

Market Analysis

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Inside Market Analysis

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Summary and Recommended Investment Strategy.

Credit markets are taking notice of risks - which is good, but can result in some changing expectations impacting upon share prices in the short term. We do not expect this to have a significant impact on global economic growth.

Investment Outlook.

Problems in the United States Sub-Prime Mortgage market and fears of a credit crunch sent major stockmarkets down 6-8% over the last month. The Australian stockmarket slipped around 5% and NZ about 2½% (although our *Recommended Portfolio* has risen slightly over that period)

While we do not expect this to have a significant impact on global economic growth or share prices over the longer term, there is a short term impact.

Initially share prices fall owing to uncertainty. The “discovery” of risk by fixed interest investors will cut back the supply of cheap money to hedge funds and private equity funds. That will reduce the number of very large takeovers by private equity funds - and depress stockmarkets as investors expectations of realising takeover premiums diminishes. Takeovers by companies and mergers between companies will continue.

Hedge funds investing in the “carry trade” (i.e. borrowing cheaply in Yen to invest in high yield currencies like the NZ dollar) face significant currency risks. Eventually this market will cause another “crisis” with a panic to unwind positions resulting in volatile currency movements and exchange rate losses for the hedge funds involved.

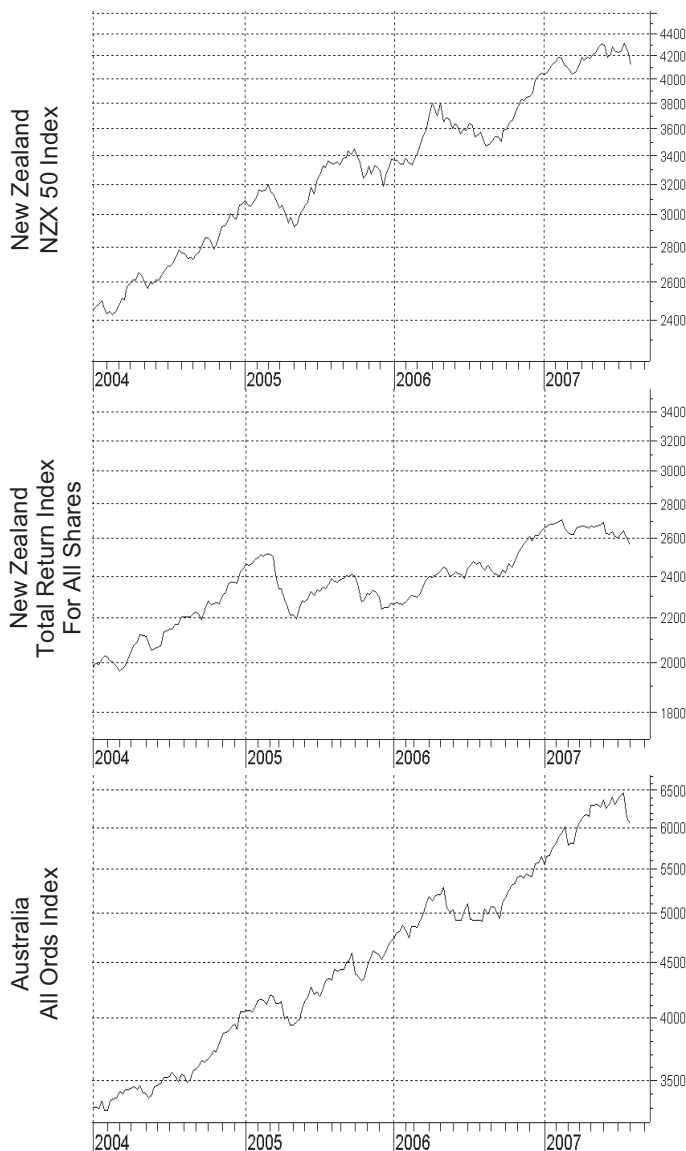
Our Forecasts for the Australian and New Zealand stockmarkets are slightly Bearish to Neutral. So prices may continue to slip lower in the immediate future - but while a longer term decline is always possible, the current decline could just as easily lead to an attractive buying opportunity.

We still see good value and growth potential in our Recommended Portfolio so recommend remaining fully invested in these shares.

We are currently entering the main annual reporting season for Australian companies. Especially among the emerging growth businesses which we favour, any situation where a company has built its business and improved profitability, but the share price has slipped owing to general stockmarket weakness, would warrant attention and further analysis as a possible “Buy” for long term investors. Every stockmarket dip helps create opportunities to discover under-valued shares that are attractive *future* investments.

Stockmarket Forecasts

	One-Month	One-Year
Australia:	34% (Bearish)	43% (Neutral)
New Zealand:	43% (Neutral)	37% (Bearish)



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		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield		Performance Forecast	Price	Price/Sales Ratio	P/E Ratio	Gross Yield
A2 Corporation	C	25	4.98	NE	Nil	Infratil NZ	B	290	1.82	37	6.4	Pumpkin Patch	D	330	1.76	19	3.8
AMP Onyx Mgmt	C	122	6.11	16	6.1	Jasons Media	B	110	1.52	31	4.1	Pyne Gould Corp	B	440	0.94	11	6.1
AMP Limited	C	1110	1.52	23	3.3	Just Water Int.	B	89	2.15	16	6.0	Rakon Ltd	C	485	5.58	56	Nil
Abano Health	B	371	1.31	52	Nil	Kermadec Prop.	E	100	N/A	NE	Nil	Renaissance	C	93	0.22	6	16.9
Affco Holdings	D	38	0.20	9	2.6	Kidicorp	D	23	0.91	NE	Nil	Restaurant Brds	C	84	0.26	8	17.8
Air New Zealand	B	266	0.70	28	2.8	Kingfish Ltd	B	142	N/A	2	6.3	Richina Pacific	C	53	0.11	8	Nil
Akd Int Airport	A	328	N/A	39	3.7	Kirkcaldie & St	C	315	0.72	55	Nil	Rubicon Limited	D	100	0.42	31	Nil
Allied Work.	C	118	0.38	18	7.0	Kiwi Property	A	149	N/A	18	6.4	Ryman Health.	C	209	5.49	25	1.9
Allied Farmers	B	200	0.38	24	5.2	Life Pharmacy	E	67	4.02	NE	1.1	Salvus Strat.	C	94	N/A	NE	4.0
Apple Fields	C	6.0	2.79	10	Nil	Lion Nathan Ltd	B	980	2.50	21	4.0	Sanford Limited	C	415	0.99	15	7.9
Baramundi Ltd	D	111	N/A	NE	Nil	Livestock Imp.	A	186	0.46	6	20.1	Satara Co-op	B	113	0.33	24	6.6
Blis Technology	E	8.0	N/A	NE	Nil	Loan & Building	B	515	1.37	17	4.5	Savoy Equities	E	4.3	N/A	NE	Nil
Botry-Zen Ltd	E	3.0	N/A	NE	Nil	Lombard Group	C	165	1.17	8	Nil	Scott Tech. Ltd	D	198	1.80	NE	2.3
Brierley Invest	D	136	3.15	30	2.6	Lytelton Port	A	239	3.08	24	3.1	Sealegs Corp	D	69	8.01	NE	Nil
Briscoe Group	C	158	0.90	13	7.6	Mainfreight Grp	B	745	0.74	13	3.0	Seeka Kiwifruit	B	380	0.50	17	7.9
Broadway Ind	C	81	0.41	20	4.9	Media Tech.	E	4.0	0.20	NE	Nil	Skellerup Hold.	C	93	0.61	7	12.8
Burger Fuel	E	81	N/A	NE	Nil	Methven Limited	B	248	1.88	18	6.9	Sky Network TV	C	529	3.75	34	2.3
CDL Investments	C	42	2.96	8	8.2	Metro. LifeCare	A	795	N/A	60	1.1	Sky City Ltd	B	473	2.70	17	8.2
Cabletalk Group	E	35	0.28	NE	Nil	Michael Hill	B	912	1.16	23	3.8	Smartpay NZ Ltd	E	3.5	0.20	NE	Nil
Cadmus Tech Ltd	E	18	1.69	NE	Nil	Mid-Cap Index	D	331	N/A	NE	Nil	Smiths City	C	68	0.13	9	8.1
Calnan Hlthcare	C	130	9.64	17	7.1	Millennium & C.	B	82	1.53	11	4.6	Software of Exc	D	255	2.67	NE	Nil
CanWest Media.	B	265	2.36	24	4.7	Mowbray Collect	D	165	3.99	NE	2.3	Sol. Dynamics	E	60	0.45	NE	Nil
Canty Bldg Soc.	B	530	1.17	19	4.2	Mr Chips Hold	A	125	0.64	11	4.8	South Port NZ	A	300	5.31	32	3.9
Cavalier Corp	C	330	1.07	15	8.1	NZ Experience	B	33	1.41	15	9.0	Speirs Group	C	85	0.21	NE	5.3
Cavotec MSL	C	520	1.52	25	Nil	NZ Exchange Ltd	A	1070	N/A	57	3.5	Steel & Tube	B	472	0.95	13	10.1
Cert Organics	D	9.7	2.39	NE	Nil	NZ Finance Hold	D	97	1.87	23	2.7	Sthn Travel	B	38	0.15	10	11.8
Charlie's Group	E	18	3.48	NE	Nil	NZ Invest Trust	B	1132	N/A	NE	0.7	Tag Pacific Ltd	D	42	0.47	9	1.3
Col Motor Co	C	350	0.21	14	10.2	NZ Oil & Gas *	N/R	122	N/A	NE	Nil	Taylor's Grp Ltd	B	200	0.72	13	9.0
Comvita	C	341	1.54	40	2.2	NZ Refining Co	A	735	4.37	13	9.1	TeamTalk Ltd	C	244	2.41	16	11.6
Connexion	E	25	2.48	NE	Nil	NZ Wine Company	A	250	2.30	21	4.2	Telecom Corp	C	432	1.46	10	12.3
Contact Energy	B	930	2.30	19	4.2	NZ Wool Service	B	42	0.22	10	10.7	Tenon Ltd	E	222	0.25	12	Nil
Cynotech Hold.	D	18	1.60	9	4.1	NZ Windfarms	D	115	N/A	NE	Nil	Toll NZ Ltd	C	297	0.90	12	Nil
Delegat's Group	C	235	2.75	45	1.0	NZSX 50 Port.	C	188	N/A	NE	Nil	Tourism Hold.	A	242	1.35	22	6.8
Dominion Fin.	B	190	1.68	7	6.7	NZSX 10 Fund	D	132	N/A	NE	Nil	Tower Limited	D	227	0.60	7	Nil
Dorchester Pac	C	130	0.48	16	10.3	NZX Aust MidCap	D	692	N/A	NE	Nil	Training Sol.	D	0.7	0.01	NE	Nil
Eastern Hi-Fi	D	30	0.19	NE	Nil	Nat Property Tr	C	70	4.42	18	7.2	Trust Power Ltd	B	830	4.18	27	4.9
Ebos Group Ltd	C	488	0.48	12	6.9	New Image Group	E	10	1.72	NE	Nil	Turners & Grow.	C	232	0.39	13	9.0
F & P Health.	C	329	4.72	29	5.6	Northland Port	A	330	N/A	72	2.7	Turners Auction	C	111	0.41	10	15.5
F & P Appliance	C	348	0.70	16	7.7	Nuplex Indust	B	685	0.41	14	6.5	Utilico Int'l	D	60	4.70	NE	Nil
Feltex Ltd	E	3.0	0.02	NE	Nil	Oyster Bay	A	285	2.40	28	5.2	VTL Group Ltd	D	85	0.53	11	Nil
Finzsoft Sol's	C	115	1.28	52	5.8	Ozzy (Tortis)	D	345	N/A	NE	Nil	Vector Ltd	C	255	N/A	57	7.0
Fletcher Build.	B	1250	1.06	15	4.8	PGG Wrightsons	B	183	0.61	19	8.2	Viking Capital	E	26	5.08	6	Nil
Freightways Ltd	B	385	1.92	20	6.7	POD Ltd	D	45	0.28	NE	Nil	WN Drive Tech.	E	32	N/A	NE	Nil
Genesis Res.	D	29	3.62	NE	Nil	Pac Edge Bio.	E	14	N/A	NE	Nil	Wakefield Hlth	C	770	1.64	29	3.3
Goodman Prop.	C	140	N/A	17	7.3	Pike River Coal	E	92	N/A	NE	Nil	Warehouse Group	D	625	1.01	20	3.8
Guinness Peat	D	185	0.60	23	1.5	Plus SMS Hold.	E	8.2	N/A	NE	Nil	Widespread Port*	N/R	1.9	N/A	NE	Nil
Hallenstein G.	C	455	1.37	12	11.5	Port Tauranga	A	680	7.44	29	4.4	Windflow Tech.	C	350	N/A	NE	Nil
Hellaby Hold.	C	322	0.32	7	14.4	Postie Plus Grp	C	68	0.22	7	15.4	Wool Equities	D	60	0.51	NE	Nil
Heritage Gold *	N/R	7.0	N/A	NE	Nil	Propertyfinance	D	129	0.46	NE	Nil	World Index Fd	E	137	N/A	NE	Nil
Horizon Energy	B	339	2.82	16	8.4	Property F Ind.	C	139	9.82	20	6.3	Xero Live Ltd	E	85	N/A	NE	Nil
ING Property	C	116	8.29	18	9.1	Provenco Group	D	59	0.46	19	6.6	Zintel Comm.	D	40	0.50	7	7.5
												Ave of 153 Cos	C	244	0.39	21	4.1
ABB Grain Ltd	A	916	1.15	20	3.3	ConnectEast Grp	C	159	N/A	NE	4.1	Nat'l Aust Bank	C	3800	3.39	25	4.4
ABC Learning	B	675	4.20	33	1.6	Corp Express	B	674	1.09	19	2.7	New Hope Corp.	A	206	6.51	24	2.2
AMP Ltd	B	998	1.55	23	3.2	Crane Group	A	1750	0.51	34	3.4	Newcrest Mining	B	2500	5.93	24	0.2
ANZ Bank	C	2816	5.09	14	4.4	DB Reef Trust	B	182	3.48	5	6.1	News Corp.	B	2662	2.64	29	0.6
APA Group	C	419	3.66	22	5.7	DUET Group	C	325	1.96	NE	7.2	Nufarm Limited	A	1320	1.35	19	2.3
APN News Media	C	573	2.06	17	1.7	David Jones	C	549	1.32	30	2.9	Oil Search Ltd	B	367	4.80	8	2.9
ASX Limited	B	4678	N/A	35	2.6	Deutsche Div Tr	C	131	6.10	14	7.1	Onesteel Ltd	A	675	0.96	20	2.1
AWB Limited	B	345	0.25	11	5.8	Djerriharrh	A	500	N/A	11	5.2	Orica Ltd	C	2665	1.75	15	2.8
AXA Asia Pac	C	714	2.04	19	2.6	Downer EDI Ltd	C	595	0.40	NE	3.4	Origin Energy	B	947	1.26	23	1.9
Abacus Property	C	189	N/A	18	6.3	Dyno Nobel Ltd	B	211	1.06	16	2.7	Oxiana Ltd	B	366	N/A	NE	2.2
Adelaide Bank	B	1415	0.95	16	4.1	Energy Resource	B	1990	N/A	87	0.9	Pacific Brands	C	337	1.04	17	4.5
Adelaide Bright	C	333	2.28	18	3.8	FKP Limited	B	670	5.42	11	2.2	Paladin Res.	E	650	N/A	NE	Nil
Aditya Birla	C	359	3.47	NE	Nil	Fairfax Media	B	470	2.31	19	4.1	Paperlin X Ltd	D	305	0.18	21	3.3
Alesco Corp Ltd	A	1408	1.36	23	4.5	Felix Resources	B	572	5.06	36	0.7	Perpetual Ltd	C	7561	7.33	23	4.3
Alinta Ltd	B	1469	4.89	43	3.1	Flight Centre	B	1900	1.80	22	2.7	Portman Limited	B	828	4.10	17	Nil
Allco Finance	B	1000	N/A	30	4.1	Fortescue Metal	E	3090	N/A	NE	Nil	Primary Health	B	1207	6.15	31	3.5
Alumina Ltd	B	684	N/A	16	3.5	Foster's Group	D	594	2.34	10	3.6	Publishing & Br	C	1732	3.26	19	3.4
Amcor Ltd	B	678	0.55	17	5.0	Futuris Corp.	B	235	0.50	19	3.8	Q.B.E. Insur.	C	2986	2.05	16	3.2
Aneka Tambang	B	620	N/A	NE	1.8	GPT Group	B	446	N/A	7	6.2	Qantas Airways	B	557	0.80	23	3.9
Ansell Ltd	B	1167	1.53	15	1.0	GWA Internat'l	B	424	1.90	21	4.2	Queensland Gas	C	272	N/A	NE	Nil
Aquarius Plat.	B	3324	6.57	33	0.7	Gandel R. (CFS)	B	194	N/A	19	5.4	Ramsay Health	B	1097	0.95	22	2.2
Argo Investment	B	815	N/A	32	2.9	Goodman Fielder	B	246	2.14	22	2.2	Reece Australia	A	2782	2.48	32	1.6
Aristocrat Leis	B	1332	5.80	26	2.7	Guinness Peat	B	164	0.56	32	1.5	Rinker Group	B	1820	2.44	17	2.7
Aust Wealth Mgt	B	260	N/A	71	1.7	Guinns Ltd	B	341	1.81	13	4.7	Rio Tinto Ltd	A	8882	1.20	4	1.7
Australand Prop	B	235	2.06	9	7.0	Harvey Norman	B	509	2.38	23	1.6	SP Ausnet	C	136	3.74	8	2.4
Austar United	C	160	4.03	10	Nil	Havilah Res.	C	240	N/A	NE	Nil	Santos Ltd	C	1259	2.72	12	3.2
Aust W'wide Exp	C	326	N/A	NE	Nil	Healthscope	B	541	1.12	23	2.7	Seek Ltd	A	852	N/A	71	0.6
Aust Infra.	A	325	9.20	11	4.5	Henderson Group	B	366	N/A	71	2.1	Seven Network	B	1105	1.92	23	1.4
Aust Foundation	B	582	N/A	22	3.6	Hills Indust.	B	593	1.08	21	4.4	Sigma Pharm.	B	175	0.62	16	5.0
B & B Infrastr.	B	164	2.79	29	8.1	ING Indust Trt	B	250	N/A	18	6.2	Silex Systems	C	897	N/A	NE	Nil
B & B Wind Part	C	187	N/A	NE	5.5	ING Office Fund	B	165	8.24	5	6.3	Sims Group Ltd	A	2672	0.89	17	3.9
BHP Billiton	A	3669	3.00	9	1.3	Iluka Resources	C	596	1.30	12	3.7	Smorgon Steel	A	290	0.81	18	3.1
Babcock & Brown	B	2505	3.36	22	1.4	Incitec Pivot	B	7226	3.28	78	1.4	Sonic Health	B	1500	2.67	26	2.7
Bank of Q'land	B	1645	1.55	19	3.5	Insurance Aust.	B	547	1.33	10	5.4	Soul Pattinson	B	979	2.57	26	2.8
Becton Prop Grp	B	415	6.89	51	0.6	Investa Prop.	B	294	3.38	13	5.7	St George Bank	C	3375	5.91	17	4.5
Bendigo Bank	B	1585	2.02	20	3.3	JB Hi-Fi Ltd	A	1070</									

Recommended Investments

Nuplex Industries has realigned its management into three global business units, *Nuplex Resins*, *Specialty Products* and *Composites and Construction Products*, each with its own General Manager.

Australian Shares

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

Austin Group reports "continued encouraging signs" of a return to profitability and future growth. It states it is "on track to achieve our targets".

Campbell Brothers directors believe the business has "excellent long-term growth prospects". The company would be comfortable with a gearing ratio of

50%, meaning it could borrow up to another \$194 million for future acquisitions. At present it is seeking to "diversify into new markets" and investigating new acquisitions in Europe, Asia and North America.

Campbell Brothers expects further growth in minerals testing over at least the next two years - but growth in other services (e.g. environmental testing) is growing rapidly *lowering* the Laboratory division's exposure to the resource sector. The minerals testing business generated just under 50% of this division's revenues last year - down from 60% in 2006.

This year the company (Continued on Page 4)

Portfolio of Recommended Investments

CURRENT ADVICE	Company	Code	Initial Recommendation - Date -	Price	Perform- mance Forecast	Issued Shares (mil.)	Vola- tility 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	C	218.9	1.4	2.96	8	8.2	42	15.6	+130%
BUY	Cavalier Corporation	CAV	05/12/95	156*	C	65.5	0.9	1.07	15	8.1	330	196.5	+238%
HOLD+	Colonial Motor Company	CMO	10/11/92	150	C	27.9	0.5	0.21	14	10.2	350	302.8	+335%
HOLD	Lyttelton Port Company	LPC	12/12/00	150	A	102.3	0.7	3.08	24	3.1	239	60.6	+100%
HOLD+	Michael Hill Int'l Ltd	MHI	11/06/91	46*	B	39.2	0.4	1.16	23	3.8	912	206.0	+2330%
HOLD	Nuplex Industries Ltd	NPX	11/02/97	350	B	78.4	0.5	0.41	14	6.5	685	176.5	+146%
BUY	Postie Plus Group	PPG	08/05/06	71	C	40.0	1.1	0.22	7	15.4	68	6.0	+4%
HOLD+	Renaissance Corp	RNS	13/08/96	85*	C	39.0	1.0	0.22	6	16.9	93	46.4	+64%
BUY	Smiths City Group	SCY	09/10/06	64	C	53.0	1.3	0.13	9	8.1	68	1.5	+9%
HOLD	South Port New Zealand	SPN	13/02/96	120	A	26.2	0.6	5.31	32	3.9	300	89.3	+224%
HOLD	Steel & Tube Holdings	STU	08/08/00	146	B	88.1	0.7	0.95	13	10.1	472	179.0	+346%
HOLD	Taylors Group Ltd	TAY	09/11/99	102	B	24.3	0.6	0.72	13	9.0	200	68.0	+163%
Australian Shares (in Aust cents)													
HOLD	AJ Lucas Group	AJL	13/05/03	120	A	52.0	1.1	0.74	42	Nil	245	20.5	+121%
HOLD+	Atlas South Sea Pearl	ATP	14/05/96	73	A	89.3	1.3	3.57	16	6.7	52	13.5	-10%
HOLD	Austin Group Ltd	ATG	08/02/05	93	B	62.2	1.9	0.26	NE	13.3	23	7.0	-68%
HOLD+	Campbell Brothers Ltd	CPB	12/10/99	406*	A	51.6	0.3	2.18	27	2.6	2680	262.6	+625%
BUY	Candle Australia	CND	08/04/03	86	A	49.8	0.8	0.68	16	4.6	370	42.5	+380%
BUY	Cellnet Group Ltd ¹	CLT	12/02/02	152	B	51.5	1.1	0.08	29	2.3	88	33.5	+12%
HOLD+	Centennial Coal Ltd	CEY	16/01/01	70*	B	295.1	0.8	1.17	19	4.0	321	26.0	+396%
BUY	Circadian Technologies	CIR	10/02/04	188	D	40.1	1.0	N/A	NE	Nil	122	65.0	-1%
HOLD+	Commander Comm.	CDR	11/09/01	92	C	222.9	1.2	0.27	8	4.2	95	25.2	+31%
BUY	Computershare Ltd	CPU	12/08/03	189	B	599.3	0.6	3.41	30	1.4	918	42.5	+408%
BUY	Devine Ltd	DVN	13/11/06	94	C	136.0	0.9	0.31	9	6.2	129	4.0	+41%
BUY	Ellex Medical Lasers	ELX	14/03/06	49	C	61.2	1.3	1.33	23	Nil	77	Nil	+56%
HOLD+	Housewares Int'l	HWI	13/11/06	171	B	128.2	0.7	0.86	27	4.6	285	Nil	+67%
HOLD	Int'l AllSports	IAS	11/02/03	180	A	66.4	1.7	0.02	17	4.8	31	4.0	-81%
HOLD+	Iluka Resources Ltd	ILU	12/10/04	471	C	232.9	0.8	1.30	12	3.7	596	54.0	+38%
HOLD	Keycorp Ltd	KYC	10/08/04	123*	C	82.2	1.8	0.27	NE	Nil	31	Nil	-75%
BUY	M2 Telecommunications	MTU	09/10/06	33	A	59.4	1.2	1.52	23	2.3	86	1.0	+164%
HOLD	Mercury Mobily	MMY			C	105.0	1.9	N/A	NE	Nil	32		
HOLD	Melbourne IT	MLB	10/02/04	53	A	76.0	0.6	2.51	40	2.4	338	23.0	+581%
HOLD	M.Y.O.B. Ltd	MYO	15/07/03	84*	B	385.3	1.0	2.49	26	3.6	119	9.3	+53%
HOLD+	Namoi Cotton Co-op Ltd	NAM	14/03/06	65	B	107.8	1.2	0.18	5	8.9	62	3.5	+1%
BUY	Ross Human Directions	RHD	14/08/01	92	B	82.3	1.2	0.17	11	5.9	68	27.0	+3%
HOLD+	Skilled Engineering	SKE	12/03/02	126	B	103.9	0.6	0.53	21	3.9	492	84.5	+358%
HOLD+	Technology One Ltd	TNE	11/11/03	44	A	296.7	1.0	5.76	31	2.6	129	10.9	+218%
BUY	TFS Corporation Ltd	TFC	08/01/07	45	A	157.8	1.2	5.91	14	2.0	105	0.9	+135%
HOLD	The Reject Shop Ltd	TRS	11/01/05	257	A	25.1	0.5	1.47	39	1.7	1392	64.5	+467%

The average Total Return (i.e. both Capital Gains/Losses plus Dividends received) of all current investments from initial recommendation is +216.2%. This is equal to an average annual rate of +38.9%, 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 138 closed out) is +34.7%, compared with a market gain of +8.6% (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.

(1) Cellnet Group's return includes 1½ shares of Mercury Mobily distributed to shareholders.

Recommended Investments

(Continued from Page 3)

will expand its minerals testing business in Africa, Russia, China and India where it currently has a low market share. It also expects to announce joint ventures “in the coming weeks” with undisclosed “leading industry organisations” to provide “high-end analytical and diagnostic services” in metallurgy and mineralogy.

The first quarter of the current financial year (i.e. to June 30) has had mixed results for Campbell Brothers. The largest (and therefore most important) Laboratory division has experienced 45% volume growth in sample testing, although the higher Australian dollar will depress the growth in profits. The Chemical division is “performing in line with last year” while the Reward Distribution is “slightly down” but expected to show significant improvement in the second half of the current financial year. Overall the company expects the first half year profits to be 20-25% ahead on last year.

Candle Australia is expanding its range of services with the acquisition of **Jav IT Group** which offers managed IT services and IT professional staffing. The business generates annual revenues of just under \$16 million, with offices in Australia, New Zealand, Malaysia and China, 22 permanent core staff and 300 IT professionals on contracts to service major companies. Candle Australia will pay \$4 million (in cash and shares) for Jav IT, plus undisclosed incentives based upon profit growth over the next few years.

Candle Australia is also buying **Reality Check**, a pre-employment screening company established in 2005. This appears to be a small business as the purchase consideration is just an undisclosed “modest deposit” plus incentives for profit growth over the next three years.

Centennial Coal reports increasing coal prices. Thermal coal is selling in the higher US\$50's per tonne, “heading for in excess of US\$60” and with the potential for contract prices around US\$70 in 2009. Coking coal prices have also risen from around US\$105 and are approaching 2005 levels of US\$125.

The company anticipates a trading profit of \$30-40 million (before asset write downs of \$34.1 million), but a “substantial uplift in profitability” for the June 2008 financial year.

Centennial Coal is continuing discussions with “quite a few interested parties” seeking to buy a share of its *Anvil Hill* mine and is also considering the sale of surplus large land holdings in the Hunter Valley to raise cash.

Centennial Coal



Computershare has acquired the transfer agency business of **UMB Bank** in Kansas, United States, for US\$8,860,000. This is a small acquisition that will add about 100 customers.

Iuka Resources is now predicting first half profits of around \$40 million, after including \$20 million of gains from closing currency hedging positions, with full year profits predicted to be \$55-65 million.

The company had previously forecast a \$90-100 million profit based upon an exchange rate of US\$0.75 but with the higher Australian dollar that could have been reduced to around \$40-50 million at the average exchange rate of US\$0.81 experienced over the first half year. The current forecast is based upon an even more unfavourable exchange rate of US\$0.87 so actually represents an *improvement* owing to increased production of higher value products and lower operating and overhead costs.

Zircon production for the quarter was 20.8% higher than the March quarter owing to full production from the Murray Basin.

International All Sports' June quarter cashflow report indicates growth in revenues but that the business is probably continuing to operate around break-even levels. Receipts for the June quarter were \$271.6 million - up 11% on the June 2006 quarter. Receipts for the full year of \$1,085.8 million were up 24%.

The business, however, had a cash operating *deficit* of \$286,000 for the June quarter (compared to a similar \$198,000 deficit for the June 2006 quarter) and an annual operating cash *deficit* of \$2.6 million (compared with a surplus of \$6.3 million in 2006).

Cash on hand is \$25.2 million, down from \$29.6 million a year earlier.

M2 Telecommunications is likely to continue to grow rapidly as this company has announced further initiatives to boost future revenues and profits:

The company has launched an online mobile phone retailing business **Simply Mobiles**, offering customers prices “at or near wholesale levels”. The company already had established relationships with major mobile phone manufacturers but sees a niche for a discount retailer to service the 16 million Australian mobile phone users that purchase 7 million phones annually.

The company has also been appointed as the preferred telecommunications services provider to **Capricorn Society**, a buying group for 10,000 automotive companies (i.e. service stations, workshops) in Australia, New Zealand and South Africa. The buying group has negotiated an agreement for M2 Telecommunications to provide a full range of services to members in Australia and New Zealand who will be contacted over coming months to switch to M2 Telecommunications.

M2 Telecommunications has also signed a wholesale service agreement with **Vodafone New Zealand** to resell M2 branded mobile services. These services will include 3G mobile and data services from October as they become available on the Vodafone network.

Mercury Mobility - recently spun-off as a separate company by **Cellnet Group** listed on the Australian stockmarket last Thursday. The shares initially traded at 29 cents before ending the first day at 25 cents. On Friday the shares jumped to end the day at 32 cents.

In addition to receiving 1½ shares in Mercury Mobility as a free distribution from Cellnet Group, the company made a 3 for 16 cash issue at 20 cents. We advised taking up entitlements to those extra shares as the market was likely to value the company at greater than 20 cents per share.

For calculating the returns in our *Recommended Portfolio* we shall add the value of our 1½ free Mercury Mobility shares to the value of our Cellnet Group investment to calculate our return from investing in Cellnet Group. For example, at 32 cents, our Mercury Mobility shares adds 48 cents to the value of the original investment we made in Cellnet Group.

As we noted last month, it is difficult to value this

type of start-up business. We also prefer companies that are further along the path of developing *positive* cashflows and a profitable business. Mercury Mobility's business may not be profitable in the near future and may need to raise additional capital to seek to grow and expand. While we were happy to take up the cash issue shares at 20 cents, we do not plan to buy further shares on-market at current prices. We may not retain these shares as a long term investment, but they have performed well to date and we are happy to let our profits run. "Hold".

The Reject Shop's unaudited management accounts show a profit to June 2007 of \$12.0-12.3 million - up 32-36%.

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.

STRENGTH RATING													STRENGTH RATING														
Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price Ratio	Market Cap'n	Company	Share Price	Cur- rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price Ratio	Dividend Yield	Price Ratio	Market Cap'n
UNDER-VALUED SHARES: Lowest Price/Sales, Yld > 0, Rel Strength > 0													OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0														
Affco Holdings	38	+3.3	-1.0	32	1-0	-	0.9	10	1.4	9	2.6	0.20	192	Calan Hlthcare	130	-2.7	-1.8	65	0-0	4	1.0	6	0.4	17	7.1	9.64	179
Col Motor Co	350	+1.9	-0.7	39	2-0	-	0.9	6	0.5	14	10.2	0.21	97	AMP Onyx Mgmt	122	-0.5	-1.8	50	0-0	4	0.9	6	0.4	16	6.1	6.11	587
Satara Co-op	113	+1.6	-0.8	40	0-0	-	0.5	2	1.0	24	6.6	0.33	18	Viking Capital	26	-10.4	-2.7	85	0-0	-	0.9	14	1.0	6	Nil	5.08	18
Turners & Grow.	232	+0.8	-3.8	45	0-2	1	0.7	6	0.7	13	9.0	0.39	214	F & P Health.	329	-8.3	-0.7	79	0-17	5	8.7	30	0.5	29	5.6	4.72	1,682
Livestock Imp.	186	+2.4	-0.2	37	4-0	-	0.6	10	0.9	6	20.1	0.46	55	Nat Property Tr	70	-3.4	-2.7	70	0-0	4	0.6	3	0.6	18	7.2	4.42	90
Seeka Kiwifruit	380	+1.4	-1.3	42	1-0	1	0.9	5	0.5	17	7.9	0.50	48	Life Pharmacy	67	-11.5	-0.9	87	0-1	-	0.9	-	0.6	NE	1.1	4.02	20
PGG Wrightsons	183	+3.6	+1.4	28	1-1	5	1.2	6	0.8	19	8.2	0.61	515	Sky Network TV	529	-3.1	-1.4	68	3-0	5	1.9	5	0.3	34	2.3	3.75	2,059
Mr Chips Hold	125	+10.6	+1.3	8	1-0	-	1.7	15	0.9	11	4.8	0.64	31	Charlie's Group	18	-58.3	+0.0	98	3-1	-	3.5	-	1.2	NE	Nil	3.48	52
Air New Zealand	266	+18.0	-9.0	5	3-3	5	3.1	6	0.7	28	2.8	0.70	2,669	Brierley Invest	136	-3.8	-0.4	72	0-4	-	1.2	4	0.7	30	2.6	3.15	1,861
Mainfreight Grp	745	+0.7	+0.4	46	1-5	5	4.6	36	0.6	13	3.0	0.74	719	Horizon Energy	339	-3.1	-2.5	67	0-0	1	1.3	8	0.3	16	8.4	2.82	85
Pyne Gould Corp	440	+0.6	-2.0	47	1-2	-	2.5	22	0.7	11	6.1	0.94	431	Delegat's Group	235	-2.1	-2.9	61	0-0	4	2.1	5	0.5	45	1.0	2.75	235
Steel & Tube	472	+1.5	+2.8	41	0-6	5	3.1	23	0.7	13	10.1	0.95	416	Sky City Ltd	473	-0.3	+0.6	49	1-8	9	6.6	39	0.4	17	8.2	2.70	2,031
BEST PERFORMING SHARES: Strongest Shares, P/E < 20, P/S < 1.0													WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average														
Mr Chips Hold	125	+10.6	+1.3	8	1-0	-	1.7	15	0.7	11	4.8	0.64	31	Charlie's Group	18	-58.3	+0.0	98	3-1	-	3.5	-	1.1	NE	Nil	3.48	52
Richina Pacific	53	+5.5	-1.6	21	0-0	-	0.7	9	0.9	8	Nil	0.11	80	Plus SMS Hold.	8	-20.7	-1.2	96	0-0	-	2.3	-	2.2	NE	Nil	N/A	28
PGG Wrightsons	183	+3.6	+1.4	28	1-1	5	1.2	6	0.6	19	8.2	0.61	515	Wool Equities	60	-18.3	-6.0	95	0-0	-	0.8	-	0.5	NE	Nil	0.51	14
Affco Holdings	38	+3.3	-1.0	32	1-0	-	0.9	10	1.0	9	2.6	0.20	192	Provenco Group	59	-17.4	-4.9	94	0-1	2	1.7	9	0.6	19	6.6	0.46	71
Toll NZ Ltd	297	+2.7	+2.3	36	0-0	-	1.9	16	0.5	12	Nil	0.90	624	New Image Group	10	-16.8	+1.1	92	0-0	-	16.9	-	2.3	NE	Nil	1.72	19
Livestock Imp.	186	+2.4	-0.2	37	4-0	-	0.6	10	0.8	6	20.1	0.46	55	Connexion	25	-13.6	-4.8	89	0-0	-	25.8	-	1.0	NE	Nil	2.48	5
Col Motor Co	350	+1.9	-0.7	39	2-0	-	0.9	6	0.4	14	10.2	0.21	97	NZ Finance Hold	97	-11.7	-3.9	88	0-4	-	3.5	15	0.4	23	2.7	1.87	74
Steel & Tube	472	+1.5	+2.8	41	0-6	5	3.1	23	0.6	13	10.1	0.95	416	Life Pharmacy	67	-11.5	-0.9	87	0-1	-	0.9	-	0.5	NE	1.1	4.02	20
Seeka Kiwifruit	380	+1.4	-1.3	42	1-0	1	0.9	5	0.3	17	7.9	0.50	48	NZ Windfarms	115	-11.3	-12.0	87	0-2	-	2.0	-	0.6	NE	Nil	N/A	8
Turners & Grow.	232	+0.8	-3.8	45	0-2	1	0.7	6	0.5	13	9.0	0.39	214	Viking Capital	26	-10.4	-2.7	85	0-0	-	0.9	14	0.9	6	Nil	5.08	18
Mainfreight Grp	745	+0.7	+0.4	46	1-5	5	4.6	36	0.5	13	3.0	0.74	719	Just Water Int.	89	-10.2	-1.6	85	0-1	-	3.2	21	0.5	16	6.0	2.15	63
Pyne Gould Corp	440	+0.6	-2.0	47	1-2	-	2.5	22	0.6	11	6.1	0.94	431	Pumpkin Patch	330	-9.4	-3.5	83	0-9	6	5.7	29	0.4	19	3.8	1.76	549
INCOME SHARES: Highest Yields, Capitalisation > NZ\$100 million													INSIDER SELLING: Most Insider Selling, Relative Strength < 0														
Hellaby Hold.	322	-10.5	-2.0	86	4-0	2	1.4	20	0.4	7	14.4	0.32	159	Telecom Corp	432	-1.3	-0.9	58	0-34	10	3.5	35	0.3	10	12.3	1.46	8,471
Telecom Corp	432	-1.3	-0.9	58	0-34	10	3.5	35	0.4	10	12.3	1.46	8,471	F & P Health.	329	-8.3	-0.7	79	0-17	5	8.7	30	0.5	29	5.6	4.72	1,682
Hallenstein G.	455	-3.8	-0.8	72	0-6	5	4.2	34	0.3	12	11.5	1.37	270	Pumpkin Patch	330	-9.4	-3.5	83	0-9	6	5.7	29	0.4	19	3.8	1.76	549
NZ Refining Co	735	+8.5	+1.9	14	0-0	2	2.9	22	0.2	13	9.1	4.37	1,764	Sky City Ltd	473	-0.3	+0.6	49	1-8	9	6.6	39	0.4	17	8.2	2.70	2,031
ING Property	116	-2.4	-1.1	63	0-0	2	0.9	5	0.5	18	9.1	8.29	628	F & P Appliance	348	-1.9	+0.4	60	0-6	5	1.4	9	0.4	16	7.7	0.70	986
Turners & Grow.	232	+0.8	-3.8	45	0-2	1	0.7	6	0.5	13	9.0	0.39	214	Warehouse Group	625	-4.9	-2.6	76	0-6	6	5.7	29	0.2	20	3.8	1.01	1,909
Sky City Ltd	473	-0.3	+0.6	49	1-8	9	6.6	39	0.4	17	8.2	2.70	2,031	Allied Work.	118	-4.8	+0.1	75	0-0	1	1.8	10	0.8	18	7.0	0.38	31
PGG Wrightsons	183	+3.6	+1.4	28	1-1	5	1.2	6	0.5	19	8.2	0.61	515														
Cavalier Corp	330	-3.0	+0.4	67	2-1	4	3.4	22	0.7	15	8.1	1.07	216														
Sanford Limited	415	-6.4	-1.3	77	0-1	4	0.8	5	0.4	15	7.9	0.99	389														
INSIDER BUYING: Most Insider Buying, Relative Strength > 0																											
Rubicon Limited	100	+4.3	-0.2	25	7-0	2	1.1	3	0.5	31	Nil	0.42	252														
Tourism Hold.	242	+14.7	-1.7	6	4-0	4	1.4	7	0.4	22	6.8	1.35	238														
Livestock Imp.	186	+2.4	-0.2	37	4-0	-	0.6	10	0.6	6	20.1	0.46	55														
Col Motor Co	350	+1.9	-0.7	39	2-0	-	0.9	6	0.3	14	10.2	0.21	97														
Cynotech Hold.	18	+4.7	-1.5	23	2-0	-	2.0	21	1.5	9	4.1	1.60	14														
Affco Holdings	38	+3.3	-1.0	32	1-0	-	0.9	10	0.7	9	2.6	0.20	192														
POD Ltd	45	+10.1	+5.8	10	1-0	1	1.2	-	1.0	NE	Nil	0.28	20														
Mr Chips Hold	125	+10.6	+1.3	8	1-0	-	1.7	15	0.5	11	4.8	0.64	31														
Methven Limited	248	+13.5	+3.4	7	1-0	2	5.4	30	0.6	18	6.9	1.88	143														
Salvus Strat.	94	+1.9	-0.6	38	1-0	-	1.0	-	0.8	NE	4.0	N/A	19														

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.

Company	STRENGTH RATING										Market Cap'n	Company	STRENGTH RATING										Market Cap'n																
	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity	Volatility	Price/Earn. Ratio			Dividend Yield	Price/Sales Ratio	Share Price	Cur. rent	4-Wk Chg.	Rank 0-99	Insider Buy-Sell	Brokers Following	Price to NTA	Return on Equity		Volatility	Price/Earn. Ratio	Dividend Yield	Price/Sales Ratio												
OVER-VALUED SHARES: Highest Price/Sales Ratios, Relative Strength < 0																																							
Novogen Ltd	186	-14.1	-1.7	90	2-0	-	3.3	-	0.6	NE	Nil	9.92	181	Chemeq Ltd	8	-29.8	+1.9	98	0-0	-	-	-	1.6	NE	Nil	2.03	8												
Webjet NL	133	-1.7	-2.2	67	3-1	-	16.6	37	0.8	45	Nil	9.87	107	AFT Corporation	0	-29.4	-2.8	98	0-0	-	0.4	-	6.6	NE	Nil	2.17	8												
Advent Ltd	65	-8.6	-5.0	82	0-0	-	0.7	-	0.7	NE	36.9	9.63	14	Golden State	20	-28.3	-20.9	97	3-1	-	-	-	1.5	NE	Nil	N/A	27												
Peptech Limited	139	-6.1	-6.3	78	8-0	-	3.1	7	0.6	45	Nil	9.16	227	Bendigo Mining	31	-27.8	+2.0	97	3-0	4	1.5	-	1.0	NE	Nil	6.61	53												
Sunshine Heart	19	-0.9	+3.2	65	1-0	-	2.1	-	0.9	NE	Nil	8.98	15	B & B Env. Inv.	62	-26.4	-0.3	97	2-2	2	0.6	-	0.8	NE	Nil	1.40	79												
Quantum Energy	10	-1.6	+0.7	67	0-0	-	-	-	1.3	NE	Nil	8.53	101	Wedgetail Min.	15	-25.5	-3.7	97	1-1	-	-	-	1.2	NE	Nil	N/A	185												
Wallace Abs Ret	100	-2.6	-1.6	71	0-1	-	0.9	9	0.5	11	10.0	8.27	34	Brainz Instr.	22	-25.4	-5.7	97	0-0	-	1.4	-	1.1	NE	Nil	3.99	8												
Tomahawk Energy	26	-4.4	+0.9	75	0-0	-	-	-	1.2	NE	Nil	8.25	19	Renison Cons.	8	-25.2	+3.5	97	3-0	1	-	-	1.6	NE	Nil	N/A	36												
Babcock & B Cap	181	-0.1	+0.0	61	0-0	-	-	-	0.5	NE	Nil	8.14	361	Genetic Tech.	16	-25.0	+0.6	97	5-0	-	5.2	-	1.0	NE	Nil	5.22	56												
Impress Venture	7	-9.0	-1.8	83	10-0	-	-	-	1.9	NE	Nil	8.13	27	Highland Pac.	16	-25.0	+2.5	97	0-0	1	-	-	1.5	NE	Nil	N/A	77												
Uscom Limited	36	-20.9	-0.7	95	2-0	-	2.0	-	0.7	NE	Nil	7.96	14	Keycorp Ltd	31	-25.0	+1.5	97	1-0	2	1.1	-	0.8	NE	Nil	0.27	25												
Safe Effect	4	-10.0	+2.6	85	1-0	-	0.7	-	1.9	NE	Nil	7.92	17	Life Therapeut.	49	-24.9	-6.0	97	3-1	-	2.5	-	0.7	NE	Nil	0.87	46												
S/Tracks Prop.	2051	-0.0	-2.5	61	0-0	-	0.9	11	0.3	8	5.7	7.88	115	Tow Way Ltd	15	-24.8	-0.3	97	0-2	-	0.9	-	1.0	NE	Nil	4.17	9												
Biosignal Ltd	12	-7.9	+2.8	81	1-0	-	-	-	1.2	NE	Nil	7.74	10	Natural Fuel	50	-24.8	-3.8	97	1-0	-	1.6	-	0.8	NE	Nil	N/A	20												
Medtech Global	18	-5.7	-0.9	77	1-0	-	1.2	-	1.8	NE	Nil	7.69	18	Uran Limited	32	-24.8	-8.3	97	1-1	-	-	-	1.0	NE	Nil	N/A	18												
Macquarie Infra	321	-2.5	-3.2	70	1-0	10	-	-	0.4	26	6.5	7.69	8,125	Repol Ltd	10	-24.3	+3.9	96	2-0	-	-	-	1.1	5	Nil	0.43	17												
Reef Casino Trt	370	-2.9	-2.5	71	1-0	-	1.6	6	0.3	27	4.3	7.60	184	Westonia Mines	7	-23.6	-3.9	96	1-0	-	-	-	1.8	NE	Nil	N/A	20												
Anzon Australia	99	-7.2	-1.7	80	1-0	4	-	-	0.8	32	Nil	7.56	367	P-Sivida Ltd	13	-23.5	-1.8	96	0-0	-	-	-	1.3	NE	Nil	N/A	52												
DenX Ltd	7	-0.2	+0.1	62	0-0	-	3.7	-	1.4	NE	Nil	7.55	12	Adv. Magnesium	14	-23.2	-5.5	96	4-0	-	1.1	-	1.0	NE	Nil	N/A	12												
ASF Group Ltd	2	-0.0	+0.0	60	0-0	-	-	-	3.1	9	Nil	7.08	24	Lion Energy Ltd	17	-23.1	+0.7	96	0-0	-	0.9	35	1.1	2	Nil	0.81	5												
Peet Ltd	397	-0.1	-0.7	61	0-0	3	-	-	0.4	22	4.3	6.99	794	Lafayette Min.	4	-22.1	-6.8	96	0-0	1	-	-	1.9	NE	Nil	5.06	16												
Norwood Abbey	5	-21.2	-5.1	95	0-0	-	1.2	-	2.0	NE	Nil	6.96	9	Genepharm Aust.	44	-21.5	+1.1	96	1-0	-	-	-	0.9	NE	Nil	N/A	38												
Community Life	21	-5.1	-0.5	76	7-0	-	0.4	1	1.1	73	Nil	6.79	10	Powertan Ltd	23	-21.5	+0.3	95	0-0	-	-	-	1.2	NE	Nil	0.40	9												
Alco Max Sec.	74	-5.7	-2.4	77	1-0	-	0.8	3	0.6	30	3.3	6.72	126	Norwood Abbey	5	-21.2	-5.1	95	0-0	-	1.2	-	1.8	NE	Nil	6.96	9												
Quiktrak Netwks	9	-18.9	-2.3	94	3-0	-	-	-	2.1	NE	Nil	6.62	32	Environ. Clean	15	-21.1	-1.2	95	0-0	-	-	-	0.9	NE	Nil	N/A	37												
Bendigo Mining	31	-27.8	+2.0	97	3-0	4	1.5	-	1.1	NE	Nil	6.61	53	Uscom Limited	36	-20.9	-0.7	95	2-0	-	2.0	-	0.6	NE	Nil	7.96	14												
Tanami Gold NL	12	-3.5	-1.3	72	4-0	2	-	-	1.4	NE	Nil	6.52	69	Bounty Indust.	9	-20.7	+2.5	95	0-0	-	1.3	69	1.5	2	Nil	0.38	9												
Samson Oil/Gas	20	-12.5	+2.8	88	1-0	-	-	-	1.3	NE	Nil	6.48	37	Perseverance	14	-20.7	-12.7	95	0-0	7	4.7	-	1.5	NE	Nil	1.25	80												
Sun Resources	8	-5.9	+3.0	78	0-0	-	-	-	1.7	NE	Nil	6.45	12	Emperor Mines	12	-20.5	+0.6	95	3-0	1	3.0	-	1.6	NE	Nil	0.96	125												
API Fund	193	-3.9	-1.7	73	0-0	-	0.9	5	0.5	16	8.3	6.30	23	Elemental Min.	20	-20.3	-3.8	95	0-0	-	-	-	1.1	NE	Nil	N/A	7												
Centro America	113	-0.4	-1.1	62	0-1	7	1.1	13	0.6	8	9.0	6.29	1,084	Baraka Petrol.	12	-20.2	+2.2	95	0-0	-	-	-	1.5	NE	Nil	N/A	35												
Bravura Sol.	154	-15.3	-5.8	91	1-0	6	3.5	4	0.7	96	Nil	6.24	189	BMA Gold Ltd	11	-20.1	+3.7	95	0-0	-	-	-	1.6	NE	Nil	N/A	21												
Kimberley Diam.	68	-13.8	+0.2	89	3-1	-	1.5	-	0.9	NE	Nil	6.22	223	Harvest Road	10	-20.0	-2.4	95	0-0	-	2.5	-	1.5	NE	Nil	1.41	8												
Macquarie DDR	120	-0.2	-0.9	62	0-0	7	1.0	8	0.5	13	8.4	6.16	1,100	SDI Limited	56	-20.0	-3.2	94	0-0	3	3.5	27	0.6	13	1.1	1.46	66												
Cytopia Ltd	68	-2.3	-0.1	69	3-0	-	3.2	-	0.9	NE	Nil	5.99	50	Medec Limited	12	-19.5	+0.4	94	2-1	-	2.4	-	1.3	NE	Nil	1.06	9												
Adv Nanotech.	12	-9.9	-3.1	85	2-0	-	3.0	-	1.5	NE	Nil	5.88	18	Greenvale Min'g	58	-19.4	+2.4	94	0-0	-	-	-	0.7	NE	Nil	N/A	13												
Adv. Ocular	8	-11.1	+2.6	86	0-0	-	-	-	1.6	NE	Nil	5.86	10	Olympia Res.	8	-19.4	-2.1	94	0-1	-	-	-	1.9	NE	Nil	N/A	9												
Aristocrat Leis	1332	-4.2	-2.9	74	3-0	11	28.3	-	0.5	26	2.7	5.80	6,230	Redisland Aust.	17	-19.4	+2.3	94	0-0	-	2.8	-	0.9	NE	Nil	3.40	14												
Mariner Am Prop	89	-2.6	-1.7	70	2-0	-	1.0	4	0.6	23	7.9	5.75	113	INSIDER SELLING: Most Insider Selling, Relative Strength < 0																									
Newland Res.	18	-4.6	-20.4	75	0-1	-	-	-	1.1	NE	Nil	5.74	29	IBA Health Ltd	100	-3.4	-2.2	72	1-11	3	4.8	22	0.7	22	1.5	5.57	443												
Scigen Ltd	9	-1.1	-2.6	66	0-0	-	-	-	1.3	94	Nil	5.70	47	Jupiter Mines	26	-3.8	+5.4	73	1-11	-	-	-	1.1	NE	Nil	N/A	16												
APN Property	299	-2.2	-3.4	69	0-1	1	7.9	28	0.5	28	2.7	5.65	333	Compass Res	479	-1.7	-0.6	67	1-7	-	8.7	-	0.6	NE	Nil	N/A	374												
Apa Financial	55	-4.3	-1.0	74	8-0	-	3.7	-	0.8	NE	Nil	5.58	10	Commander Comm.	95	-21.5	-7.0	96	0-4	7	-	-	0.6	8	4.2	0.27	212												
IBA Health Ltd	100	-3.4	-2.2	72	1-11	3	4.8	22	0.8	22	1.5	5.57	443	Global Petrol.	19	-31.2	+4.9	98	0-4	-	-	-	1.6	14	Nil	N/A	32												
Dolomatrix Intl	58	-18.0	-4.0	94	1-0	-	19.3	-	0.9	NE	Nil	5.55	66	Golden Tiger	13	-12.4	-6.0	88	0-3	-	-	-	1.3	NE	Nil	N/A	8												
Marine Produce	2	-15.6	-2.8	91	0-0	-	1.1	-	2.7	NE	Nil	5.50	9	Macmin Silver	28	-3.6	-3.8	73	1-4	-	-	-	0.9	NE	Nil	N/A	118												
Jumbuck Enter.	131	-10.8	-0.5	86	2-1	3	7.7	52	0.6	15	Nil	5.44	63	Senetas Corp	11	-32.0	-3.8	98	0-2	1	2.8	51	1.6	5	Nil	2.14	51												
Rubicon Europe	93	-1.4	-0.6	66	1-0	4	0.8	17	0.5	5	10.1	5.40	401	E.R.G.	14	-16.4	+2.0	92	0-2	1	1.0	-	1.0	NE	Nil	0.62	120												
Medical Monitor	11	-17.0	+1.3	93	0-0	-	1.8	-	1.2	NE	Nil	5.37	7	Southern Gold	33	-9.7	+1.0	84	0-2	-	-	-	1.2	NE	Nil	N/A	15												
Bentley Int'l	38	-1.4	+0.6	67	1-0	-	0.7	10	0.7	7	5.3	5.27	15	Tow Way Ltd	15	-24.8	-0.3	97	0-2	-	0.9	-	1.0	NE	Nil	4.17	9												
WORST PERFORMING SHARES: Weakest Shares, P/S Ratio > 0.25, Yield < Twice Average																																							
Aust Biodiesel	6	-45.3	-0.5	99	2-0	-	0.4	-	1.6	NE	Nil	0.47	9	PMP Limited	165	-2.3	-2.1	69	0-2	5	3.3	23	0.6	15	Nil	0.39	485												
Metabolic Phar.	13	-40.0	+3.0	99	0-0	-	1.6	-	1.3	NE	Nil	N/A	36	Centrepnt All	70	-15.7	+0.2	91	1-3	-	3.5	19	0.4	19	7.1	2.54	49												
Goldlink Growth	19	-38.9	-1.4	99	1-0	-	0.3	31	0.9	1	Nil	0.45	6	Gleneagle Ltd	19	-12.6	+2.7	88	0-1	-	-	-	1.1	NE	Nil	N/A	15												
Mooter Media	25	-35.6	+1.9	99	0-0	-	1.0	-	1.2	NE	Nil	N/A	8	APN News Media	573	-0.1	-1.1	61	0-1	10	-	-	0.3	17	1.7	2.06	2,637												
CFK Childcare	9	-35.1	-6.1	99	0-0	-	-	-	1.4	NE	Nil	0.42	8	PharmNet Online	2	-5.8	-4.5	77	0-1	-	-	-	2.8	NE	Nil	N/A	6												
ST Synergy Ltd	45	-34.1	-1.6	98	0-0	-	3.5	-	0.6	NE	Nil	N/A	31	Golden Cross	4	-2.3	+4.5	69	0-1	-	-	-	1.8	NE	Nil	N/A	16												

Australian Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
A1 Minerals	22	25	1-3	7.4	4.0	+87	0.45	3.13	1.00	+36	Coziron Resources	28	20	0-11	9.5	11.9	-20	0.73	1.92	1.00	+6
AIM Resources	30	10	1-10	21.0	22.3	-6	0.94	1.25	1.00	+3	Cudeco Ltd	376	20	0-10	350.0	357.1	-2	0.55	1.05	1.00	-2
AXG Mining	22	20	3-0	11.0	15.6	-29	1.10	1.22	1.00	+12	Dart Mining NL	20	20	2-9	6.1	6.6	-8	0.40	2.20	1.00	+10
Accent Resources	20	20	2-1	10.0	9.4	+6	0.79	1.61	1.00	+21	Dia-B Tech Ltd	7	20	3-4	2.8	3.5	-21	1.01	1.40	1.00	+41
Acclaim Exploration	4	5	0-10	1.1	0.6	+74	0.61	3.11	1.00	+66	Diatreme Resources	39	25	0-2	15.0	14.7	+2	0.81	2.50	1.00	+16
Activex Ltd	13	20	1-6	3.0	3.5	-15	0.84	1.98	1.00	+50	Drake Resources	14	20	2-4	3.6	3.2	+12	0.53	2.29	1.00	+27
Adelaide Energy	14	25	1-10	4.4	0.4	+999	0.28	5.99	1.00	+50	Dyesol Ltd	168	20	1-3	155.0	149.6	+4	0.70	1.12	1.00	+3
Adv Ocular Systems	8	110	0-10	1.5	0.0	+999	0.59	9.99	1.00	+999	Dynasty Metals Aust	28	20	0-6	9.0	11.0	-18	0.86	2.09	1.00	+7
Agenix Ltd	17	30	3-10	11.0	8.3	+32	0.82	1.43	1.00	+27	Eagle Bay Resources	5	15	1-10	1.9	0.3	+488	0.57	3.22	1.00	+90
Alexander Securities	2	4	4-10	0.5	0.9	-45	0.72	1.47	1.00	+20	Eagle Eye Metals	15	20	2-10	5.0	4.3	+17	0.49	2.15	1.00	+20
Alloy Resources	18	20	1-7	6.5	6.5	+0	0.74	1.89	1.00	+28	Eden Energy	60	20	2-1	36.0	45.6	-21	0.87	1.25	1.00	-3
Amcom Telecom.	19	17	2-4	5.0	7.3	-32	0.48	1.99	1.00	+6	Electrometals Tech.	10	14	3-8	4.2	5.3	-21	0.80	1.43	1.00	+18
Arafura Resources	190	20	0-10	183.0	171.1	+7	0.92	1.11	1.00	+8	Elemental Minerals	20	20	1-5	6.9	7.4	-7	0.73	1.91	1.00	+23
Asburton Minerals	8	7	2-6	5.0	4.6	+8	0.96	1.34	1.00	+19	Ellendale Resources	13	20	4-9	3.5	8.9	-61	0.95	1.23	1.00	+13
Astro Diamond Mines	3	5	5-3	3.0	1.8	+65	0.79	1.31	1.00	+21	Emerald Oil & Gas	21	20	0-9	9.6	8.3	+16	1.15	1.77	1.00	+63
Astro Mining	3	5	5-3	1.4	1.8	-23	0.79	1.31	1.00	+16	Empire Beer Group	18	35	1-3	2.6	0.9	+186	0.48	4.14	1.00	+80
Astro Mining NL	3	75	2-4	0.5	0.0	+999	0.79	3.13	1.00	+298	Empire Resources	26	25	1-10	8.6	10.3	-16	0.68	1.82	1.00	+16
Athena Resources	41	20	2-3	18.5	28.6	-35	0.89	1.30	1.00	-3	Eneabba Gas	25	30	1-10	7.9	10.9	-27	0.89	1.63	1.00	+25
Atlantic Gold NL	14	12	0-2	2.6	2.6	-2	0.62	4.14	1.00	+29	Energy Metals	565	30	0-10	578.0	536.6	+8	0.65	1.05	1.00	+9
Atlas Gold	168	20	0-6	154.0	148.6	+4	0.63	1.13	1.00	+8	Enerji Ltd	3	20	0-5	0.4	0.0	+999	1.11	4.76	1.00	+999
Audax Resources	10	20	1-4	3.6	1.6	+119	0.78	2.40	1.00	+93	Entek Energy	22	20	2-4	9.9	11.8	-16	0.87	1.45	1.00	+15
Aura Energy	36	20	1-4	16.5	20.7	-20	0.85	1.51	1.00	+2	Enterprise Energy	9	20	0-4	0.9	0.1	+559	0.85	5.37	1.00	+999
Aurox Resources	111	20	0-2	98.0	91.2	+7	0.67	1.22	1.00	+55	EnviroGold Ltd	18	20	0-4	2.0	2.3	-12	0.70	3.93	1.00	+83
Ausquest Ltd	23	20	2-3	8.7	13.5	-36	0.94	1.39	1.00	+10	Eromanga Hydro.	26	10	1-11	18.0	19.8	-9	1.08	1.22	1.00	+4
Aust Oil Company	13	20	2-4	3.7	3.4	+8	0.59	2.12	1.00	+29	Erongo Energy Ltd	62	20	1-8	41.0	47.1	-13	1.01	1.23	1.00	-0
Aust Renewable Fuels	29	60	1-8	8.3	6.6	+27	0.81	2.09	1.00	+68	Eureka Energy	38	20	0-7	24.0	19.9	+21	0.91	1.71	1.00	+32
Aust Water Solutions	1	3	0-7	0.4	0.1	+383	1.28	2.62	1.00	+876	Evans & Tate	15	150	0-2	0.1	0.0	+999	0.63	9.99	1.00	+999
Australasia Gold	16	20	0-10	4.0	3.8	+4	0.88	2.27	1.00	+69	Excalibur Mining	3	3	0-4	1.5	0.3	+344	0.53	4.68	1.00	+274
Auth Investments	5	25	2-7	1.0	1.8	-44	1.12	1.53	1.00	+89	Fairstar Resources	74	25	2-0	43.0	56.6	-24	0.97	1.22	1.00	-4
Avantogen Ltd	5	25	0-4	1.5	0.0	+999	0.15	9.99	1.00	+999	Fall River Resources	7	25	0-3	0.5	0.0	+999	0.65	9.99	1.00	+999
BQT Solutions	22	8	2-1	16.0	17.2	-7	1.08	1.20	1.00	+4	Ferrowest Ltd	62	25	2-9	42.0	49.3	-15	1.04	1.17	1.00	+3
Balkans Gold	21	25	2-0	5.3	5.7	-7	0.55	2.22	1.00	+22	Financial Resources	11	20	0-9	0.4	0.7	-46	0.71	3.60	1.00	+142
Baraka Petroleum	12	25	1-1	4.5	0.9	+386	0.65	3.34	1.00	+129	First Capital Group	5	25	2-3	1.8	0.6	+191	0.81	2.22	1.00	+111
Beas Metals	38	40	2-8	21.5	15.5	+38	0.59	1.78	1.00	+20	Flinders Resources	1	10	1-1	0.2	0.0	+999	0.66	5.77	1.00	+621
Beacon Minerals	31	20	3-0	12.0	23.5	-49	1.10	1.19	1.00	+1	Fox Invest Ltd	106	130	0-10	6.0	3.8	+57	0.24	8.04	1.00	+35
Benitec Ltd	13	32	0-7	3.5	3.6	-4	1.70	1.80	1.00	+433	Frontier Resources	15	20	0-3	2.9	0.4	+562	0.62	6.67	1.00	+522
Benitec Ltd	13	15	3-7	6.5	11.7	-44	1.70	1.06	1.00	+15	Genesis Biomedical	3	3	3-3	1.7	1.8	-7	0.66	1.50	1.00	+10
Biolayer Corporation	6	35	0-2	3.0	0.0	+999	1.26	8.29	1.00	+999	Geodynamics Ltd	177	150	0-5	47.0	42.1	+12	0.57	3.20	1.00	+29
Biomd Ltd	15	20	0-0	0.2	0.0	+999	0.89	8.29	1.00	+999	Gippsland	11	9	0-4	4.0	2.5	+58	0.48	3.60	1.00	+65
Bionomics Ltd	35	22	1-5	21.0	16.5	+27	0.51	1.88	1.00	+16	Gladiator Resources	10	20	1-10	3.0	2.3	+33	0.75	2.11	1.00	+58
Bioprospect Ltd	5	5	2-7	2.4	3.5	-32	1.19	1.23	1.00	+15	Gleneagle Gold	19	20	1-5	4.6	4.3	+7	0.45	2.80	1.00	+20
Black Fire Energy	18	20	2-10	4.5	5.1	-11	0.38	2.40	1.00	+11	Globe Uranium	51	20	0-2	29.5	31.2	-6	0.84	1.63	1.00	-16
Black Range Minerals	19	5	3-6	13.5	15.7	-14	0.84	1.14	1.00	-1	Gold Aura	10	13	1-7	3.1	2.6	+19	0.64	2.23	1.00	+35
Blackham Resources	82	20	1-3	62.0	65.2	-5	0.99	1.22	1.00	+0	Gold Company Ltd	142	20	3-10	125.5	140.0	-10	2.02	1.01	1.00	+1
Boulder Steel	48	20	1-3	30.0	30.6	-2	0.74	1.46	1.00	+4	Golden Rim Res.	11	105	0-1	0.2	0.0	+999	1.08	9.99	1.00	+999
Bow Energy	16	20	0-7	6.6	3.2	+109	0.93	2.55	1.00	+152	Golden West Res	206	20	0-4	185.0	186.4	-1	0.57	1.10	1.00	-1
Buka Gold	24	65	0-10	5.5	5.3	+5	1.33	1.98	1.00	+264	Goldsearch Ltd	9	5	0-2	4.6	4.3	+7	1.14	1.99	1.00	+38
Burey Gold Ltd	24	20	1-10	9.5	10.5	-10	0.64	1.79	1.00	+12	Gondwana Resources	2	5	0-10	0.5	0.1	+496	0.88	3.23	1.00	+340
Burleson Energy	28	25	3-0	13.0	12.9	+1	0.56	1.68	1.00	+11	Gondwana Resources	2	1	1-10	0.9	1.0	-7	0.88	1.42	1.00	+10
C @ Ltd	4	20	0-7	1.0	0.3	+191	1.49	2.44	1.00	+999	Gondwana Resources	2	1	0-4	0.8	0.9	-9	0.88	1.75	1.00	-9
CO2 Group	32	12	4-2	24.0	26.6	-10	0.91	1.14	1.00	+3	Grainyc Metals	27	20	0-2	12.5	7.9	+58	0.97	2.77	1.00	+240
Cadence Capital	120	116	0-7	9.2	12.9	-29	0.23	6.46	1.00	+8	Great Gold Mines	3	20	4-8	3.2	0.3	+866	0.57	2.25	1.00	+55
Cape Lambert Iron Ore	54	30	1-2	29.0	28.6	+1	0.69	1.67	1.00	+9	Great Gold Mines	3	10	5-6	1.2	0.9	+38	0.57	1.78	1.00	+27
Cardia Technologies	12	10	0-4	2.5	3.1	-20	0.90	2.62	1.00	+28	Great Gold Mines	3	125	3-1	0.2	0.0	+999	0.57	4.64	1.00	+235
Catalyst Metals	20	20	1-4	6.5	7.1	-9	0.73	1.97	1.00	+23	Greater Pacific Gold	4	3	0-9	1.4	1.6	-10	0.83	1.97	1.00	+17
Centrex Metals	48	20	1-4	30.0	31.5	-5	0.78	1.43	1.00	+3	Green Rock Energy	13	10	0-8	6.0	5.0	+20	1.00	1.91	1.00	+48
Chameleon Mining	4	20	0-4	0.6	0.0	+999	0.00	9.99	1.00	+999	Greenvale Mining	58	30	4-4	33.0	41.8	-21	0.66	1.27	1.00	+2
Chemgenex Pharm.	90	75	4-5	55.0	48.8	+13	0.50	1.54	1.00	+9	Gt Australian Res	31	20	1-4	14.0	16.1	-13	0.76	1.64	1.00	+7
Chemgenex Pharm.	90	125	2-7	25.0	22.9	+9	0.50	2.27	1.00	+22	Gt Bendigo Gold	7	20	2-4	2.5	0.5	+364	0.49	3.16	1.00	+61
Cheviot Bridge	14	40	0-4	0.1	0.0	+999	0.53	9.99	1.00	+999	Gujarat NRE Res	37	20	0-4	16.0	17.8	-10	0.78	1.97	1.00	-8
Chrome Corporation	17	5	0-1	0.1	12.0	-99	1.19	1.41	1.00	-100	Gulf Resources	31	20	3-10	15.5	20.4	-24	0.67	1.34	1.00	+4
Chrome Corporation	17	2	2-1	3.8	15.6	-76	1.19	1.08	1.00	-40	Gulff Ltd	11	20	2-4	4.0	7.8	-49	1.55	1.19	1.00	+40
Citrofresh International	3	25	0-9	0.3	0.0	+999	0.95	4.54	1.00	+999	Haddington Res	28	35	2-9	8.8	19.3	-55	1.28	1.21	1.00	+18
Cluff Resources Pacific	1	3	1-3	0.3	0.0	+531	0.65	3.40	1.00	+148	Havilah Resources	240	160	2-8	145.0	240.0	-40	0.95	1.00	1.00	+9
Cobar Cons Res	24	20	0-12	7.8	10.9	-28	1.00	1.70	1.00	+17	Health Corporation	40	120	4-3	4.2	9.5	-56	0.58	1.95	1.00	+31
Colonial Resources	17	20	3-4	8.1	6.2	+30	0.53	1.84	1.00	+17	Hill End Gold	15	15	1-0	6.0	3.1	+94	0.50	2.93	1.00	+44
Commoditel Ltd	2	2	1-10	1.1	1.1	-3															

Company	Yr/Mth			Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate	Company	Yr/Mth			Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
	Share Price	Exercise Price	to Expire									Share Price	Exercise Price	to Expire							
Integra Mining	20	20	2-3	11.0	8.6	+28	0.68	1.72	1.00	+22	Orient Resources	11	20	0-4	1.5	0.4	+239	0.86	4.55	1.00	+647
Internet Resources	19	20	0-3	4.0	2.8	+45	0.80	3.76	1.00	+155	Oropa Ltd	6	5	0-4	0.2	1.7	-88	0.80	2.71	1.00	-38
Iron Mountain Mining	16	20	4-5	7.0	5.7	+22	0.41	1.94	1.00	+13	Oropa Ltd	6	50	0-4	2.1	0.0	+999	0.80	9.99	1.00	+999
JV Global	17	20	1-2	4.5	3.9	+16	0.67	2.44	1.00	+42	Oropa Ltd	6	20	2-5	3.5	1.3	+173	0.80	1.98	1.00	+75
Jaguar Minerals	11	20	1-1	3.0	1.0	+211	0.60	3.39	1.00	+98	Oroya Mining	2	5	1-11	0.9	0.5	+97	0.71	2.19	1.00	+60
Jupiter Energy	18	8	2-10	12.0	14.1	-15	1.03	1.18	1.00	+4	Oz Brewing	11	20	5-4	2.0	4.5	-55	0.55	1.64	1.00	+14
KTL Technologies	3	5	1-9	2.0	1.8	+14	1.31	1.37	1.00	+56	Pacmag Metals	31	18	0-7	21.0	15.2	+38	0.95	1.75	1.00	+52
Kalgoorlie-Boulder Res	9	20	0-11	3.6	1.0	+265	0.87	2.75	1.00	+193	Palace Resources	18	20	4-10	5.2	12.1	-57	0.87	1.23	1.00	+8
Kamelsonix Ltd	21	10	0-10	9.0	12.7	-29	1.11	1.45	1.00	-9	Papyrus Australia	74	20	0-7	63.0	54.8	+15	0.75	1.34	1.00	+22
LV Living	2	5	0-4	0.5	0.0	+999	0.83	5.53	1.00	+999	Paradigm Gold	16	25	0-9	4.8	3.5	+39	1.07	2.22	1.00	+146
Labtech Systems	23	20	5-10	11.5	15.8	-27	0.71	1.25	1.00	+6	Peak Resources	17	25	2-1	4.5	2.7	+68	0.43	2.94	1.00	+30
Labtech Systems	23	20	5-10	11.0	15.8	-30	0.71	1.25	1.00	+6	Pegasus Metals	19	20	2-7	5.4	7.4	-27	0.57	1.84	1.00	+12
Lefroy Resources	19	25	1-10	6.0	8.0	-25	0.91	1.63	1.00	+31	Pelican Resources	32	20	1-4	15.0	18.5	-19	0.95	1.48	1.00	+7
Legend Mining	8	4	0-11	4.2	4.5	-6	0.60	1.72	1.00	+1	Pensinsula Minerals	7	10	2-10	3.5	3.2	+8	0.91	1.46	1.00	+29
Lincoln Minerals	23	30	2-10	6.9	6.6	+5	0.50	2.12	1.00	+19	Peplin Ltd	90	84	2-10	39.0	28.8	+35	0.32	2.41	1.00	+12
Lindian Resources	32	30	2-4	14.0	18.2	-23	0.92	1.41	1.00	+15	Perseus Mining	119	20	1-7	99.5	101.0	-1	0.52	1.18	1.00	+0
Lion Energy	17	35	4-0	3.5	10.6	-67	1.03	1.27	1.00	+23	PharmAust Ltd	6	30	0-3	0.1	0.0	+999	0.68	17.22	1.00	+999
Lion Selection	167	151	1-8	63.0	33.7	+87	0.15	4.36	1.00	+16	PharmaNet Group	2	5	1-4	0.6	0.2	+218	0.61	3.22	1.00	+95
Lodestone Exploration	5	5	0-11	1.6	1.3	+25	0.63	2.55	1.00	+36	Phosphagenics	29	20	1-9	18.0	12.3	+46	0.40	2.08	1.00	+17
Lumacom Ltd	2	7	1-4	0.4	0.0	+999	0.68	3.78	1.00	+231	Phylogica Ltd	32	25	0-0	4.5	12.3	-64	0.58	2.08	1.00	-100
M2M Corporation	4	20	2-6	2.0	0.5	+307	0.77	2.23	1.00	+100	Polaris Metals NL	65	20	1-4	42.0	47.2	-11	0.67	1.35	1.00	-3
MGM Wireless	17	20	3-3	7.1	7.3	-2	0.60	1.69	1.00	+15	Portland Orthopaedics	29	25	1-3	11.0	8.7	+26	0.45	2.54	1.00	+19
Macmin Silver	28	25	1-2	10.5	7.0	+51	0.41	2.88	1.00	+24	Poseidon Nickel	109	81	2-3	80.0	82.2	-3	1.35	1.18	1.00	+19
Magna Mining NL	3	10	2-3	0.9	0.5	+97	0.66	2.42	1.00	+68	Poseidon Nickel	109	92	4-3	100.0	94.8	+5	1.35	1.08	1.00	+14
Malachite Resources	33	20	1-0	16.0	15.8	+1	0.63	1.85	1.00	+9	Prairie Downs Metals	84	25	0-9	60.0	60.4	-1	0.72	1.38	1.00	+2
Mantle Mining Corp	23	25	1-8	4.1	4.4	-7	0.38	3.07	1.00	+17	Progen Pharm.	364	840	2-9	135.0	117.4	+15	0.79	1.74	1.00	+43
Mantra Resources	80	20	1-10	68.0	63.2	+8	0.72	1.24	1.00	+5	Proto Resources	30	20	4-0	13.0	21.0	-38	0.77	1.27	1.00	+2
Marengo Mining	34	20	0-6	14.0	15.0	-7	0.57	2.14	1.00	+0	Pryme Oil & Gas	41	40	0-10	14.5	11.4	+27	0.69	2.42	1.00	+41
Marine Produce	2	8	0-1	0.1	0.0	+999	0.84	9.99	1.00	+999	Pure Energy Res	67	30	1-4	40.0	41.5	-4	0.68	1.51	1.00	+3
Maximus Resources	29	20	0-10	11.0	11.7	-6	0.68	2.02	1.00	+11	Qld Gold & Minerals	18	20	0-10	5.9	2.5	+132	0.45	3.77	1.00	+55
Mec Resources	11	20	0-3	0.7	0.3	+131	0.96	4.95	1.00	+999	Quantum Resources	3	10	4-8	2.0	2.1	-7	1.08	1.22	1.00	+32
Medic Vision Ltd	23	20	4-5	12.0	13.6	-11	0.61	1.42	1.00	+8	Quantum Resources	3	10	3-2	2.0	1.7	+21	1.08	1.37	1.00	+50
Medical Therapies	14	20	0-4	0.8	1.3	-40	0.90	3.69	1.00	+228	Quantum Resources	3	5	5-3	2.1	2.6	-18	1.08	1.14	1.00	+16
Metal Storm	13	0	2-0	5.0	12.9	-61	0.42	1.01	1.00	-37	Queensland Ores	33	35	1-3	11.0	9.7	+14	0.65	2.23	1.00	+30
Metals Australia	8	5	2-1	5.0	4.7	+7	0.85	1.41	1.00	+13	Quest Investments	12	15	1-4	3.0	3.6	-17	0.78	2.04	1.00	+36
Metals X Ltd	38	20	1-4	20.0	20.5	-2	0.59	1.68	1.00	+5	Ramelius Resources	170	20	0-4	172.5	150.4	+15	1.19	1.13	1.00	+45
Metroland Australia	16	26	1-9	1.3	1.1	+18	0.38	4.07	1.00	+38	Range Resources	90	100	0-1	11.5	3.5	+230	0.67	8.68	1.00	+999
Midas Resources	12	10	2-1	10.5	7.2	+45	1.09	1.32	1.00	+32	Range Resources	90	5	0-1	7.3	85.0	-91	0.67	1.06	1.00	-100
Millepede International	4	15	0-6	4.1	0.1	+999	1.10	3.80	1.00	+999	Range River Gold	8	25	1-1	2.9	0.2	+999	0.63	4.16	1.00	+224
Millepede Int'l	4	5	4-7	2.1	2.6	-20	1.10	1.16	1.00	+17	Reco Financial Serv.	2	10	1-4	0.8	0.0	+999	0.75	3.43	1.00	+268
Mindax Ltd	11	20	0-10	2.3	0.4	+497	0.51	4.92	1.00	+133	Record Realty	92	100	0-7	1.3	3.2	-59	0.18	9.99	1.00	+18
Minemakers Ltd	40	30	1-4	14.0	18.2	-23	0.72	1.78	1.00	+7	Red Fork Energy	52	20	1-8	34.0	35.1	-3	0.62	1.42	1.00	+2
Mineral Securities	185	115	0-5	97.0	74.6	+30	0.52	2.36	1.00	+39	Red River Resources	19	20	2-7	8.4	10.0	-16	0.83	1.48	1.00	+17
Minerals Corporation	2	9	0-1	0.1	0.0	+999	0.64	9.99	1.00	+999	Redbank Mines	12	28	0-9	2.6	1.5	+74	1.02	2.60	1.00	+248
Mining Projects Group	1	1	1-11	0.4	0.3	+15	1.03	1.48	1.00	+38	Regal Resources	15	20	1-3	4.0	2.2	+86	0.49	3.21	1.00	+46
Moby Oil & Gas	13	30	0-10	1.5	0.3	+494	0.58	4.90	1.00	+203	Regis Resources	10	5	6-5	7.0	7.5	-6	0.55	1.24	1.00	+3
Monax Mining	72	120	0-4	9.5	10.0	-5	1.28	2.77	1.00	+482	Regis Resources NL	10	10	5-2	6.0	5.5	+9	0.55	1.46	1.00	+10
Montec International	3	10	0-10	0.4	0.5	-11	1.25	2.20	1.00	+344	Regis Resources NL	10	20	4-8	3.4	3.4	+1	0.55	1.77	1.00	+20
Monteray Group	4	10	1-4	0.6	0.7	-14	0.85	2.31	1.00	+100	Republic Gold	4	3	1-3	2.4	2.0	+18	0.97	1.52	1.00	+25
Monteray Group	4	10	1-4	4.0	0.7	+473	0.85	2.31	1.00	+147	Resonance Health	1	40	0-5	0.1	0.0	+999	0.85	9.99	1.00	+999
Montezuma Mining Co	27	20	4-0	12.0	15.7	-24	0.59	1.44	1.00	+5	Reward Minerals	80	20	1-10	65.0	65.5	-1	1.03	1.18	1.00	+3
Morning Star Gold	27	25	1-4	13.0	10.1	+28	0.74	1.90	1.00	+31	Rey Resources	10	20	0-4	2.0	0.2	+999	0.77	5.69	1.00	+964
Multi Channel Sol.	3	7	1-4	0.8	0.2	+229	0.62	3.22	1.00	+100	Rialto Energy Ltd	65	60	3-10	30.0	37.0	-19	0.66	1.44	1.00	+9
Murchison Holdings	102	100	1-4	8.0	16.7	-52	0.24	4.30	1.00	+4	Richfield International	14	20	0-3	0.1	2.2	-95	1.37	2.81	1.00	+325
Murchison Metals	449	20	0-3	440.0	429.3	+2	0.65	1.05	1.00	+10	Rockeby Biomed	2	5	1-9	0.7	0.6	+25	0.88	1.94	1.00	+72
Mutiny Gold	19	20	1-1	4.7	4.3	+10	0.57	2.66	1.00	+31	Rocklands Richfield	21	30	2-3	4.9	8.3	-41	0.80	1.69	1.00	+25
My Net Fone	14	25	1-8	3.6	3.6	-1	0.80	2.02	1.00	+54	Royal Resources	54	20	0-3	30.0	34.3	-12	0.72	1.57	1.00	-31
Neptune Marine Serv	99	20	3-4	80.0	85.1	-6	0.77	1.14	1.00	+0	Royal Resources	54	20	1-11	36.5	38.1	-4	0.72	1.34	1.00	+2
New Hope Corp	206	45	1-0	171.0	164.0	+4	0.35	1.26	1.00	+5	Rusina Mining NL	40	20	0-7	21.0	21.7	-3	0.81	1.72	1.00	+4
New Privateer Hold	422	125	0-4	500.0	299.7	+67	0.47	1.41	1.00	+225	Safety Medical Prod	32	100	3-4	10.0	17.2	-42	1.12	1.33	1.00	+45
Newera Uranium	21	25	0-8	5.0	4.4	+14	0.80	2.63	1.00	+71	Safety Medical Prod	32	20	1-4	12.0	19.9	-40	1.12	1.38	1.00	+0
Northern Mining	20	20	1-4	8.5	7.0	+21	0.71	1.99	1.00	+30	Sapex Ltd	31	25	4-5	20.0	18.2	+10	0.57	1.44	1.00	+9
Northwest Resources	29	20	0-5	9.0	9.8	-8	0.45	2.77	1.00	+0	Saracen Mineral Hold.	34	10	5-10	20.0	28.0	-29	0.52	1.18	1.00	-2
Norton Gold Fields	29	20	3-1	13.0	20.2	-36	0.92	1.26	1.00	+4	Saracen Mineral Hold.	34	13	2-3	15.0	23.3	-36	0.52	1.41	1.00	-8
Nthn Star Resources	13	20	1-1	4.0	1.1	+255	0.53	3.62	1.00	+83	Segue Resources	18	100	2-10	6.5	11.2	-42	1.57	1.21	1.00	+89
Nthn Uranium	90	25	2-4	60.0	73.5	-18	0.98	1.17	1.00	-2	Select Vaccines	2	20	0-9	0.5	0.0	+999	1.06	3.76	1.00	+999
Nuenco																					

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
Swish Group	1	2	2-5	0.3	0.4	-32	0.89	1.60	1.00	+36
Synergy Metals	5	3	4-0	2.7	3.5	-23	0.95	1.18	1.00	+6
Talisman Mining	15	20	3-4	4.5	7.4	-39	0.76	1.50	1.00	+16
Target Energy	21	25	2-3	7.0	6.4	+10	0.57	2.06	1.00	+22
Tasman Resources	24	20	2-4	13.5	12.6	+7	0.74	1.54	1.00	+15
Tawana Resources	16	100	0-8	2.0	0.0	+999	0.84	5.22	1.00	+999
Teleton	28	20	0-10	18.5	12.5	+48	0.86	1.22	1.00	+47
Texon Petroleum	66	50	1-8	25.0	21.6	+16	0.19	2.92	1.00	+8
Thundelarra Exploration	48	19	1-10	27.5	31.6	-13	0.58	1.44	1.00	-1
Tidewater Investments	85	125	1-9	0.3	12.4	-98	0.46	3.04	1.00	+25
Tiger Resources	61	45	0-7	25.0	20.6	+21	0.63	2.42	1.00	+28
Tomahawk Energy	26	20	2-1	14.0	11.7	+20	0.58	1.77	1.00	+15
Tomahawk Energy	26	20	1-4	11.5	10.0	+15	0.58	2.03	1.00	+17
Torrens Energy	54	25	2-7	30.0	35.0	-14	0.55	1.44	1.00	+1
Trafford Resources	91	25	1-2	68.0	72.1	-6	1.25	1.21	1.00	+2
Transit Holdings	37	25	2-4	16.0	21.7	-26	0.75	1.46	1.00	+4
Transol Corporation	4	2	3-9	2.4	3.4	-28	1.24	1.10	1.00	+3
Trojan Equity	112	100	0-10	14.0	18.7	-25	0.19	5.10	1.00	+2
U308 Limited	55	25	1-10	24.5	36.0	-32	0.77	1.39	1.00	-5
Unilife Medical Sol	28	50	0-10	7.1	1.5	+369	0.57	4.19	1.00	+135
Union Resources	2	10	1-7	0.8	0.2	+281	0.85	2.50	1.00	+166
Union Resources	2	10	1-7	2.5	0.2	+999	0.85	2.49	1.00	+189
United Minerals Corp	67	20	0-11	51.5	49.1	+5	1.01	1.30	1.00	+8
Uran Ltd	32	20	1-9	19.0	22.7	-16	1.33	1.23	1.00	+13
Uranium Exploration	32	20	0-7	15.5	13.7	+13	0.65	2.09	1.00	+19
Uranium Oil & Gas	12	20	2-11	4.5	2.6	+75	0.48	2.36	1.00	+28
Uraniumsa Ltd	26	25	2-5	12.5	13.1	-5	0.77	1.54	1.00	+17
Venture Minerals	25	25	0-10	9.9	7.3	+36	0.76	2.29	1.00	+49
Victoria Petroleum	18	25	2-5	8.4	2.9	+194	0.38	2.97	1.00	+31
View Resources	36	20	0-10	18.0	18.1	-0	0.63	1.83	1.00	+7
Virax Holdings Ltd	11	20	2-4	4.5	2.8	+61	0.70	1.98	1.00	+45
Visioned Group	2	12	0-7	0.1	0.0	+999	0.88	5.27	1.00	+999
WAM Capital	194	180	0-4	9.4	18.5	-49	0.16	9.15	1.00	-8
WCP Diversified Inv.	14	2	2-10	10.5	12.0	-12	0.77	1.12	1.00	-3
WCP Resources	14	4	2-10	14.0	10.7	+30	0.77	1.21	1.00	+11
Washington Res	28	25	0-6	10.0	6.9	+45	0.70	2.77	1.00	+62

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
Werstern Metals	21	35	2-8	9.5	12.6	-25	1.20	1.28	1.00	+34
West Aust Metals	22	5	0-12	16.0	16.8	-5	0.54	1.28	1.00	-2
Western Uranium	32	20	2-10	15.0	21.5	-30	0.84	1.31	1.00	+3
Westonia Mines	7	10	2-10	3.1	2.6	+18	0.68	1.74	1.00	+25
Westralian Gas	15	25	2-1	5.2	7.4	-29	1.16	1.42	1.00	+43
Westside Corporation	60	50	1-7	28.5	24.5	+17	0.62	1.90	1.00	+18
Wilson Leaders	116	108	0-2	8.6	9.4	-9	0.14	11.47	1.00	+3
Xceed Biotechnology	20	20	2-5	9.0	8.4	+8	0.61	1.77	1.00	+17
Xenolith Gold	10	8	3-10	5.1	7.3	-30	0.97	1.21	1.00	+7
Yellow Rock Res	37	20	2-3	18.0	23.2	-23	0.71	1.42	1.00	+1
Yilgarn Gold	25	5	1-4	19.0	20.5	-7	0.66	1.22	1.00	-3
ZBB Energy Corp	520	50	0-4	3.0	471.0	-99	0.54	1.10	1.00	-100
Zamia Gold Mines	18	20	1-10	4.1	4.5	-9	0.49	2.43	1.00	+19
Zedex Minerals	45	20	1-3	25.0	27.3	-9	0.59	1.57	1.00	+0

New Zealand Warrant / Option Analysis

Company	Share Price	Exercise Price	Yr/Mth to Expiry	Option Price	Black-Scholes Valuation	Option Over/Under-Valued	Share Volatility	Option Leverage	Options to Buy 1 Share	Break-Even Rate
Burger Fuel W/wide	81	100	1-6	0.1	5.6	-98	0.21	6.1	1.00	+15
Infratil (B)	290	175	1-10	130.0	141.2	-8	0.22	2.0	1.00	+3
Infratil (C)	290	425	4-10	63.0	58.5	+8	0.22	3.1	1.00	+11
Kingfish	142	100	0-4	44.0	44.8	-2	0.21	3.2	1.00	+4
Salvus Strategic	94	100	0-4	8.0	2.7	+200	0.18	14.0	1.00	+52

Australian Warrant / Option Analysis

Northwest Resources (codes NWR and NWRO).

Northwest Resources is a small to medium sized company currently exploring and drilling to increase its gold resources - with the aim to become a gold producer by late 2008.

The company is exploring the *Blue Spec Shear Prospect*, an 18 km long vertical fault with high grade gold in quartz veins to great depth. Within this fault there are zones of larger deposits. One of these, the *Blue Spec Deposit* was mined by **Anglo American** to a depth of 320 metres until the late 1970's. Drilling by Northwest Resources has proved gold resources of 155,000 ounces of gold at 46.3 grams/tonne from 320 to 470 metres and it is currently drilling to 620 metres to further increase this resource. This could be mined using the existing shaft and decline.

Blue Spec East is another high grade zone less than 400 metres away that could be developed as an extension and from the same underground access. This is currently being explored.

The company has also discovered a parallel fault, *Red Ribbon Shear*, which appears to have the same characteristics as the *Blue Spec Shear*. This could effectively double the gold in this project area to over one million ounces.

Northwest Resources currently has a JORC resource

of 190,000 ounces of gold, graded 43.3g/t. Current exploration will seek to increase this to 300,000 ounces by the end of 2008. Concurrently with this exploration, the company is engaged in a Pre-Feasibility study. Subject to increasing the resource to 300,000 ounces, a Feasibility study will begin in early 2008 with the objective of establishing a high grade, low cost underground mining operation, with gold production expected from late 2008 and a mine life of at least five years. Cash flow from this would finance further exploration and expanded mining operations.

The project already has significant infrastructure left from previous mining operations. Existing shafts and declines to 320 metres at the *Blue Spec Deposit* can be used to access the gold resources below this level. There is a CIP treatment plant on site capable of crushing 100,000 tonnes of ore annually and extracting gold from 40,000 tonnes annually.

Northwest Resources has an issued capital of 82,958,931 shares and 49,811,487 options. The options will allow investors to buy shares at 20 cents until the final exercise/expiry date of 31 January 2008. That is only 5½ months away, but if the company successfully increases its gold resource to 300,000 ounces then the shares should at least return to recent highs around 35-41 cents (i.e. rise 20-41%) then (Continued on Page 10)

Northwest Resources

(Continued from Page 9)

the options will increase 67-133% to 15-21cents.

The exercise of the options would provide \$9.96 million to help finance the establishment of mining operations.

Summary and Recommendation

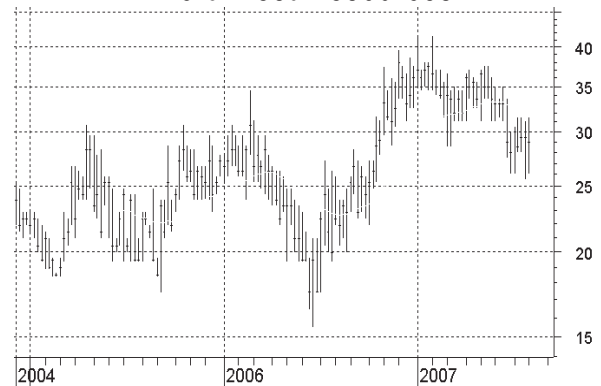
All mining exploration companies involve very high risk but Northwest Resources does appear to have good potential to increase its gold resources through exploration and to establish a mining operation to produce cashflows and profits within the next 12-18 months. If successful, the shares could be significantly re-rated over that period.

The options *could* provide a highly leveraged entry into this company over the next 5½ months and - if the company is successful - it would probably then be attractive to exercise the options and continue an

investment in Northwest Resources shares.

The shares, which have dipped in value with current market weakness and which are more actively traded, could also be considered for investors seeking an interest in a gold exploration/emerging gold miner.

Northwest Resources



Review of Existing Options

Options are very risky and volatile investments - so it is important to limit exposure to any one position and to diversify widely over many different options. The need to limit risk and diversify is demonstrated by our current holdings where we are likely to lose all (or most) of our investments in Cool or Cosy, Financial Resources, ORT and Stirling Products but are up 17½-fold on Aurox Resources!!

These returns also highlight another aspect of options: You can (and perhaps often will) lose 100% of your investment in an option, but there is *no limit on potential gains!* Just one big winner like Aurox Resources will offset complete losses on *many* unsuccessful investments.

Recommended Actions

Our Aurox Resources options reach their final exercise/ expiry date in a couple of months and as this company's iron/vanadium project is proceeding well we recommend exercising the options to buy shares in October and remaining an investor in this company.

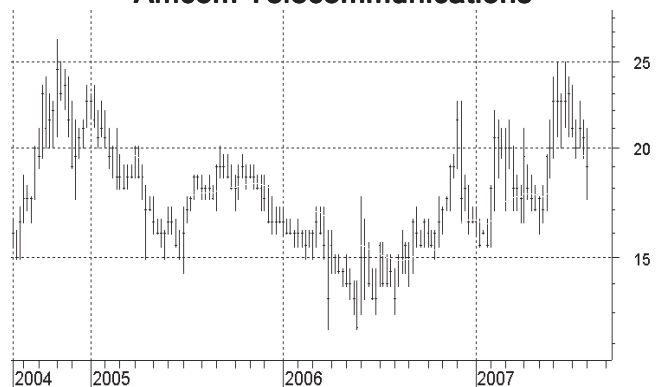
We also recommend selling the Cool or Cosy options on-market to realise what little value remains. We see little potential for recovery over the next nine months when the options will be completely worthless.

Amcom Telecommunications (codes AMM and AMMO). Amcom Telecommunications predicts its net profit to June 2007 will be at least 17% higher at \$5.6 million. Earnings per share, however, would be lower at 1.1 cents owing to new shares issued over the last year.

Futuris Corporation, the company's major shareholder must see good value in the shares, however, having recently increased its holding from 46.9% to \$49.1% with the purchase of over 15.3 million shares on-market at prices around 22½ cents.

The options still have over two years until their final exercise/ expiry date, are under-valued and offer high leverage - so remain an attractive "Buy".

Amcom Telecommunications



Aurox Resources (codes AXO and AXOO).

Aurox Resources has raised \$102 million. \$11.4 million from a share placement at 85 cents and \$91 million through the placement of 50.3 million shares at 85 cents and 50.3 million convertible notes at 95 cents. The notes will pay 7% interest and can convert to one ordinary share in June 2010.

The company completed its Bankable Feasibility Study for a three million tonnes per annual iron ore concentrate project at a capital cost of \$240 million plus \$80 million for a 100 km slurry pipeline to Port Hedland. Construction should commence in the first quarter of 2008 with production from the third quarter of 2009.

However, the company has found a second Chinese customer, **Rock Check Steel**, for another three million tonnes of iron ore annually, so it is seeking to *double* the capacity of this project to six million tonnes annually. This is expected to result in significant economies of scale in both capital and operating costs!

Aurox Resources has also decided to retain 100% ownership of this project owing to the relatively “modest capital requirements” in comparison to similar projects. Existing cash and new bank borrowings should enable the company to complete the iron ore project. When that is producing cash flow the company will construct the high value, 5900 tonnes per annum ferrovandium operation as a \$290 million extension to the iron ore concentrator.

We originally bought our Aurox Resources options at around 5.6 cents - which have increased 17½-fold in value since May 2005. These options are now approaching their final exercise/expiry date of 20 October 2007. Given the potential for this low cost iron ore project and high value vanadium project, we favour exercising the options (i.e. paying 20 cents) to subscribe for ordinary shares and continuing our investment in this company.



Cool or Cosy (codes COS and COSO).

Our Cool or Cosy options are probably worthless but do not expire for another nine months. The company has raised \$441,000 from a share placement at 7 cents and is seeking to raise a further \$5 million from convertible notes (convertible into 50 million shares, i.e. at 10 cents per share) plus 25 million attached options exercisable at 15 cents.

This cash will be used to repay existing debt (\$1.5 million), provide working capital (\$1.5 million) and possible future acquisitions (\$2.0 million). Successfully raising this money will ensure the company's survival, but the need to fund working capital would indicate that the current operations are not performing too well. Issuing new shares at 7-10 cents makes it unlikely the shares will reach our option's exercise price of 20 cents.

The options have little value at 0.8 cents but (if you can cover brokerage costs) we would recommend their sale to realise what little value remains as an improvement seems unlikely. We originally reviewed these options in August 2005 when they traded around 16½ cents - so are down 95% in value.

Financial Resources (codes FRL and FRLO).

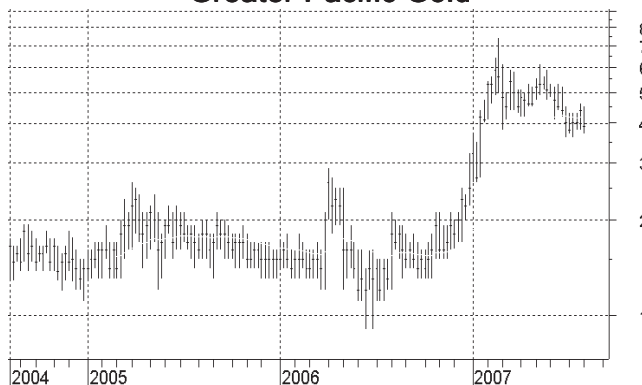
Shares and options in this company are probably worthless. These securities have been suspended following the appointment of a voluntary administrator.

Greater Pacific Gold (codes GPN and GPNO).

Greater Pacific Gold shares slipped 26% to 3.9 cents over the last quarter, with the options down 39% to 1.4 cents. Largely this reflects the decline in its largest investment, Uranium explorer **Yellow Rock Resources** shares (down 23%) and options (down 28%).

Greater Pacific Gold options, however, are still an attractive, but very speculative, short term investment. The final exercise/expiry date is just nine months away on 31 May 2008.

Greater Pacific Gold



Marengo Mining (codes MGO and MGOO).

Marengo Mining has completed a Conceptual Mining Study and will now proceed with a Bankable Feasibility Study which will be completed in June 2009. The company plans to develop an open pit mine, processing 25 million tonnes annually over the first two years and then increasing annual production to 40 million tonnes, with an initial ten year mine life (which can be extended owing to additional reserves).

Capital development costs will be around US\$942 million, plus US\$198 million to increase production to 40 million tonnes. Of this, US\$224 million will be required for a railway line and rolling stock to transport ore 100 km to a coastal processing plant costing US\$356 million. Marengo Mining will look at options to reduce the railway cost or to externally finance this infrastructure. This project would make the company a significant world producer of copper (124,000 tonnes annually) and molybdenum (6,700 tonnes annually).

Construction could begin in September 2009 and the project completed in March 2011 with production from June 2011.

Meanwhile, cash poor Marengo Mining has placed a further 41,666,667 shares at 36 cents to raise A\$15.0 million in cash.

We recommended realising some partial profits on these options three months ago when the shares were around 38 cents and the options were a bit over-valued at around 21½ cents. Since then the shares have dipped 11% to 34 cents and the options 35% to 14 cents.

These options offer good leverage but expire in just six months time.

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Review of Options

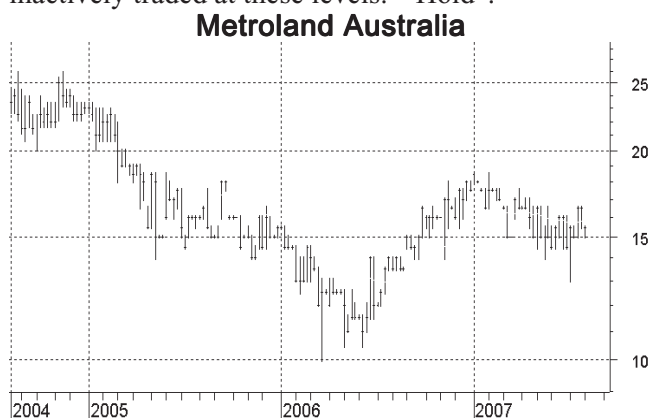
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Metroland Australia (codes MTD and MTDO).

The shares are up 7% to 16 cents over the last quarter, while the previously over-priced options have fallen 46% to a fairly valued 1.3 cents. There is still 21 months until the final exercise/expiry date - but the shares will have to recover *strongly* (i.e. to above 26 cents) if the options are to have any value.

Property development can yield high profit margins and is a volatile business - so the options *may* prove valuable, but this is a very high risk (and very highly leveraged) investment. The options are also very inactively traded at these levels. "Hold".



ORT (codes ORT and ORTO).

These options are effectively worthless - but do not expire until 28 February 2008.

Stirling Products (codes STI and STIO).

These options expire on 30 December. The exercise price is 20 cents, but the shares currently trade at just 7 cents - so this is another option that will probably expire with no value.

Dividends

Company	Cents per Share	Ex-Date	Pay-able	Tax Credit
Abano Healthcare	11.00	13-08	20-08	Full
Kermadec Property Fund	1.90	10-08	17-08	0.26
Livestock Improvement	15.00	27-07	31-07	Full
National Property Trust	1.755	17-08	03-09	Nil
NZ Wine Company	4.00	14-09	21-09	Full
Smiths City Group	4.00	03-08	13-08	Nil
Telecom NZ	14.50	24-08	07-09	Full

Total Return Index for All Listed Shares

Jul 9	2605.80	Jul 16	2633.88
Jul 10	2604.41	Jul 17	2628.53
Jul 11	2610.94	Jul 18	2632.82
Jul 12	2610.50	Jul 19	2636.72
Jul 13	2621.42	Jul 20	2644.00
Jul 23	2635.22	Jul 30	2596.21
Jul 24	2629.98	Jul 31	2604.95
Jul 25	2637.02	Aug 1	2579.98
Jul 26	2633.71	Aug 2	2574.79
Jul 27	2602.52	Aug 3	2565.79

Next Issue:

The next issue of *Market Analysis* will be emailed in five weeks time on Monday September 10, 2007.

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

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