Group	915	-9.5	-2.4	77	0-6	1	5.8	36	0.2	16	4.4	4.26	199
Cons Minerals	177	-20.1	-3.4	91	0-6	5	1.8	34	0.5	5	10.2	1.36	386
Troy Resources	259	-6.7	-3.4	70	0-5	-	-	-	0.5	15	2.5	2.24	127
Hostworks Group	19	-8.5	-3.9	75	0-5	-	3.1	11	1.4	29	4.5	1.89	31
Medec Limited	25	-15.5	-2.8	86	0-5	-	2.8	-	0.7	NE	Nil	1.35	11
Batavia Mining	6	-2.5	-8.3	57	0-5	-	-	-	1.3	NE	Nil	N/A	16
Yamarna Goldfld	1	-1.2	-5.8	52	2-7	-	-	-	4.0	NE	Nil	1.35	8
Fleetwood Corp	631	-3.6	+1.2	61	0-4	4	3.7	32	0.4	12	3.2	0.98	293
CO2 Group Ltd	22	-14.2	+0.3	85	0-4	-	3.1	-	0.7	NE	Nil	N/A	43
Webjet NL	31	-5.9	-2.9	68	1-5	-	10.2	21	0.9	49	Nil	N/A	71
IBT Education	175	-3.1	-5.4	59	0-3	1	58.3	-	0.4	19	5.4	2.68	606
Funtastic Ltd	170	-3.0	+0.8	59	0-3	4	5.0	50	0.3	10	6.2	0.62	216
Astron Ltd	298	-4.5	-2.6	63	0-3	-	3.0	46	0.5	7	3.4	1.22	172
Ruralco Hold.	390	-3.2	+0.0	59	0-3	-	1.7	13	0.3	13	4.1	0.07	44
Tap Oil	191	-10.2	+0.4	78	0-3	6	1.5	12	0.4	13	Nil	2.42	302
Virax Holdings	7	-28.9	+0.1	96	0-3	-	1.8	-	1.6	NE	Nil	2.84	6
Cluff Resource	2	-2.7	-3.7	58	0-3	-	-	-	2.5	NE	Nil	N/A	15
Sub-Sahara Res.	7	-0.0	-7.3	46	0-3	-	-	-	1.7	NE	Nil	N/A	19
Kimberley Diam.	118	-9.9	-7.4	78	1-4	4	-	-	0.5	NE	Nil	7.43	323
Cooper Energy	55	-0.5	-9.0	49	1-4	-	-	-	0.5	7	Nil	2.88	75
PMP Limited	150	-1.3	+0.4	52	1-4	4	4.1	32	0.7	13	Nil	0.32	443
CDS Tech	180	-7.5	-6.8	72	1-4	1	3.5	27	0.5	13	2.2	0.72	64

Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
A.G.D. Mining	34	25	1-3	18.0	13.8	+31	0.57	2.03	1.00	+21
AIM Resources	14	10	2-10	8.6	8.0	+8	0.66	1.48	1.00	+11
AXG Mining	8	20	4-0	1.5	2.6	-41	0.70	1.68	1.00	+30
Accent Resources	15	20	3-1	4.3	5.3	-20	0.57	1.85	1.00	+17
Acclaim Exploration	4	5	1-10	1.9	1.2	+62	0.66	2.05	1.00	+37
Adv Ocular Systems	10	110	1-10	1.5	0.2	+754	0.79	3.13	1.00	+273
Advanced Healthcare	4	12	1-4	0.5	0.0	+999	0.23	9.99	1.00	+160
Alcaston Mining	7	15	1-1	0.2	1.2	-83	0.98	2.23	1.00	+116
Allco Max Securities	90	100	0-1	0.3	0.0	+999	0.17	9.99	1.00	+999
Allied Gold	34	20	0-10	16.0	16.0	+0	0.59	1.94	1.00	+7
Alloy Resources	19	20	2-7	6.1	6.5	-6	0.49	2.05	1.00	+13
Amcil Ltd	62	50	0-6	9.5	13.1	-27	0.18	4.58	1.00	-6
Anitsense Therapeutic	3	20	0-5	0.2	0.0	+999	0.62	7.48	1.00	+999
Anzon Australia	147	124	0-0	26.0	0.0	+999	0.40	7.48	1.00	+999
Arafura Resources	47	20	1-10	27.0	29.6	-9	0.56	1.49	1.00	+1
Argonaut Resources	12	30	0-10	1.8	0.2	+999	0.57	5.24	1.00	+239
Arrow Energy	58	75	0-3	2.3	0.5	+379	0.37	9.99	1.00	+227
Ashburton Minerals	4	32	0-7	0.1	0.0	+999	0.67	9.23	1.00	+999
Astro Diamond Mines	2	5	6-3	3.0	1.0	+189	0.67	1.43	1.00	+24
Atlas Gold	65	20	1-6	45.0	47.0	-4	0.69	1.33	1.00	+1
Audax Resources	8	20	2-4	2.9	1.7	+74	0.71	2.09	1.00	+57
Aurox Resources	61	20	1-2	40.0	42.4	-6	0.43	1.44	1.00	-1
Ausquest Ltd	23	20	0-3	6.5	7.9	-18	1.47	2.09	1.00	+76
Aust Oil Company	9	20	3-4	2.2	2.0	+9	0.57	2.09	1.00	+32
Australasia Gold	13	20	1-10	4.6	4.7	-2	0.88	1.74	1.00	+42
Australis Mining Corp.	12	20	0-4	2.7	0.0	+999	0.16	1.00	1.00	+577
Auth Investments	5	25	0-4	0.5	0.0	+999	1.15	5.28	1.00	+999
Auth Investments	5	25	3-7	1.0	2.2	-54	1.15	1.35	1.00	+63
Autron Corporation	9	18	0-9	1.0	0.5	+90	0.72	3.65	1.00	+180
Avantogen Ltd	7	25	1-4	2.0	0.6	+253	0.87	2.60	1.00	+191
Bannerman Res.	128	20	0-9	105.0	108.6	-3	0.98	1.17	1.00	-3
Barra Resources	31	20	0-0	9.5	108.6	-91	0.75	1.17	1.00	-100
Bass Metals	20	25	0-11	8.0	3.9	+107	0.67	2.72	1.00	+73
Bass Strait Oil Co	6	30	0-10	0.8	0.0	+999	0.77	4.53	1.00	+584
Batavia Mining	6	5	0-10	2.0	2.1	-3	0.81	2.08	1.00	+27
Batavia Mining	6	20	0-1	0.1	0.0	+999	0.81	1.00	1.00	+999
Beach Petroleum	165	100	0-1	65.0	65.0	-0	0.44	2.53	1.00	+4
Benitec Ltd	3	32	1-7	0.5	0.1	+575	0.96	2.73	1.00	+397
Berkeley Resources	70	20	0-3	50.0	50.3	-1	0.87	1.39	1.00	+0
Biolayer Corporation	16	35	1-2	3.9	1.6	+151	0.70	2.97	1.00	+114
Biomd Ltd	7	20	1-0	0.5	0.9	-43	0.94	2.55	1.00	+177
Biometrics Ltd	22	20	1-4	6.9	12.2	-44	1.26	1.40	1.00	+18
Bionomics Ltd	17	50	0-11	0.9	0.3	+245	0.63	4.64	1.00	+242
Bionomics Ltd	17	22	2-5	7.0	5.5	+28	0.63	1.92	1.00	+26
Biopharmica Ltd	14	20	0-10	2.5	6.9	-64	1.70	1.45	1.00	+77
Bioprospect Ltd	2	5	0-10	0.2	0.0	+999	0.59	5.76	1.00	+344
Biosignal Ltd	17	20	0-4	2.5	1.1	+122	0.52	5.64	1.00	+132
Biotech Capital	43	55	0-2	0.3	0.0	+999	0.27	9.99	1.00	+648
Black Range Minerals	7	5	4-6	4.9	5.2	-5	0.95	1.16	1.00	+8
Blaze International	3	10	0-10	0.4	0.1	+560	0.78	3.97	1.00	+383
Bluestone Tin	17	20	2-4	9.0	7.8	+15	0.85	1.54	1.00	+27
Bone Medical	32	40	0-8	5.0	11.3	-56	1.30	1.82	1.00	+67
Boulder Steel	56	20	2-3	34.0	43.8	-22	1.02	1.20	1.00	-2
Bounty Industries	23	20	0-4	4.9	4.5	+8	0.50	3.84	1.00	+27
Bow Energy	20	20	1-7	9.2	7.3	+26	0.73	1.87	1.00	+29
Buka Gold	20	65	1-10	3.4	2.2	+54	0.74	2.48	1.00	+98
C @ Ltd	15	20	1-7	7.5	2.4	+216	0.46	3.05	1.00	+47
CBD Energy	4	2	0-5	0.1	2.0	-95	0.95	1.78	1.00	-81
CBD Energy	4	100	0-5	10.0	0.0	+999	0.95	1.00	1.00	+999
CO2 Group	22	12	5-2	12.0	17.2	-30	0.78	1.18	1.00	+2
Cape Lambert Iron Ore	42	30	2-2	23.5	21.1	+11	0.61	1.66	1.00	+12
Cardia Technologies	3	10	1-4	0.5	0.2	+109	0.86	2.61	1.00	+177
Carnarvon Petroleum	5	6	0-4	5.6	0.5	+999	0.55	5.04	1.00	+948
Carrick Gold	104	20	0-4	84.0	84.4	-0	0.56	1.23	1.00	+0
Castlemaine Gold.	23	20	0-11	8.0	7.8	+3	0.70	2.18	1.00	+24
Central Petroleum	13	20	0-10	3.3	0.3	+999	0.37	6.76	1.00	+111
Chameleon Mining	4	20	1-4	0.6	0.0	+999	0.00	9.99	1.00	+278
Chemgenex Pharm.	51	125	3-7	20.0	8.2	+145	0.48	2.42	1.00	+34
Cheviot Bridge	12	40	1-4	0.3	0.5	-42	0.67	3.39	1.00	+148
Chrome Corporation	1	5	1-1	0.2	0.0	+990	0.83	3.51	1.00	+405
Citrofresh International	18	25	1-9	6.8	5.2	+31	0.75	1.99	1.00	+42
City Pacific	385	100	0-0	270.0	5.2	+999	0.27	1.99	1.00	-100
Cityview Corp.	5	8	0-7	1.2	2.2	-46	1.83	1.57	1.00	+157
Climax Mining	50	32	0-8	23.0	21.8	+6	0.79	1.95	1.00	+18
Commoditel Ltd	1	3	0-4	0.1	0.0	+999	1.01	5.44	1.00	+999
Conquest Mining	38	20	0-4	18.5	19.5	-5	1.18	1.73	1.00	+8
Contact Resources	42	20	1-10	18.0	25.1	-28	0.51	1.58	1.00	-5
Continental Goldfields	10	20	1-1	2.0	1.8	+11	0.90	2.32	1.00	+107
Cool or Cosy	12	20	1-9	3.0	1.8	+63	0.55	2.74	1.00	+45
Cortona Resources	20	20	1-7	5.4	5.3	+2	0.45	2.56	1.00	+16
Cougar Metals NL	41	25	0-4	16.0	17.4	-8	0.77	2.16	1.00	+0
Crusader Holdings	25	20	0-4	5.5	7.1	-22	0.75	2.76	1.00	+6
Dia-B Tech Ltd	6	20	4-4	1.6	3.4	-53	1.03	1.29	1.00	+34
Diatreme Resources	26	25	1-2	12.0	9.3	+30	0.76	1.98	1.00	+35
Digital & Voice Media	4	3	0-10	4.5	2.2	+105	1.12	1.54	1.00	+96
Dyesol Ltd	57	20	2-3	42.5	51.3	-17	1.73	1.07	1.00	+4
Dynasty Metals Aust	23	20	1-6	7.0	10.2	-31	0.83	1.68	1.00	+13
Eagle Bay Resources	6	15	2-10	3.0	1.1	+162	0.67	2.07	1.00	+52
Eastland Medical	14	20	0-3	4.0	0.3	+999	0.58	7.53	1.00	+764
Eden Energy	13	20	3-1	5.0	0.8	+522	0.21	5.11	1.00	+24
Elemental Minerals	65	20	2-5	41.0	52.1	-21	0.96	1.18	1.00	-3
Emerald Oil & Gas	12	20	1-9	3.0	6.4	-53	1.32	1.38	1.00	+45
Eneabba Gas	15	30	2-10	5.2	3.4	+51	0.59	2.13	1.00	+35
Energy Metals	220	30	1-10	200.0	194.3	+3	0.86	1.12	1.00	+2
Enterprise Energy	4	20	1-4	0.4	0.1	+511	0.69	3.83	1.00	+239
EnviroGold Ltd	12	20	1-4	2.5	0.5	+397	0.37	5.04	1.00	+60
Eqitx Limited	16	20	0-10	1.1	2.4	-55	0.64	3.03	1.00	+45
Equigold NL	156	140	0-9	31.0	31.0	+0	0.35	3.75	1.00	+13
Eureka Energy	20	20	1-7	6.0	7.5	-20	0.71	1.89	1.00	+18
Evans & Tate	13	150	1-2	0.2	0.4	-44	1.09	2.81	1.00	+714
Exco Resources NL	27	20	0-0	5.5	0.4	+999	0.72	2.81	1.00	-100
Ezenet Ltd	19	15	0-10	3.1	6.9	-55	0.77	2.05	1.00	-3
Fall River Resources	14	25	1-3	4.0	1.0	+315	0.50	3.84	1.00	+79
Financial Resources	19	20	1-9	4.0	4.4	-9	0.40	2.79	1.00	+14
Flinders Resources	3	10	2-1	0.7	0.3	+113	0.75	2.36	1.00	+94
Fox Resources	98	75	0-10	36.0	36.2	-1	0.67	2.15	1.00	+16
Gateway Mining NL	17	30	0-6	6.5	1.5	+333	0.89	3.36	1.00	+361
Genesis Biomedical	4	3	4-3	1.9	3.3	-42	1.05	1.15	1.00	+4
Gippsland	10	9	1-4	5.0	3.8	+31	0.70	1.93	1.00	+29
Gippsland Offshore	17	20	0-3	2.5	1.7	+45	0.79	4.24	1.00	+207
Gleneagle Gold	40	20	0-10	23.5	21.0	+12	0.58	1.78	1.00	+12
Global Mining Invest	135	100	0-3	33.5	36.5	-8	0.21	3.69	1.00	-4
Globe Uranium	53	20	1-2	32.0	36.5	-12	0.91	1.37	1.00	-2
Gold Aura	7	13	2-7	3.4	2.2	+58	0.71	1.85	1.00	+39
Golden Cross Explor.	6	5	0-1	0.7	0.9	-25	0.78	4.68	1.00	+0
Golden Deeps	8	15	0-6	0.5	0.2	+133	0.70	4.85	1.00	+327
Golden State Petrol.	47	65	0-4	8.0	2.0	+297	0.62	5.59	1.00	+287
Golden State Res.	25	10	0-10	10.0	15.5	-36	0.43	1.60	1.00	-23
Golden West Res	147	20	1-4	115.0	129.6	-11	1.05	1.12	1.00	-6
Goldsearch Ltd	4	5	1-2	1.4	0.8	+70	0.71	2.40	1.00	+60
Gondwana Resources	2	1	1-4	0.3	1.5	-81	1.38	1.20	1.00	-38
Gravity Diamonds	27	50	1-3	6.0	1.6	+270	0.49	3.97	1.00	+79
Graynic Metals	37	20	1-2	17.0	23.0	-26	1.12	1.39	1.00	+1
Great Gold Mines	4	10	6-6	2.0	1.5	+31	0.57	1.58	1.00	+19
Great Gold Mines	4	20	5-8	3.2	0.8	+316	0.57	1.92	1.00	+38
Great Gold Mines	4	125	4-1	0.2	0.0	+999	0.57	3.47	1.00	+135
Greater Pacific Gold	2	3	1-9	0.4	0.5	-27	0.83	1.89	1.00	+44
Green Rock Energy	9	20	0-4	0.2	0.0	+999	0.50	9.99	1.00	+999
Gt Australian Res	18	20	2-4	6.5	7.5	-14	0.74	1.67	1.00	+19
Gulfx Ltd	14	20	3-4	5.0	6.3	-21	0.72	1.57	1.00	+19
Harrington Group	7	25	0-4	0.2	0.0	+999	0.77	8.06	1.00	+999
Healthlinx	4	5	0-7	0.8	0.6	+28	0.74	3.08	1.00	+89
Helix Resources	10	14	0-7	2.5	1.0	+153	0.72	3.52	1.00	+153
Hill End Gold	13	15	0-9	4.3	3.4	+26	0.87	2.29	1.00	+69
Hillcrest Litigation	18	25	0-7	0.5	2.1	-76	0.71	3.43	1.00	+82
Hillgrove Resources	23	20	0-4	4.5	4.1	+9	0.50	3.99	1.00	+29
Hodges Resources	24	20	1-1	8.0	9.0	-11	0.70	2.02	1.00	+15
Horizon Global	4	25	2-4	2.0	0.5	+290	0.88	2.09	1.00	+129
Hunter Hall Global Val	107	100	0-8	6.2	11.0	-44	0.11	8.61	1.00	-0
IC2 Global	0	2	2-10	0.1	0.1	-21	1.70	1.20	1.00	+129
IM Medical	1	4	2-4	0.4	0.1	+320	0.79	2.25	1.00	+108
ING Private Equity	85	100	1-2	2.4	0.8	+220	0.09	9.99	1.00	+18
Image Resources	47	25	0-0	20.5	0.8	+999	0.48	9.99	1.00	-100
Imugene Ltd	13	50	0-5	4.0	0.0	+999	0.67	8.85	1.00	+999
Indigo Pacific Capital	86	150	0-7	1.5	0.2	+645	0.33	9.99	1.00	+164
Integra Mining	17	20	3-3	7.5	7.4	+1	0.63	1.65	1.00	+16
Intermet Resources	18	20	1-3	4.0	2.4	+66	0.36	3.81	1.00	+29
JV Global	33	20	2-2	11.0	20.1	-45	0.79	1.43	1.00	-3
Jaguar Minerals	16	20	2-1	3.0	7.8	-62	1.01	1.47	1.00	+21
Jupiter Energy	18	20	0-2	2.1	1.9	+9	0.98	4.13	1.00	+305
Jupiter Mines	17	20	0-5	5.4	2.5	+113	0.79	3.31	1.00	+162
Kalgoorlie-Boulder	15	20	1-11	4.9	4.7	+3	0.73	1.90	1.00	+33
Katana Capital	97	95	0-9	7.5	6.2	+21	0.07	9.99	1.00	+8
LV Living	2	5	1-4	0.3	0.5	-38	0.87	2.19	1.00	+81
Legend Mining	5	4	1-11	1.5	1.8	-17	0.59	1.90	1.00	+11
Liberty Gold NL	16	20	0-9	3.5	2.5	+42	0.68	3.00	1.00	+74
Linq Resources	83	100	0-5	1.3	0.4	+209	0.20	9.99	1.00	+69
Louisiana Petroleum	10	20	2-8	3.4	2.8	+20	0.69	1.91	1.00	+38

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
M2M Corporation	1	20	3-6	0.2	0.3	-29	1.24	1.46	1.00	+146
MGM Wireless	5	20	4-3	1.2	0.9	+36	0.62	1.99	1.00	+43
Macmin Silver	34	25	2-2	15.0	17.2	-13	0.68	1.60	1.00	+9
Magnesium Int'l	147	180	0-6	19.0	0.0	+999	0.00	9.99	1.00	+83
Malachite Resources	22	20	2-0	8.1	9.5	-14	0.70	1.72	1.00	+14
Marengo Mining	30	20	1-6	14.0	14.8	-5	0.71	1.67	1.00	+10
Marine Produce	4	4	0-1	0.2	0.6	-65	0.82	5.08	1.00	-25
Marine Produce	4	8	1-1	0.6	0.7	-16	0.82	2.48	1.00	+90
Marion Energy	74	25	0-7	50.5	49.9	+1	0.54	1.48	1.00	+3
Mawson West	18	20	0-9	6.0	4.0	+51	0.71	2.65	1.00	+63
Maximus Resources	15	20	1-10	3.8	3.5	+8	0.56	2.38	1.00	+29
Medical Therapies	29	20	1-4	10.5	14.1	-26	0.74	1.71	1.00	+4
Medusa Mining Ltd	70	20	0-5	44.0	50.5	-13	0.54	1.39	1.00	-19
Metallic Minerals	26	25	0-4	4.0	3.3	+20	0.49	4.66	1.00	+47
Metex Resources	8	10	0-1	0.5	0.1	+486	0.75	9.99	1.00	+999
Metroland Australia	14	26	2-9	1.0	2.3	-57	0.50	2.49	1.00	+29
Michelago Ltd	3	15	0-4	0.2	0.0	+999	0.60	9.99	1.00	+999
Midas Resources	8	25	0-3	0.3	0.0	+653	1.10	5.64	1.00	+999
Millepde International	4	15	1-6	1.0	0.4	+136	0.83	2.52	1.00	+144
Mindax Ltd	15	20	1-10	3.5	4.7	-26	0.71	1.96	1.00	+28
Mineral Securities	138	115	1-5	50.0	44.3	+13	0.43	2.44	1.00	+13
Minerals Commodities	20	30	0-10	3.0	2.1	+40	0.62	3.42	1.00	+82
Minerals Corporation	1	9	1-1	0.5	0.0	+999	0.79	4.13	1.00	+575
Moby Oil & Gas	8	30	1-10	1.7	1.1	+53	0.84	2.24	1.00	+112
Molopo Australia	4	10	0-10	0.4	0.0	+999	0.46	7.72	1.00	+269
Monaro Mining	110	120	0-11	29.0	31.0	-6	0.78	2.24	1.00	+39
Monteray Group	15	10	2-4	5.0	9.4	-47	0.96	1.32	1.00	+1
Monto Minerals	24	5	0-1	0.1	19.0	-99	0.50	1.26	1.00	-100
Mt Gibson Iron	73	25	0-4	48.0	48.5	-1	0.40	1.50	1.00	+0
Murchison Holdings	137	100	2-4	45.0	56.3	-20	0.34	2.13	1.00	+2
Murchison Metals	68	20	1-3	47.5	49.1	-3	0.53	1.37	1.00	+0
My Net Fone	15	25	2-8	2.7	1.3	+113	0.32	3.73	1.00	+27
NGM Resources	11	20	0-7	2.0	0.6	+259	0.69	4.20	1.00	+228
NGM Resources Ltd	11	20	0-7	2.0	0.6	+259	0.69	4.20	1.00	+228
Namakwa Diamond	4	20	0-1	0.1	0.0	+999	0.60	9.99	1.00	+999
Navigator Resources	23	20	0-10	8.3	6.9	+21	0.66	2.35	1.00	+32
Neptune Marine Serv.	31	20	4-4	12.0	20.5	-41	0.63	1.34	1.00	+1
New Hope Corp	130	45	2-0	87.0	90.5	-4	0.38	1.43	1.00	+1
New Privateer Hold.	430	115	0-4	55.0	317.6	-83	0.96	1.35	1.00	-94
Northwest Resources	23	20	1-5	11.0	8.8	+25	0.65	1.97	1.00	+23
Norton Gold Fields	14	20	4-1	6.5	7.8	-16	0.84	1.35	1.00	+18
Norwood Systems	2	20	1-5	0.2	0.3	-41	1.27	1.96	1.00	+350
Nuenco NL	2	6	1-4	0.5	0.0	+999	0.43	6.30	1.00	+162
Olympia Resources	16	25	1-4	2.7	1.9	+46	0.54	3.14	1.00	+55
On Q Group	21	30	1-9	12.0	4.5	+165	0.60	2.36	1.00	+51
Optima Corporation	11	20	0-7	2.4	0.8	+200	0.84	3.45	1.00	+266
Orchid Capital	3	5	0-3	0.1	0.0	+121	0.58	8.00	1.00	+470
ORT	2	14	1-6	0.1	0.6	-83	1.67	1.48	1.00	+310
ORT	2	6	1-6	0.2	0.8	-76	1.67	1.36	1.00	+137
Orient Resources	17	20	1-4	3.0	1.8	+65	0.30	4.48	1.00	+25
Oropa Ltd	10	5	1-4	1.4	5.6	-75	0.79	1.52	1.00	-26
Oropa Ltd	10	20	0-4	1.2	0.1	+739	0.79	5.70	1.00	+999
Ottoman Energy	16	20	0-3	2.0	0.6	+223	0.60	6.43	1.00	+306
Pacific Magnesium	23	5	0-3	0.9	17.6	-95	0.95	1.28	1.00	-100
Pacmag Metals	23	18	1-7	11.0	12.1	-9	0.95	1.50	1.00	+17
Pan Pacific Petroleum	16	15	0-10	5.6	3.1	+81	0.45	3.30	1.00	+41
Papyrus Australia	31	20	1-7	16.0	16.5	-3	0.79	1.56	1.00	+11
Paradigm Gold	6	25	1-9	1.3	0.7	+100	0.87	2.32	1.00	+143
Paramount Mining	8	20	0-4	0.2	0.1	+153	0.90	5.41	1.00	+999
Perseus Mining	56	20	2-7	35.0	40.3	-13	0.59	1.33	1.00	-1
PharmAust Ltd	14	30	1-3	1.5	0.4	+284	0.47	4.65	1.00	+97
Pharmanet Group	3	5	0-4	0.5	0.1	+463	0.83	4.84	1.00	+745
Phosphagenics	29	20	2-9	17.0	12.7	+34	0.33	2.01	1.00	+10
Phylogica Ltd	50	25	1-0	36.5	28.1	+30	0.69	1.65	1.00	+23
Pinnacle VRB	3	5	2-4	1.4	1.6	-10	1.09	1.41	1.00	+38
Platinum Australia	86	20	0-3	68.0	66.3	+3	0.82	1.30	1.00	+10
Plentex Ltd	3	5	0-7	0.5	0.5	-4	1.07	2.50	1.00	+183
Polaris Metals NL	17	20	2-4	6.0	6.6	-9	0.68	1.77	1.00	+20
Polartechnics Ltd	12	20	0-3	0.5	1.0	-49	1.24	3.42	1.00	+910
Portland Orthopaedics	34	25	2-3	22.0	17.5	+26	0.65	1.61	1.00	+15
Prairie Downs Metals	32	25	1-9	15.5	15.7	-1	0.75	1.64	1.00	+14
Premier Bionics Ltd	23	20	0-4	3.5	4.3	-18	0.44	4.17	1.00	+7
Prima Biomed	7	20	0-3	0.1	0.0	+999	0.55	9.99	1.00	+999
Prosperity Resources	9	12	0-9	2.0	1.2	+65	0.64	3.26	1.00	+80
Quantum Resources	4	10	5-8	1.0	3.3	-69	1.10	1.15	1.00	+18
Quantum Resources	4	10	4-2	1.0	2.8	-64	1.10	1.23	1.00	+25
Quantum Resources	4	5	6-3	2.1	3.6	-42	1.10	1.09	1.00	+8
Queensland Ores	26	30	0-5	6.1	4.2	+46	0.84	3.10	1.00	+130
Quest Investments	39	15	2-4	25.0	26.4	-5	0.47	1.43	1.00	+1
Ramelius Resources	19	20	1-4	6.4	5.4	+19	0.64	2.22	1.00	+31
Ramelius Resources	19	18	0-10	6.2	5.1	+23	0.64	2.50	1.00	+35
Range Resources	3	5	1-1	1.4	0.6	+122	0.82	2.35	1.00	+95
Red Fork Energy	28	20	2-8	15.0	14.0	+7	0.51	1.69	1.00	+9
Red River Resources	16	20	3-7	7.0	10.0	-30	0.93	1.30	1.00	+16
Redbank Mines	11	28	1-9	1.7	1.9	-12	0.82	2.16	1.00	+81
Redport Ltd	14	5	0-10	8.7	8.9	-3	0.81	1.45	1.00	+2
Reefton Mining NL	2	10	3-3	0.8	0.2	+246	0.58	2.48	1.00	+61
Regis Resources	11	5	7-5	7.5	8.5	-12	0.50	1.22	1.00	+2
Regis Resources NL	11	10	6-2	6.0	6.5	-7	0.50	1.43	1.00	+6
Regis Resources NL	11	20	5-8	2.6	4.1	-37	0.50	1.72	1.00	+14
Republic Gold	8	25	0-3	0.7	0.0	+999	0.59	9.99	1.00	+999
Resonance Health	2	40	1-5	0.3	0.0	+999	0.82	4.23	1.00	+752
Resonance Health	2	15	0-5	0.6	0.0	+999	0.82	9.39	1.00	+999
Reward Minerals	20	20	2-10	6.1	6.5	-6	0.42	2.15	1.00	+11
Rey Resources	20	20	1-4	8.0	5.4	+47	0.53	2.46	1.00	+29
Richfield International	22	20	1-3	2.5	7.3	-66	0.60	2.19	1.00	+2
Rimfire Pacific Mining	2	8	0-1	1.0	0.0	+999	1.24	9.99	1.00	+999
Ritract Ltd	18	75	0-4	0.7	0.0	+999	0.52	9.99	1.00	+999
Rockeby Biomed	2	5	2-9	0.5	1.3	-61	1.57	1.17	1.00	+50
Rocklands Richfield	20	30	3-3	7.4	10.6	-30	0.92	1.38	1.00	+22
Royal Resources	20	20	1-3	7.0	4.2	+67	0.41	3.11	1.00	+28
Royal Resources	20	20	2-11	8.2	6.8	+21	0.41	2.15	1.00	+13
Rusina Mining NL	19	20	1-7	5.5	8.3	-33	0.88	1.67	1.00	+20
S8 Ltd	350	300	0-8	191.0	70.1	+172	0.28	4.16	1.00	+66
Safety Medical Prod	19	20	2-4	6.5	6.2	+5	0.49	2.12	1.00	+15
Salus Technologies	5	10	1-10	0.8	0.5	+67	0.55	2.94	1.00	+59
Saracen Mineral Hold.	37	10	6-10	30.0	31.8	-6	0.59	1.13	1.00	+1
Saracen Mineral Hold.	37	13	3-3	15.0	27.5	-45	0.59	1.28	1.00	-8
Segue Resources	70	100	3-10	18.0	21.9	-18	0.46	2.01	1.00	+15
Select Vaccines	7	20	1-9	2.1	1.0	+118	0.79	2.32	1.00	+98
Select-Tel Ltd	7	20	0-5	0.1	0.0	+179	0.79	5.99	1.00	+999
Solbec Pharm.	7	30	0-1	0.1	0.0	+999	0.53	9.99	1.00	+999
Souls Private Equity	19	30	3-4	4.0	1.3	+219	0.22	4.64	1.00	+20
Southern Gold	27	20	0-7	13.0	10.8	+20	0.98	1.93	1.00	+46
Stirling Products	8	20	1-4	1.6	0.6	+169	0.64	3.20	1.00	+107
Strathfield Group	3	7	1-7	1.0	0.1	+885	0.45	4.33	1.00	+86
Strike Resources	93	20	1-10	71.5	90.5	-21	2.72	1.02	1.00	-1
Structural Monitoring	13	20	0-8	3.0	0.8	+277	0.60	4.19	1.00	+150
Structural Systems	125	45	0-10	85.0	82.3	+3	0.36	1.52	1.00	+5
Style Plantation	28	20	2-5	11.5	17.1	-33	0.85	1.39	1.00	+5
Sub-Sahara Res	7	15	2-10	3.9	2.0	+93	0.67	1.92	1.00	+40
Sunnycove Mgmt	64	150	2-9	15.0	15.0	-0	0.67	2.02	1.00	+41
Synergy Metals	4	10	0-6	0.5	0.0	+999	0.66	6.03	1.00	+589
Tawana Resources	20	100	1-8	4.0	0.4	+997	0.62	3.76	1.00	+169
Telezon	27	20	1-10	10.0	19.0	-47	1.33	1.24	1.00	+6
Tennant Creek Gold	25	15	0-9	15.0	11.7	+28	0.69	1.91	1.00	+28
Tomahawk Energy	35	20	2-4	17.0	21.0	-19	0.66	1.48	1.00	+2
Trent Capital	55	125	2-9	0.5	4.3	-88	0.40	3.33	1.00	+35
Trojan Equity	114	100	1-10	12.0	26.6	-55	0.18	3.71	1.00	-1
Unilife Medical Sol.	20	50	1-10	4.0	4.0	+1	0.82	2.08	1.00	+74
Union Resources	6	10	2-7	2.2	2.3	-6	0.90	1.56	1.00	+36
Union Resources	6	10	2-7	2.9	2.3	+24	0.90	1.56	1.00	+39
United Kimberley	16	20	1-11	6.0	6.2	-4	0.84	1.69	1.00	+31
Uran Ltd	25	20	2-9	15.0	20.9	-28	1.55	1.10	1.00	+13
Uranium Exploration	31	20	1-7	13.0	19.2	-32	1.09	1.36	1.00	+5
View Resources	18	20	1-10	8.0	6.9	+16	0.74	1.81	1.00	+27
Virax Holdings Ltd	7	20	3-4	3.2	1.1	+189	0.53	2.39	1.00	+42
Visiomed Group	2	12	1-7	0.4	0.0	+999	0.54	5.43	1.00	+251
WCP Diversified Inv.	10	2	3-10	8.5	9.0	-5	1.16	1.06	1.00	+2
Wasabi Energy	3	2	0-4	0.7	0.9	-20	0.94	2.34	1.00	+12
Washington Res.	19	25	1-6	5.0	5.1	-2	0.69	2.17	1.00	+36
West Aust Metals	14	5	1-12	10.0	9.7	+3	0.79	1.31	1.00	+5
Westralian G & Power	11	25	3-1	3.2	5.3	-39	0.98	1.43	1.00	+36
Yilgarn Gold	15	5	2-4	9.2	11.4	-19	0.82	1.24	1.00	-2
Yilgarn Mining	19	25	0-10	2.8	2.0	+41	0.51	3.85	1.00	+58
ZBB Energy Corp	16	50	1-4	1.5	0.9	+76	0.70	3.24	1.00	+147
Zedex Minerals	20	20	2-3	5.6	4.2	+32	0.25	3.36	1.00	+12
Zelos Resources NL	17	20	1-4	5.2	5.1	+3	0.77	2.04	1.00	+37

NZ Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/ Under-Valued	Share Vola-tility	Option Lever-age	Options to Buy 1 Share	Break-Even Rate
Forty Two Below	55	50	0-2	7.0	6.2	+13	0.29	7.4	1.00	+24%
Dorchester Pacific	209	170	0-1	39.0	40.1	-3	0.22	5.2	1.00	+0%
Kingfish	131	100	1-4	35.0	40.8	-14	0.18	3.1	1.00	+2%
Salvus Strategic	79	100	1-4	7.0	4.1	+69	0.22	6.6	1.00	+26%

Australian Warrant / Option Analysis

Aurox Resources (codes AXO and AXOO).
Aurox Resources placed 2,000,000 shares at 55 cents in May to raise $1.1 million. These options still have 14 months until their final exercise/expiry date and we are happy to hold to seek further gains.

Bounty Industries (codes BNT and BNTO).
Bounty Industries has confirmed its forecast of a $5 million (6.2 cents per share) net profit for the year ended June 2006 - although only $1 million will be from mining and $4 million of profit from the sale of equipment. Profits are then forecast to rise to $7 million (7.1 cents per share) - all from coal mining - in the year to June 2007.

Those forecasts would appear to justify a significantly higher value for Bounty Industries shares but there are some inconsistencies. For example, in July the company placed a further 15,000,000 shares at 20 cents to raise $3 million to finance future growth. This money will no doubt help the company expand, but issuing new shares at only 2.8 times current year forecast profits will not increase shareholder wealth. The placement at such a low valuation suggests that the market - and the directors - have doubts about the $7 million profit forecast (or that earnings per share will be diluted by further low priced share issues). Raising additional finance at such a low valuation *dilutes* the interests of the existing shareholders who would do better with *slower growth*, rather than effectively selling off part of the company to new investors at a P/E ratio of just 2.8.

Our options have just over 4 months until their final exercise/expiry date of 31 December 2006. Each option can be exercised to buy a new share at 20 cents, so the market price of the shares needs to appreciate in the near future if the options are to have any significant value. Option leverage is a very high 3.84 times, so any fluctuation in the share price would have a large impact on the value of the options. "Hold".

Cool or Cosy (codes COS and COSO).
The company reports a poor second half (to June 2006) owing to a mild summer which lowered demand for air-conditioning, reduced consumer spending and higher overheads as the company expands its air-conditioning business nationally. The second half is expected to be "lower than the first half" profits - which was down 75% - so the annual result could be 70-75% lower at just $430,000 to $520,000 (1.0-1.2 cents per share).

Unfortunately, this company's recent financial performance has been so poor that the share price has fallen to a level where it is becoming more likely that the options will expire worthless in 21 months. The options - although trading at only 3 cents - are looking overvalued relative to the share price. We shall hold our existing options in Cool or Cosy but would not recommend new purchases of options at the current time.

(The shares - on a P/E of 10-12 - could become an attractive recovery situation if the business improves in the years ahead, but they would need to recover strongly over the next 21 months to create value in the options.)

Equigold (EQI and EQIO).
Equigold has completed the Bankable Feasibility Study for the *Bonikro Gold Project* in Ivory Coast and the board of directors has approved the development of this mine.

The capital cost of development will be around US$56 million - plus another US$18 million if the company buys its own mining fleet rather than using a contract miner. The mine should produce around 785,000 ounces of gold over a 6¾ year life at a cash cost of US$251/ounce. This will produce a net after tax return of US$74 million (at an average gold price of US$500) to US$125 million (at a gold price of US$600) for Equigold.

Gold is currently trading around US$645, which would yield an after tax profit around US$150 million.

The 6¾ year mine can likely be extended by using this equipment and plant to mine and process other gold deposits in the area.

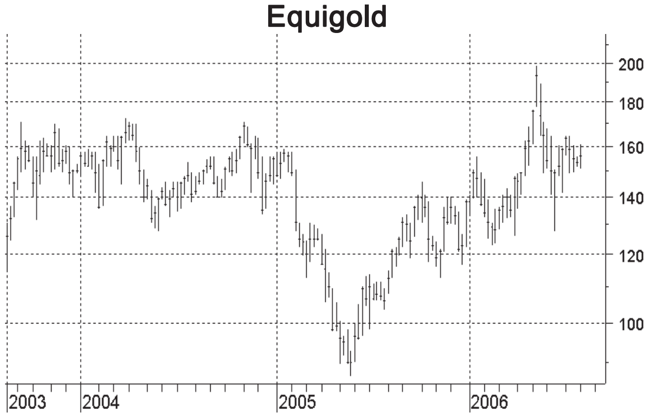
The company has an indicative offer of an A$50 million loan to partially finance the mine and expects to finalise this financing this month. In addition, the company has A$39 million in cash and will receive another A$59 million when the 42 million listed options are exercised at $1.40 in May next year. Equigold will seek to finalise political risk insurance cover in September.

Preliminary site work is expected to start in November or December, with the main site construction starting in January 2007. Open pit mining is scheduled to begin in September 2007, plant commissioning in January 2008 and gold production in February 2008.

Equigold options have only nine months (i.e. until 31 May 2007) until their final exercise/expiry date at which time we have the right to buy shares at 140 cents. Now that the company is to develop its *Bonikro Gold Project* the market *may* re-rate the value of the company's shares.

Equigold is a sound gold mining company that will significantly expand its gold production with this project - so is an attractive investment in this sector.

We rate the options a *speculative* "Buy" owing to their short remaining life of only nine months - but they do offer a very high 3.75 times leverage over this period.

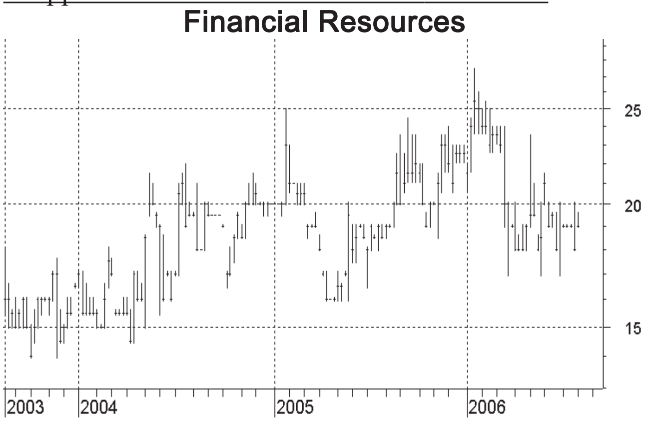


Financial Resources (codes FRL and FRLO).
Financial Resources 75% owned subsidiary **QuikRent Pty** launched its *Quikcard*, which is a branded *VISA* card and combined personal loan, in June. All processing and funding will be provided by **Police & Nurses Credit Society** with QuikRent marketing the card to national retail groups. By the end of July the company had 28 groups offering its *Quikcard* at 1400 sites.

The group's mining contracting subsidiary, **FRL Contracting**, has won new work at the *St. Ives* gold mine to construct the *Heap Leach Pad Stage 3*. Work started in July and will continue until early 2007. This contract will help double the contracting revenues to over $20 million for the year to June 2007.

We first reviewed Financial Resources in November 2004 when the shares were trading at 19 cents and the options traded at 4 cents. Both the shares and options have exactly the same prices today! Three years ago the options were very under-valued, but their shorter remaining life (i.e. 21 months until 31 May 2008) means they are now fairly valued.

The options still remain attractive for new purchases. They offer a very high leverage of 2.79 times and require a "break-even rate" of only 14% per annum growth in the share price before they start to quickly increase in value. Financial Resources is making progress at building up its business, so there is good potential for the shares to appreciate in value over the *next* 21 months.



Global Mining Investments (codes GMI and GMIO).
These options reach their final exercise/expiry date in a little over three months - on 30 November 2006. At that time we will have the right to buy a share at 100 cents.

Global Mining Investments shares currently trade around 135 cents (and have a fully diluted net asset value of 141 cents) which gives the options an intrinsic value of 35 cents. Investors can either (1) exercise the options and remain an investor in the shares or (2) sell the options on-market to realise their value.

Global Mining Investments is a suitable investment for investors wishing to maintain an exposure to global mining shares - so exercising the options is an attractive choice in this situation. Of course, investors who do not have sufficient cash to exercise all of their options - or who would find themselves over-exposed to this company or sector - should look to realise some of their options on-market over the next few months (or sell off some of the shares after exercising the options).

Image Resources (code IMA and IMAO).
Our recommendation in May was to "hold the options in the short term but to then sell on-market in July or early August to realise the gains on this investment". *If* investors haven't already sold then the best action at present may be to exercise the options to buy Image Resources shares at 25 cents.

The are two reasons for this: Firstly, the options currently trade at a discount relative to the share price. The shares are bid at 46 cents, so the intrinsic value of the options is 25 cents less or 21 cents - but the options are quoted with a bid of only 17 cents. Rather than sell for 17 cents it is better to pay 25 cents to exercise the option and then sell the shares at 46 cents (plus or minus any fluctuation in the share price) to realise a net 21 cents. Secondly, Image Resources is planning to spin off a new company called **Magnetic Resources NL**, distributing these shares to holders of Image Resources shares. This spin off *may* add value or help to support the Image Resources share price over the next month or two.

Marengo Mining (codes MGO and MGOO).
The company has drilled the first five holes, or about 10-15% of its current exploration program, at the *Yandera* project. Inspection of the first two holes shows they "intersected broad zones of mineralisation" at what was previously believed to be the south-east limit of the *Gremi Zone*. Further drilling will continue to test the *Gremi Zone* and nearby *Omora Zone* which have "good near surface" mineralisation and "could form the basis for a starter pit" mining operation.

Marengo Mining options are fairly valued, offer reasonable leverage (i.e. 1.67 times) and require a low 10% per annum rate of appreciation in the share price before an investment will "break-even" and then start to increase in value. There is still 18 months until the final exercise/expiry date - so if Marengo Mining can advance its exploration over that period then the shares (and the options) could be re-rated strongly. "Buy".

Metroland Australia (codes MTD and MTDO).
The company has entered a conditional contract to refurbish its building at 16-20 Mountain Road, Ultimo, into offices and sell it for $19 million. The building was purchased in June 2005 for $8.45 million and refurbishing will be completed in 2007.

The September 2005 contract for the sale of the Neutral Bay Property was settled on 7 July for $12.2 million.

The company has also entered a conditional contract to purchase the properties at 218-240 Queen Street, Campbelltown for $14.8 million (plus GST). The property on a 6,579m^2 site has 24 tenants and a current gross rental income of $1,224,000. The local council is encouraging the regeneration of the area and Metroland sees "significant scope to improve the current income" and "intends to extensively redevelop the property".

We first reviewed Metroland Australia in February 2005 but since then the shares have fallen 36% to 14 cents and the more volatile options are down 78% to 1 cent. At this price, however, the options still offer an attractive - albeit high risk/high return - speculative investment. So higher risk investors could consider a small dollar investment in the options, if they are available. Unfortunately, at current prices the options are inactively traded. *(Continued on Page 12)*

Warrant/Options

(Continued from Page 11)

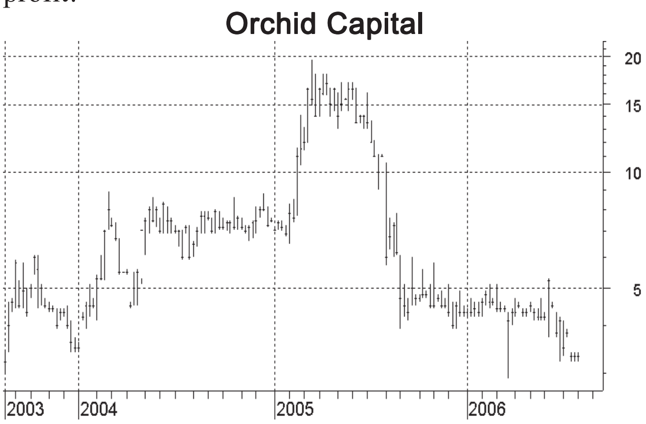
ORT (codes ORT and ORTO).
ORT holds $1.6 million in cash - or about 1.07 cents per share. These options still have 18 months until their final exercise/expiry date - but are unlikely to have any value.

Orchid Capital (codes ORC and ORCO).
Orchid Capital's 23.2% owned **Jiva Kata Resort Company** has sold its hotel property in Phuket, Thailand. Orchid Capital's share of the first instalment was ThB 17,632,000 (A$608,000) and up to another ThB 23,200,000 (A$800,000) over the next 16 months, subject to conditions relating to enlarging the hotel. This will realise a significant gain over the investment's book value of $500,000.

Orchid Capital is continuing to focus upon its new strategy of investing in small Asian companies which hope to list on stock exchanges over the next few years.

Net asset backing per share is 2.95 cents.

Our remaining Orchid Capital options will probably expire worthless on 30 November 2006. Fortunately we previously sold around two-thirds for a significant profit!



Stirling Products (codes STI and STIO).
Cash short Stirling Products has raised $2.3 million from two placements totalling 20.0 million shares at 11½ cents (plus 10.0 million options to buy shares at 20 cents on 31 December 2007).

Stirling Products has signed the contract formalising the Heads of Agreement announced in December 2005 with South African based **Afgri**. Afgri will fully fund studies on poultry, swine, sheep and cattle required to obtain registration and commercialisation of *R-salbutamol* in South Africa. Stirling Products will own the production registrations and trade marks, appointing Afgri as its sole agent in South Africa for up to ten years.

Stirling Products joint venture with **Equine HealthCare** of Denmark will incorporate a joint venture company, **Pulmovet ApS**, which will then raise additional capital in Europe to fund trials for the registration of its treatment in Europe and the United States for heaves in horses. The treatment uses a device invented by Equine HealthCare and Stirling Products' *R-salbutamol.*

Unfortunately the share price has fallen so much that it would now need to appreciate 107% per annum over the next 16 months for the options to have any value. That is not impossible - as this is a very volatile situation and the Stirling Products share price *could* appreciate very strongly - but is not likely. We shall continue to hold our Stirling Products options but realistically we should expect that they will expire worthless, so we would not make new purchases at this time.

Dividend$

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
AMP Office Trust	1.884	17-08	24-08	Nil
Calan Healthcare Property	2.0836	11-08	01-09	0.2164
Freightways	8.75	15-09	30-09	Full
GulliversTravel special	5.00	-	-	Full
Jason Travel Media	1.50	03-08	-	Full
Kingfish special	2.50	21-07	04-08	Full
Livestock Improvement	15.50	28-07	28-07	Nil
National Property Trust	1.20	18-08	01-09	Nil
NZ Wine Company	4.00	15-09	22-09	Full
Opio Forestry	28.00	16-08	18-08	Full
Opio Forestry (capital)	67.00	16-08	18-08	-
Property For Industry	1.50	03-08	10-08	0.4000
Renaissance Corporation	4.50	29-09	06-10	Full
Smith City Group	4.00	04-08	10-08	Full

Total Return Index for All Listed Shares

Jul 10	2451.42	Jul 17	2457.79
Jul 11	2445.60	Jul 18	2452.11
Jul 12	2457.28	Jul 19	2455.60
Jul 13	2464.52	Jul 20	2473.48
Jul 14	2456.60	Jul 21	2476.01
Jul 24	2471.82	Jul 31	2466.01
Jul 25	2465.00	Aug 1	2476.80
Jul 26	2451.35	Aug 2	2462.50
Jul 27	2450.82	Aug 3	2471.55
Jul 28	2459.57	Aug 4	2471.29

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday September 11, 2006.

The print version will be delivered later that week, depending upon printing and postal delivery times.

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